A CRITICAL STUDY FOR THIRD PARTY OF OBJECTION PROCEDURES ON THE ARBITRATION AWARD BETWEEN APPLICATION AND REALITY IN JORDANIAN LEGISLATIONS

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Abstract

This descriptive study explored the legal effects of objection of others on the arbitration award. In Jordanian legislation, third party objection is considered an unusual case of appeal. Notably, the Jordanian Arbitration 2018 does not include clear legal provisions concerning the objection of others to the arbitration award, and this has become an issue. The legal provisions that expressly state the objection of others to the arbitration award, if found, were described, and applicable legal texts were analysed using the critical analytical method to identify the best solutions. As found, the Jordanian Civil Procedure Code 2017 allows a third party to object to the arbitration award. This study proposed including special legal texts in arbitration law to allow objection of others to the arbitral award. This study also proposed addressing third parties' objection problem to the arbitral award, and allowing others to object to the arbitral award.

Keywords: Objection, Jordanian Legislator, Arbitration Law, Jordanian Civil Procedure, Arbitral Award.

INTRODUCTION

Arbitration is consensual method, and arbitration can be carried out with agreement from all involved parties. As a way to deal with disputes that may arise, the parties include an arbitration clause in a contract which can be referred through arbitration agreement between parties. In this situation, the signing parties are not allowed to singly withdraw from arbitration. According to Jordanian Arbitration Law 2018, the parties can select their own arbitrator(s), or, they can jointly select one arbitrator. Else, the parties can elect three members from the arbitral tribunal to be their arbitrator-in this situation, each party hires the arbitrator(s) and the parties would agree on such choice, or otherwise, a centre can recommend certain arbitrator, that is, one who possesses appropriate expertise, and also engage arbitral tribunal members for the task (Alsharu et al., 2022).

Arbitration is a confidential process involving two different parties, and arbitrators take neutral stand. Arbitration process is protected by both local and international laws, and during arbitration, the disclosures are made. In terms of the award, it will be private unless the involved parties has expressed in writing (in the arbitration agreement) that the award can be made public (Bergsten, 2005). In general, the decision of arbitral tribunal is final, and since many jurisdictions approve the arbitral tribunal decision, it can be enforced easily.

An arbitrational agreement involves two parties, and a third party comes in as arbitrator to the agreement. As for the number of arbitrators allowed in arbitration, it is determined by several factors including the institution (each institution differs in terms of the number of arbitrators allowed), the conflict nature, and the experience of arbitrator. However, generally, one arbitrator or an arbitral tribunal is preferred. However, if tribunal is chosen, it generally will involve three arbitrators. Nonetheless, the involved parties can still change this solution as expressed in the agreement.

Arbitration in Jordan is usually kin-based with strong Islamic influence (Hassan, 2020). Hence, it is common that before business discussions can be carried out, the family and tribe of the involved parties will first be identified (Al-Ramahi, 2009). In addition, history and religion are very important in Jordan, and so, both factors will greatly affect the involvement of third parties during arbitration. Equally, the involvement of third parties in arbitration can affect the two (or more) parties in an arbitration agreement. Notably, Jordan provides an arbitration Law. However, the law provides no stipulations concerning third party involvement in arbitration. The third party enters the arbitration agreement and intervenes without consent from the involved parties.

Accordingly, the present study will discuss three major topics as follows: the objection of others to the arbitration award, and the position of the Jordanian legislator as provided by the arbitration law and the Jordanian Code of Procedure, and the impacts of the objection by third party to the arbitration award.

Objection of a Third Party to the Arbitral Award

Third party's objection to the arbitration award encompasses an appeal and an objection, all throughout the arbitration process (from beginning to the end), and this objection is issued by a third party in the dispute that is presented to the judiciary or the arbitration panel. For clarity, a third party is one that did not have any involvement in any way in the said case, and yet, the ruling (the arbitration award) affects his right. Irrespective of the magnitude of the contested decision, it does not carry any weight, because when there are objections from third party, the judgment rendered takes the side of the litigant.

