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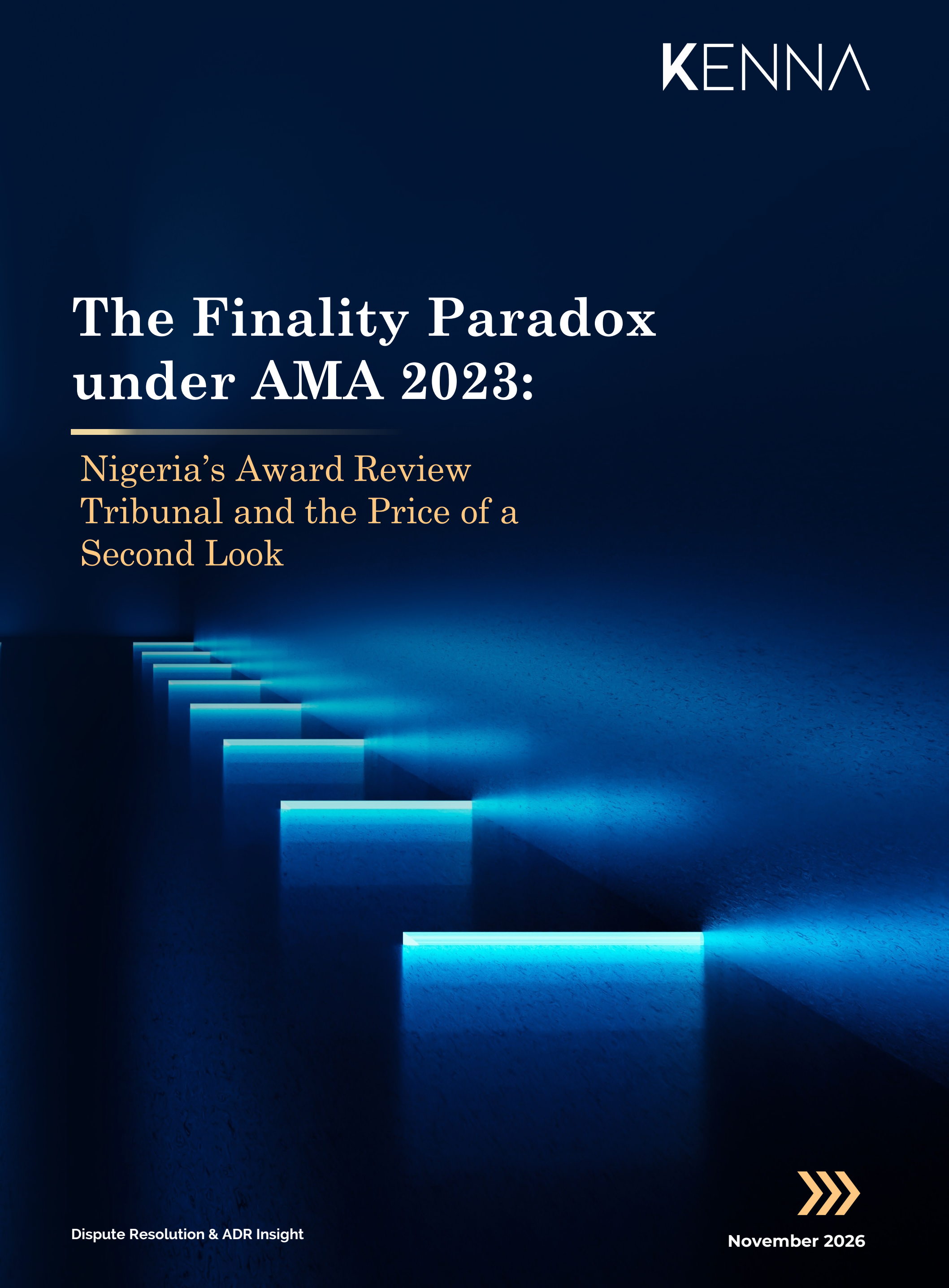
The Finality Paradox under AMA 2023:

Nigeria's Award Review Tribunal and the Price of a Second Look



Dispute Resolution & ADR Insight

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Introduction

Over the years, Nigeria's dispute resolution framework has undergone significant reform, especially with the enactment of the Arbitration and Mediation Act 2023 ("AMA 2023" or "Act"). [1]One of the AMA 2023's most remarkable innovations is the creation of the Award Review Tribunal ("ART") under section 56,[2] which establishes an internal arbitral review body that provides an alternative first avenue for reviewing an award on the statutory grounds set out in section 55(3). Crucially, the ART does not apply automatically; it operates entirely on an opt-in basis, and parties must expressly provide for it in their arbitration agreement before its jurisdiction can be invoked. The Act departs from the conventional orthodoxy that disputes relating to setting aside an award go directly to the Courts.

