

UK Arbitration Reform: Amendments Come Into Force on 1 August 2025

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Introduction. The Arbitration Act 2025, which amends the Arbitration Act 1996 applicable to England, Wales and Northern Ireland, comes into force on 1 August 2025.

The review of the 1996 Act started shortly after its 25th anniversary in 2022, and led to the publication of the Law Commission's final report in September 2023.¹

As explained in detail in [our update earlier this year](#), the 2025 Act makes the following key changes to the 1996 Act:

New Rule on the Governing Law of an Arbitration Agreement. Under the 2025 Act, when parties do not expressly agree on the law applicable to the arbitration agreement, the law of the seat of the arbitration shall govern. Arbitration agreements derived from treaties (including investment treaties) and legislations of countries or territories outside the UK are expressly carved out from this default rule.

Clarity on the Procedure to Challenge Jurisdiction. The 2025 Act now clarifies that challenges on substantive jurisdictional grounds are by way of review—not a *de novo* re-hearing—through a newly introduced, non-exhaustive set of procedural rules to be adopted by the relevant courts.

Summary Disposal/Awards. The 2025 Act expressly codifies an arbitral tribunal's power to make a summary award on a particular claim, issue or defence.

Arbitrators' Duty of Disclosure. The common law principle established by the UK Supreme Court in *Halliburton v Chubb*, requiring arbitrators to disclose circumstances that might reasonably give rise to doubts as to their impartiality,² has now been codified in the 2025 Act.

¹ Debevoise published an update when the legislation received royal assent, [available here](#) and when the Law Commission's Report was released, [available here](#).

² Debevoise published an in-depth review of the Supreme Court's decision, [available here](#).

Emergency Arbitrators. The 2025 Act revises a number of provisions to expressly include references to emergency arbitration. It also gives emergency arbitrators the power to make peremptory orders, i.e., orders that require a party that has failed to comply with a previous order to do so within a specified time. An emergency arbitrator can also grant parties permission to apply to the court for orders in support of arbitral proceedings.

Relief against Third Parties. It resolves conflicting case law and clarifies that the court can grant interim and other relief in relation to arbitral proceedings against third parties under Section 44 of the 1996 Act.

Deadline for Set Aside. The 28-day period for challenging an award pursuant to Sections 67 to 69 of the 1996 Act now runs from after completion of any correction or review process in respect of that award (rather than the date of the award).

The amendments to the 2025 Act will not apply to:

- Arbitral or court proceedings commenced before 1 August 2025;
- Court proceedings related to arbitral proceedings commenced before 1 August 2025; and
- Court proceedings in connection with arbitral awards issued before 1 August 2025.

The result is that different English law regimes will apply to arbitral proceedings commenced before and after 1 August 2025. However, provisions of the 2025 Act may be applied in cases commenced before 1 August 2025 if the relevant provision is deemed to be a clarification of the existing law rather than a change in the law.

To date, the courts have on two occasions addressed whether specific provisions of the 2025 Act are clarificatory or change the substance of English law.

- In a June 2025 judgment, *Raufox Limited v Bexmoor Limited* [2025] EWHC 1313 (Ch), the court considered the new provision in the 2025 Act³ which expressly states that a tribunal which finds it has no substantive jurisdiction over a dispute may still issue an award on costs. The court agreed with the Law Commission's view that this new provision was a clarification of the legal position. It therefore found that the arbitrator was wrong to find that he could not award costs because he had no jurisdiction.

³ Section 61(1A) of the 1996 Act.

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- A similar point was made in a decision issued on 28 July 2025 (*Czech Republic v Diag* [2025] EWCA Civ 998). There, it was common ground that the court could remit an award challenged on jurisdictional grounds to the arbitral tribunal for reconsideration. In this context, the Court of Appeal noted that the 2025 Act provision which expressly vests the courts with this power was “*declaratory of the existing law*”.

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