Articles 206 through 212 of the Jordanian Civil Procedure Code include the provisions for challenging the judicial rulings in unusual manner, that is, by objecting to third parties using the articles of the code itself. The law of Jordanian Civil Procedure allows objecting to another person on a judgment issued in a dispute, and in this dispute, the one objecting was not a party, either by himself, on his behalf, or through proxy, providing that the judgment has impact over the objector's rights.

As above, the legal principle that deals with the relativity of the effect of judgments and limiting them to the parties to the litigation without extending this effect to others and causing harm to his rights, the third party may push the judgment according to the rule in the relativity of the effect in the adjudged case. This will allow others whom were not a party in the litigation, to ignore this judgment. A third party may hence file an original lawsuit. In other words, those affected by the judgment will be able to file a lawsuit, with reference to the damage that they suffer from the judgment (their rights had been affected by the judgment). Also, in the case

where the issued judgment is already implemented and continued, the inflicted damage on this party can be determined. In other words, the third party appealing the judgment is a non-party in the case, and the issued judgment directly harmed his rights.

Conditions for a Third Party's Objection to the Arbitration Award

A legal action or behaviour must fulfil some common conditions to be considered as appropriate. In terms of the conditions for accepting the objection of others to the ruling, it will be the jurisdiction of the regular courts. As provided by Section (206) of the Jordanian Code of Procedure 2017, third party objection is regarded as an unusual method, because the objection is made by individual with no involvement in the dispute in question, and so, the individual is a third party with no connection to the parties to the case.

Considering that third party objection is a transitive argument, some opined that the judgment should be evidence-based. On the other hand, if the judgment is based on the defendant's statement or oath relinquishment, then the objection will be unacceptable, considering that admission and denial is an argument that is limited to the person who has transgressed the rights of others, while objection does not transgress the rights of others.

Equally, some opined that objection of a third party is valid for lawsuit filing. The justification is that, if the objector did not attend the objection of others with something of this kind and contented himself with denying the debt and making a request from the plaintiff to prove his proven claim, then the attention and consideration of the objection that he submits will not be completed.

Requirement of Litigation and Intervention in the Lawsuit

The party objecting to a given judgment cannot be the case litigant, the representative, or an interventionist in the court, and neither can the objecting party be the arbitral tribunal issuing the judgment under appeal. Hence, the defendant, the plaintiff, or the intervener (voluntary or compulsory) to a case will have no right to object as a party to the case before the courts. This owes to the fact that plaintiff, defendant, or intervener is already granted the rights by the law to employ the common methods of appeal granted, but without resorting to the objection by the objection of others (Bradshaw, 2019).

Contract assignment or novation will usually relieve the initial party of its contractual obligations, and this includes the obligation towards addressing all disputes that emerge from the contract, by way of arbitration. Here, the assigned third party will play the role of the initial party. This means that the third party who was not the initial party to the contract can take part in arbitration process that arises from the assigned contract matter. However, the involved parties are obliged to make sure that during contract assignment and novation, the whole contract and the arbitration clause are transferred, should this be the desire of the parties (Nwekw-Eze, 2022). It should be noted that arbitration clause is considered separate from the contract.

Article 6 of the Jordanian Civil Procedure Code 2017 specifically defines a third party objection. Specifically, it is referred to the objection of others who were neither an opponent, nor a representative, nor an intervener. Contradictorily, the Jordanian Arbitration Law 2018 disallows independent objection of others towards arbitration within its provisions. Furthermore, in governing this issue, the law refers to the broad rules in the Jordanian Civil Procedure Code,

particularly in seeking legal solutions towards the objection of others to the arbitration award without encroaching others' rights. Jordanian arbitration law 2018 included legal texts to regulate objection of others to the arbitration award. However, the general rules provided in the Civil Procedure Code 2017 do not sufficiently regulate the right of others in objecting to the arbitral award.