The introduction of the ART appears to reinforce arbitration efficiency by creating a second layer of arbitral review after the first-instance tribunal renders its award. While the innovation aims to improve the efficiency of arbitral proceedings, it raises a significant question, particularly for commercial parties: does the ART create a genuine firewall against judicial delay, or does it add another costly tier to a process prized for speed and finality?

In light of the above, this article examines whether the ART adds protection or delay to arbitral proceedings. It also considers the structure and scope of the ART under the AMA 2023, practical considerations for commercial parties and whether its procedural design genuinely advances the speed and finality that parties expect from arbitration.

Statutory Floor

60

Days

Section 56(6) — an "endeavour", not a hard deadline.

Review Window

3

Months

Time available to bring an application from receipt of the award.

Source

§56

AMA 2023

The provision that creates the Award Review Tribunal.

Understanding the Award Review Tribunal Framework

The Award Review Tribunal is statutorily provided for under Section 56 of the Arbitration and Mediation Act 2023.[3] The ART framework, particularly the grounds on which a review may be sought, draws substantially from international arbitration standards, notably those outlined in the United Nations Commission on International Trade Law (UNCITRAL) Model Law,[4] which advocates limited judicial intervention and emphasises the finality of arbitral awards.

The ART is not mandatory, and it operates as an opt-in mechanism.[5] Parties may provide in their arbitration agreement that an application to review an arbitral award on any grounds in section 55(3) of the AMA 2023 be made to an ART.[6] Such grounds could include invalidity of the arbitration agreement, a party's inability to present its case properly, or an award dealing with matters outside the scope of the submission to arbitration.[7] Parties who intend to review an award using the ART must bring an application within three months of the date the award was received or, where a request has been made under section 49, from the date the arbitral tribunal disposes of that request.[8]

The AMA 2023 provides default rules for the constitution of the ART, but still gives parties autonomy to decide the procedure to be followed by the ART. If the parties do not agree on the procedure, the ART conducts its proceedings in the manner it considers appropriate and shall endeavour to complete its review and render its decision within 60days from the day the tribunal was constituted.[9] The parties may also agree on the composition of the ART, and unless they agree otherwise, the Act provides that the Award Review Tribunal shall have the same number of arbitrators as the first-instance tribunal.[10]

Although the ART gives parties another option for reviewing an arbitral award, it does not preclude court involvement. The Act still provides for courts, on a party's application, to reinstate an award if they find an Award Review Tribunal's decision to annul it is "unsupportable".[11] If the ART affirms an award as a whole or in part, the court can only set the award aside if it finds matters dealt with by the award are not arbitrable or contrary to public policy.[12] Given the court's potential review of the Award Review Tribunal decision, the ART process becomes only an intermediary step between the initial award and the court's review.

Added Protection or Added Delay?

The question of whether the ART functions as added protection or added delay cannot be answered in the abstract. Each of the ART's defining features offers something to parties concerned about arbitral error and demands something of parties concerned about speed and cost.

The clearest example is the 60-day timeline in section 56(6). It reflects a legislative expectation that the review should be dealt with expeditiously. For parties concerned about how long court proceedings may take, the statutory expectation that the ART will render its decision within 60 days of its constitution is a substantial protection against delay.[13] It is also, however, only an "endeavour", not a mandatory deadline. The protection is real but conditional; its realisation depends on the discipline the ART brings to its timetable.

A similar duality applies to the composition of the review tribunal. Parties opting into the ART jointly determine the size, procedure and arbitrators of the review tribunal, in contrast to a court application where the bench and procedure are given. For technical or specialised disputes, this can be a meaningful advantage, as parties can appoint arbitrators with suitable expertise, enabling the review to be conducted by decision-makers with expertise comparable to that of the first-instance tribunal rather than a generalist court. This, however, carries a cost. A second tribunal means additional arbitrators' fees and legal fees,[14] and where the parties disagree on the method of appointment or the identity of the arbitrators, the composition stage can itself become a source of delay.

The same tension runs through the architecture of court supervision after the ART has acted. Section 56(9) limits a court application following an ART affirmation to grounds of non-arbitrability and public policy, materially narrower than the full section 55(3) grounds available on a direct application to court.[15] A party that successfully defends an award before the ART therefore enjoys a stronger position in any downstream court proceedings than it would have had the challenge gone to court in the first instance. The qualification is that where the ART instead annuls the award, section 56(8) still invites court review of that decision.[16]

The pattern is consistent: each protection the ART offers comes with an associated cost, and the balance between them largely turns on how the parties use the latitude the Act allows.

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Practical Considerations for the effective use of the ART

While the ART is designed to streamline post-award of arbitral awards by limiting grounds for annulment and expediting judicial review, concerns about the ART cannot be ignored. For parties opting for the ART, careful drafting of the agreement can substantially address key concerns such as delay, cost, and procedural uncertainty.

