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Arbitration (Legal Drafting Pakistan Law)

Introduction:

Arbitration is a method of setling disputes without going to court in Pakistan. It is governerd by the Arbitration Act 1940. It provides a simple quick and less expensive way to resolve conflicts between parties.

Defination of Arbitration

Arbitration is a legal process in which Two or more party agree To submitt their dispute to a neutral person called an arbitration. Whose decision is ~~simple~~ final and binding.

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Meaning in Simple words:

⇒ Meaning in simple words
Instead of going to court.
Parties choose a private judge.
The Arbitrator hears both sides
Then gives a decision

⇒ Essentials of Arbitration

For valid arbitration the following are necessary

1 Agreement b/w parties they must be a written agreement

2 Existence of dispute
A real disagreement must exist.

3 Appointment of Arbitrator
A Neutral person is selected

4 Binding decision Award
The decision must be final.

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⇒ Arbitration Agreement

An arbitration agreement is the basis of arbitration.

It may be:

A separate agreement, or

A clause in a contract

⇒ It shows that parties agree to resolve disputes through arbitration

⇒ Appointment of Arbitrator

Arbitrator may be

One person or more than one panel

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By mutual consent or By the court (if parties fail)

⇒ Power of Arbitrator

⇒ The arbitrator has the power to

1. Hear both parties
2. Examine evidence
3. Call witnesses
4. Make a fair decision.

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⇒ Arbitrator Procedure

Dispute arises
Parties refer it to arbitrator.
Evidence and arguments are presented.
Arbitrator studies the case.
Final decision award is given.

⇒ Arbitration Award

The decision of the arbitrator is called an award.
⇒ It is final Binding in both parties.
⇒ It can be enforced through the court.

⇒ Advantages of Arbitration

Quick process
Less Expensive
Private and Confidential
Flexible procedure
Less technical than court.

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⇒ **Disadvantage of Arbitration**

Limited right of Appeal
Arbitrator decision maybe final even if wrong.

⇒ **Importance in Pakistan**

Reduce burden on courts
Encourages peaceful settlement
Save time and money
Widely used in business contracts.

Conclusion

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Arbitration is an effective method of resolving disputes outside the court system. Under the Arbitration Act 1940 it provides a fair quick and economical solution. Proper legal drafting of arbitration agreement ensures smooth dispute resolutions.