Arbitration and Damages to Others

An arbitration award has to be "*reasoned*" if such is stipulated in the arbitration agreement, or, if the parties have agreed to the arbitration rules of service provider to have the award reasoned. Additionally, the involved parties may initially agree to not require a reasoned award, but later on change their mind to have a reasoned award. Additionally, the award must be reasoned when the arbitrator decides that it is necessary and appropriate, and that all the involved parties have no objection towards having the award reasoned (Hooten & Bales, 2020).

Referring to the Jordanian legislation on objecting to a judgment due to damage; after scrutinizing the appealable judgments (in a general sense), it becomes clear that the judgments that terminate the litigation and after referring to the Code of Civil Procedure, the Jordanian legislator did not explicitly state what constitutes appealable judgments by way of third party objection. Meanwhile, Section (170) of the Jordanian Civil Procedure Code 2017 states that judgments are non-appealable during the course of the case and litigations are non-terminable except after the final judgment has been issued, with the exception of decisions issued on subjects associated with urgent matters, case suspension, or passage of time (statute of limitations) or intervention requests, entry, and non-acceptance of the counterclaim. It appears that the Jordanian Arbitration Law provides no specifics on these cases, and the same can be observed in the Jordanian Code of Procedure with regards to the subject of objection by others.

Objection Date

An arbitral award can be nullified within thirty (30) days after the date of arbitral award notification to the party in receipt of the award. Nullification is also permissible even if the nullifying party relinquished his right to nullify before the arbitral award is issued. Article (52) of Jordanian Arbitration Law accordingly states the following: "arbitral awards rendered in accordance with this law are deemed to have the authority of res judicata and shall be enforceable by complying with the provisions of this law.

Recourse to the courts or arbitration is usually the only way to reach a final decision. Here, it should be noted that arbitral awards are non-appealable, and so, as opposed to court judgments, arbitral awards are more likely to be final. Hence, the enforcement of arbitral awards is certain when the awards are final and no longer appealable (Alrawashdeh, 2017). Relevantly, arbitral award enforcement involves some procedural steps as stipulated in the Jordanian Arbitration Law, and one of the necessary steps is to submit an application to the Appeal Court (competent court) for the enforcement of the award.

Section (208) of Jordanian Civil Procedure Code states the right of a third party to object to the judgment, providing that the prescribed right is not relinquished. As can be observed, the Jordanian legislator does not require the third party to presents his objection at certain time, considering the right of the third party to object to the issued judgment, unless the prescribed

right is foregone. In fact, third party objection remains and the third party retain his right to object, until this right disappears as time goes by. In addition, statute of limitations does not decrease or eradicate the right; rather, the limitations cause the case to become forfeited and inaudible.

Between the court and an arbitral tribunal, the Jordanian legislator provides no verdict on which of the two should issue the judgment. This allows the third party to object to the judgment issued when there is dispute between the parties to the arbitral tribunal, and then appeal the decision at the competent court. In this regard, the Jordanian legislator should generate specific provisions on third party objection in addition to the legal period for objection, in the Jordanian Arbitration Law.

Legal Effects of the Objection

The subject-matter of the dispute should arbitrable, or otherwise, it cannot quality for arbitration proceedings. However, the question of whether the dispute is arbitrable or not, may arise during or after the arbitral process. Based on the competence-competence principle, the arbitral tribunal will determine the arbitrability of the dispute, and this is done during arbitral proceedings. Notably, arbitrability of the dispute might also arise during setting the aside phase or during enforcement (Tiryakioğlu & Canyaş, 2015).

Just like court judgments, arbitral awards have a binding effect on the parties, and therefore must be executed. However, the filing of a setting aside action can suspend the arbitral award's execution. The award is thus executable only after the decision is finalized, which dismisses the setting aside request. Among the reasons for setting aside of award execution to prevent irreversible damages which may occur if the award is executed.