A workable approach is for parties to provide that any arbitral award shall be subject to review by an ART under the applicable rules of the relevant arbitral institution. The draft Award Review Proceedings Rules recently published for public consultation by the Lagos Chamber of Commerce International Arbitration Centre ("LACIAC") illustrate the direction in which institutional drafting is moving and serve as a useful reference point:[17]

To reduce the delay in reviewing an award, parties should treat the 60-day expectation under section 56(6) of the AMA 2023 as a floor around which the review process is to be organised,[18] rather than a soft target. The LACIAC draft Rules are consistent with this, and Article 18(2) & (3) require the ART to establish a provisional timetable aimed at delivering its decision within 60 days of its constitution and permit only a single further extension of up to 30 days in exceptional circumstances.[19] These express terms encourage the ART to conclude within the statutory period and limit delay.

Managing costs is also important. Parties can keep the ART process proportionate to the dispute by agreeing in advance that a sole arbitrator will conduct the review, or that it will be based on written submissions without an oral hearing, and by agreeing an appropriate fee arrangement with the ART. Each of these choices is supported both by the Act and by the LACIAC draft Rules, particularly article 9 of the rules, which provides for a sole arbitrator as the default composition of the Award Review Tribunal unless the LACIAC Court decides otherwise, taking into account the complexity and cost of the case,[20] and article 24, which provides that the challenge is to be determined on the written documents, with any oral hearing to be held virtually unless a physical hearing is necessary.[21]

Furthermore, the arbitration agreement should be drafted with the eventual relationship between the ART and the courts in mind. Opting for the ART does not preclude court involvement. Where the ART affirms an award, the Act limits any subsequent setting-aside application to the grounds of non-arbitrability and public policy.[22] Where the ART sets aside an award, the Act permits the court, on a party's application, to reinstate the award if the court finds the ART's decision to be unsupportable.[23] Therefore, parties should draft the agreement carefully and comprehensively to clearly define the scope of matters subject to the ART, the applicable procedural framework, and the circumstances in which recourse to the courts may arise. This will help minimise uncertainty and ensure that the parties' choice of the ART remains effective while accommodating the limited supervisory role of the courts.

Conclusion

The introduction of the ART represents a significant step forward in Nigeria's arbitration framework. While the ART mechanism offers considerable advantages, it also creates a genuine tension between two competing objectives of arbitration: finality and procedural protection. On one hand, the ART introduces another stage, with associated time and costs. On the other hand, it offers parties an opportunity to have an award reviewed within the arbitral framework and may limit the scope of subsequent judicial intervention.

Ultimately, whether the ART functions as added protection or added delay depends less on the mechanism itself and more on how parties choose to use it; parties should consider the nature, value and complexity of their potential disputes and determine whether the additional layer of review offers meaningful protection against arbitral error.

Conclusion



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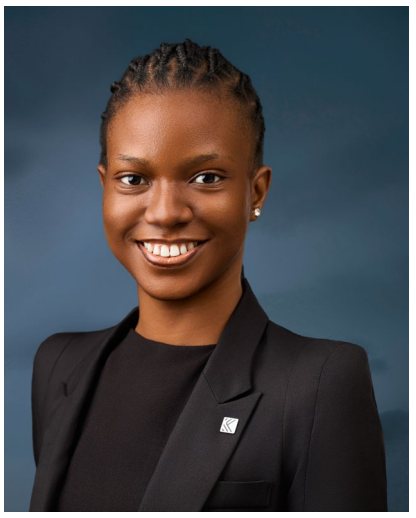

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For further information on the issues discussed in this article, contact our legal team at counsel@kennalp.com

Endnotes

1. Arbitration and Mediation Act 2023.
2. Arbitration and Mediation Act 2023, s 56.
3. ibid
4. UNCITRAL Model Law on International Commercial Arbitration 1985, as amended in 2006, art 34.
5. Arbitration and Mediation Act 2023 s 56(1).
6. ibid
7. Arbitration and Mediation Act 2023, s 55(3)(a)(ii)–(v).
8. ibid s 55(4)
9. ibid s 56(6)
10. ibid s 56(4)(a).
11. ibid s 56(8).
12. ibid s 56(9).
13. Arbitration and Mediation Act 2023, s 56(6).
14. ibid s 56(5)(m)–(o), applying ss 50, 53 and 54 of the Act and art 49 of the First Schedule to the Award Review Tribunal mutatis mutandis.
15. Arbitration and Mediation Act 2023, s 56(9), read with s 55(3).
16. ibid s 56(8).
17. Lagos Chamber of Commerce International Arbitration Centre, Draft Award Review Proceedings Rules (October 2025), published for public consultation.
18. Arbitration and Mediation Act 2023, s 56(6).
19. Lagos Chamber of Commerce International Arbitration Centre, Draft Award Review Proceedings Rules (October 2025), art 18(2)–(3).
20. ibid art 9.
21. ibid art 24.
22. Arbitration and Mediation Act 2023, s. 56(9)
23. ibid s 56(8)



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