A certificate issued by the competent court to the claimant for the execution of the award will dismiss the setting aside request, and the dismissal decision is final and conclusive. Equally, the arbitral award will become final because of the expiration of the time period for the setting aside filing or because of the relinquishment of right to file a setting aside action, and in this situation, the claimant will be issued with a certificate by the competent court, to affirm that the award can be enforced (Redfern & Hunter, 2004).

Objection Mechanism

An individual can file a case to legally protect his right against an intruder. However, an individual can still be harmed even though he is not the claimant or defendant as he has no connection to the matter in question. For this situation, the individual becomes the affected third party, and can make a special appeal, as provided by the law, against a verdict that has been issued (Lasasmah, 2007).

Notably, the Jordanian arbitration law covers most issues associated with arbitration related matters, including the issues associated with arbitral awards implementation. A number of general rules have been introduced by the legislator with respect to arbitration award implementation, and one of the rules states that it is not compulsory to implement the arbitration award unless the implementation is mandated. This "*performance*" is acquired either in an original form or as an ancillary one, and the arbitration law provides specifics for both methods.

The special provisions and their evaluation in each of these two ways can be stated in two independent requirements as original or incidental objection.

The Jordanian Arbitration Law provides no specifics concerning the objection of others to arbitration. Hence, sections 206 through 202 of the Jordanian Civil Procedure Code 2017 should be referred. These sections provide the specifics on the entry of lawsuit to nullify an arbitral award independently, via original objection or accidental objection, as discussed in the next subsections.

Original Objection

According to Section (207-2) of the Jordanian Civil Procedure Code, the original objection needs to be brought by the disputing party to the court that issued the judgment with a statement of claim, through standard lawsuit procedures in regular courts. This third party challenges the judgment so that the judgment will be withdrawn for his sake. As an example, a judgment issued between two persons is regarded as a right in rem for one of them. The real right is in fact a third person's property, and this third person is not a party to the case. As such, the third party can appeal the judgment to invalidate it (the judgment).

Section (56) of Jordanian Civil Procedure Code mentions the objection list is drawn up from data approved by the same law. The name of the court to which the objection is submitted, the name of the objector and the objected against, the decision objected to, and the reasons for the objection are based on stating the issues of the judgment's impact on others and submitting the requests that He wants it in the objection and others such as fees, which is the fee that the objector pays as if it were an original lawsuit. Article (206-2) of the Jordanian Civil Procedure Code accordingly states that the objector is to sufficiently prove that his claim is within the dispute.

Accidental Objection

Accidental objection concerns third party objection submitted to the court or to the arbitral tribunal on an emergency basis, and the dispute is still under proceedings. In Jordanian context, the Civil Procedure Code allows the submission of objection to a court of similar rank to the court issuing the judgment, or the court of higher rank.

In other words, in entering the case or the arbitral tribunal as an emergency third party objection, the third party needs to first file a lawsuit with the judiciary, and the court must possess the power to consider the objection as well. In addition, the court to which the objection is submitted to must have similar or higher litigation (jurisdiction) power. The objection is done during case viewing and the summons or memorandum is brought forth to the court that is viewing the case. Here, if it is equal or higher than the court that issued the objected judgment and the dispute in which the judgment was issued is within its jurisdiction.

The provisions provided in the Civil Procedure Code are specific to one case as exemplified below: If the plaintiff or the defendant of a case ruling, in support of the plaintiff in his action or in support of the defendant in his defences therein, needs to present a finalized ruling to the court that is viewing the case. However, if the ruling is affecting another party whom was not involved in the case in any way, this 'another' party can appeal the ruling by way of third party's original objection, or by way of third party's emergency objection to the

judgment, to court that is viewing the case. In this situation; if the objected judgment shall be issued by that court or other equivalent court. Article 209 of Civil Procedures states that the court may decide on the original case and postpone the objection decision, or decide on both of them through a single decision. On the other hand, if the objected judgment was issued by a court of higher rank, the objector will have to submit a summons to that higher court to view the objection. In this situation, a memorandum from the higher court is required to delay the ruling until the objection lawsuit of third party ends.

The Legal Consequences of Accepting or Rejecting a Third Party's Request for Objection

The judicial ruling or the arbitral tribunal is only application to the disputing parties in all forms, while the lawsuit usually will involve two parties namely the plaintiff and the defendant. However, in certain situations, the dispute and the judicial or arbitration ruling will involve other parties as well, particularly when the ruling has impact on others who are not part of the case, in any way. As mentioned, a third party is a person external to the case and is unaware of the ruling issued by the court or arbitral tribunal. However, two major questions have emerged as follows:

- 1. How far is the objection of others to the arbitration ruling accepted, or to the rejection of a third party's request for objection to defend their rights?
- 2. Where does the Jordanian legislator stand in the arbitration law, in particular, and in the civil procedure law, in general, considering that the rules governing arbitration are general rules?

The present study looked into the acceptance or rejection of a third party's objection to the arbitration award. Specifically, this study attempted to understand the position of the third party, the implications of the judgment towards this third party, and how far the rights of this third party are preserved, if possible.

Consequences of Accepting a Third Party's Objection to Arbitration

The court with authority to view third party objection shall issue its acceptance decision, in accordance with the substantiation(s) from this party that the arbitral award infringes his rights (which causes him to object). However, the court shall reject this objection of the objector fails to provide the required substantiations. Meanwhile, the litigant stakeholder may appeal this ruling in both cases. While it is sufficient that the probability of the damage occurring be certain, and that the damage that justifies the objector to the objection of others is the damage caused by the judgment to rights existing at the date of its issuance, without its owner being a litigant or representative in the lawsuit. This leads to the submission of the objection to the re-submission of the dispute to the parties it deals with from the judgment, in order to re-determine it in terms of reality and law.

However, the effect of objection is limited to what was determined by the objected judgment, and so, if the objecting third party demands beyond objectionable judgment, a new request should be made. In this situation, it may not be discussed, or may be discussed, in the context of a third party objection lawsuit, but rather constitutes the subject of a preliminary lawsuit. The issued judgment on objection cannot surpass what was decided, because in the first place, objection is made to cancel or partially remove the judgment, for the sake of objecting third party, who was uninvolved in any way in the judgment objected but has legal right to object (Tobias, 2018).

Also, person who has submitted a third party's objection to the judgment cannot reverse his status, and the judge shall include him as a convict with the original judgment, without anyone claiming against him to do so, considering that the objection lawsuit decision is either by acceptance or rejection but within the limits of what had been filed by the objector. What are the litigants in the objectionable judgment, so the effects of this judgment remain in effect on them Judges, except that if the judgment issued in the objection would return the objecting third party to the state in which it was before the judgment was issued, it would not lead to. On the other hand, the court shall fully amend the objectionable judgment if it was found indivisible, and in this situation, the effect of issued objection judgment shall be applicable to all litigants, which means that the judgment applies to the case parties and the objector (Al-Ghanim, 2021).

In the context of Jordan, objection acceptance is based on Article 221 of Jordanian Civil Procedure Code 2017. Based on the article:

- 1. If the court finds the third party to be right in his objection, then, judgment shall be amended (by the court) within the bounds of what affects the rights of others.
- 2. If the court finds that the objected judgment is indivisible, then, the judgment shall be fully amended by the court.

However, the adequacy of Jordanian Civil Procedure Code 2017 in protecting the third party in accepting the arbitration award objection and its inclusion in the arbitration dispute has been questioned. Also, there has been contemplation on whether a specific text should be included in the Jordanian Arbitration Law to address such matter.

Rejection a Third Party's Objection to Arbitration

If the court (that reviews the objection) finds that the objecting third party was a party to the arbitral litigation (to which the objected judgment was issued), the objection will be rejected. Similarly, the court shall reject the objection if the objector fails to prove that the arbitral award he is objecting to, infringes his rights. In this situation, the objected judgment becomes enforceable, and the objector cannot dispute the judgment anymore. Equally, the arbitral award objection shall be rejected by the court if the objector has accepted the judgment willingly, because acceptance to judgment prevents the objector from objecting to it. The objection also shall be rejected if the court finds that the objector's right to object has ended.

The Jordanian Code of Procedure states that if a third party fails in his objection, he shall pay for the expenses and fees, in addition to the attorney fees. In addition, in Jordanian context, when the court decides to reject a third party's objection to judgment, the third party as objector, does not have any other legal means to challenge the court's decision for not accepting the objection. This situation demonstrates the insufficiency of the civil procedure law rules in Jordan in protecting the people, and neither are these rules able to include these people in arbitration and accept an objection to the arbitration ruling, because these rules are general rules. As such, Jordanian legislator should provide a special text in the arbitration law, in addition to the civil procedure law, to allow the third party as the one objecting the arbitral award to appeal to the rejection decision, and handle these issues according to these special rules.

RESULT

The arbitration law 2018 had no provisions for regulating the objection of others. Instead, the regulation of third party objection is based on the general rules provided in the Code of Civil Procedure 2017. Furthermore, the Jordanian Arbitration Law states that the third party has no right to object to the arbitral award to the issuing arbitral tribunal. In addition, the Jordanian Civil Procedure Code does not provide any general rules for regulating the methods of appealing the court's decision in the event that the objection of others to the arbitral award was not accepted. Lastly, this study finds that the available rules in the Code of Civil Procedure are not sufficient in regulating arbitral award objection.

CONCLUSION

This study discussed the independence of the objection of third parties from the methods of appealing the judgments, and the degree of rights of the third party the one who is not involved in any way with the case but was affected by the award in objecting to the arbitration award. The procedures used in objecting the judgment and the implications were discussed. A third party is one who was not involved in any way, either as party, as representative, or as intervener, in the conclusion of the arbitration agreement. Following certain procedures, this third party can object to the judgment if the judgment could be proven to infringe his rights. It also remains from the third party with regard to the arbitral award that the request for his intervention was rejected or he was refused to be included in the arbitration litigation, and therefore the arbitration award can only be invoked against those who were a party to the litigation in which it was issued, even if he was a party to the arbitration agreement.

Jordanian Arbitration Law 2018, the relevant general rules in Civil Procedure Code 2017, the legal nature of the objection of others to the arbitral award, and the position of the Jordanian legislator regarding this objection were discussed, and the results or key findings are as highlighted in the following section.

Recommendation

Based on the outcomes of this study, several recommendations are proposed as below:

- 1. The Jordanian Arbitration Law should include specific legal provision to govern and guide the third party to object to the arbitral award, rather than leaving the matter to be governed by the general rules in the Jordanian Civil Procedure Code.
- 2. The article of the Jordanian Arbitration Law should be amended, through the inclusion of the word "ordinary," to allow a third party to object to an arbitral award. Hence, the line in the article should appear like such: "Invalidity of the arbitral award: Arbitration rulings issued in accordance with the provisions of the law are not acceptable to appeal in any of the ordinary ways of appeal stipulated in the Code of Civil Procedure." The amendment could facilitate the achievement of integrity and justice in third party objection.
- 3. An objector should be allowed to submit an objection to the arbitration panel that issued the judgment, and this objector should be included in the arbitration as a third party should the decision of the panel impact his rights.
- 4. A specific legal provision which gives right to others to appeal issued by the court to reject the objection to the arbitration ruling should be included in the Jordanian Arbitration Law.

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