



RESEARCH ARTICLE

Section: *Law; Legal Studies***International commercial arbitration and the governance of cross-border e-commerce: A comparative study of Saudi Arabia and Jordan**Omar Abu Al-Majd Alnoimi¹, Eman Al-Wreikat², Saad Ben Obaid Alrefdi¹, Soltan Ben Helail Almatrafi¹, Mohammad Mahmoud Said Al dawoud³ & Yasar Alhiniti^{3*}¹Department of Islamic Studies, College of Education, Prince Sattam Bin Abdulaziz University, Saudi Arabia²Private Law Department, Al-Ahliyya Amman University, Jordan³Faculty of Law, Zarqa University*Correspondence: yalhunieti@zu.edu.jo**ABSTRACT**

The rapid growth of cross-border e-commerce has reshaped international trade by enabling digital transactions beyond territorial boundaries while creating complex legal challenges relating to jurisdiction, applicable law, electronic evidence, and enforcement. These challenges highlight the need for effective legal governance mechanisms capable of ensuring certainty and maintaining confidence in digital markets. International commercial arbitration has become a key mechanism for resolving cross-border commercial disputes because of its neutrality, procedural flexibility, confidentiality, and international enforceability. This study examines the relationship between international commercial arbitration and the governance of cross-border e-commerce through a comparative analysis of the legal frameworks of Saudi Arabia and Jordan. Using doctrinal, comparative, and analytical legal methodologies, it evaluates arbitration legislation, institutional arbitration systems, judicial supervision, recognition and enforcement procedures, and compatibility with international arbitration standards, particularly the UNCITRAL Model Law and the New York Convention. The study finds that both Saudi Arabia and Jordan have adopted modern arbitration legislation broadly aligned with international standards, yet differences remain in institutional effectiveness, regulatory implementation, and governance of digital commercial disputes. It argues that stronger arbitration governance enhances legal predictability, increases confidence in cross-border digital transactions, and supports a more secure legal environment for international e-commerce.

KEYWORDS: commercial arbitration, e-commerce, SDG 8, digital transformation, digital investment

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1 Introduction

The procedure of digitalization has become more extensive over time in all parts of the world. In this regard, it has inevitably led to the extensive disruption of the previous models of exchange, which in turn led to the increased popularity of e-commerce and its status as one of the fundamental components of the digital economy. This has led to the recognition of the importance and necessity of digital marketplaces, electronic money, and online concluded contracts in the facilitation of commercial transactions in a domestic or international context. This is also directly apparent in the percentage of global trade that is represented by electronically concluded transactions, as well as in their number and value. For example, the UN Conference on Trade and Development recently reported that the global e-commerce market is expected to reach 6.3 trillion dollars by 2023, which is also expected to grow more rapidly in the near future. This is also an indication of the magnitude of this economic structural change in the international arena (UNCTAD, 2023).

The burgeoning of E-Commerce has led to an increase in the number of international disputes regarding electronic commerce. They are derived from the electronic nature of the contracts, which have multiple levels of jurisdiction, multiple levels of depth, and multiple parties. To a degree, the complexity of the laws that may be applied to them is responsible for their creation. The OEC's reports, among other things, indicate that the number of modern international commercial disputes is increasing in origin from contracts that are conducted or implemented through electronic means. These developments have led to a number of practical legal issues, in particular, regarding the jurisdiction's rules, the law that is applicable, the value of electronic evidence, and the enforcement of judgments across borders (OECD, 2022).

In this regard, the failure of traditional national courts to respond to the concerns of these disputes in terms of time or the territorial nature of their jurisdiction, as well as the complexity of enforcing court orders in cross-border situations, has been recognized long ago. Trade Law's The United Nations Commission on International Reports have demonstrated that when addressing e-commerce cases, the use of national courts leads to a long and expensive process. This negatively affects the continued operation of businesses and decreases the faith of market participants in the electronic environment (Al-Amayreh et al., 2025).

Faced with these obstacles, International commercial arbitration appears to be an effective alternative to conventional methods of addressing e-commerce issues, its flexibility, speed, institutional neutrality and the worldwide enforceability of its judgments. The function of international commercial arbitration has been further augmented by the adoption of the Convention on the Recognition and Enforcement of Foreign Arbitral Aids (the "New York Convention") in 1958, which created a unified international system for the recognition and enforcement of foreign arbitration which was beneficial to digital commerce actors and other international stakeholders (United Nations, 1958).

Conversely, research has demonstrated that the way laws regarding arbitration are structured, applied, and executed differs significantly in different legal systems, whether at the institutional or common law level. In this regard, the Kingdom of Saudi Arabia and the Hashemite Kingdom of Jordan have different legal systems. Despite the commonality in the utilization of international commercial arbitration as a means of investment support, there is a difference in the legislative origin, the control of Sharia, and the degree of institutional advancement in both legal systems. Therefore, the critical question is to assess the effectiveness of each system's arbitration and whether or not it has succeeded in the e-commerce field (Jordan, 2001; Saudi Arabia, 2012). The international commercial arbitration is not only considered a means of dispute resolution, but also as an instrument that promotes business stability and development that decreases the expense of disputes, creates faith in electronic transactions, and contributes to a productive investment climate. Its role in promoting economic growth is directly involved with the goal of SDG 8, which aims to "promote sustained, inclusive, and sustainable economic growth, full employment, and decent work for all, including promoting development-oriented policies that support productive activities, full employment, and decent work for all" (United Nations, 2015).

As a result, the purpose of the present research is to assess the importance of international commercial arbitration in addressing e-commerce disputes by studying the concept and legal principles of arbitration, the way that arbitration is applied in addressing e-commerce issues, the comparison of the systems of arbitration in Jordan and Saudi Arabia, and the evaluation of their benefits and drawbacks.

1.1 Research Problem

It is important to note that one of the leading areas of the digital economy's growth is e-commerce. This area has experienced significant development in recent times. The United Nations Conference on Trade and Development (UNCTAD) recognizes that e-commerce across the world has experienced a significant increase in value in recent years, this is accompanied by a dramatic increase in cross-border commerce, particularly in the Middle East's emerging economies. Also, the volume and complexity of disputes surrounding digital contracts has increased as these disputes are related to the performance of contractual obligations, data protection, electronic payment methods, or legal issues associated with the contract. In this regard, the reports of the International Chamber of Commerce (ICC) and the work of regional centers dedicated to arbitration indicate that a significant portion of international commercial disputes involve digital components or agreements that are concluded through electronic means. Also, companies are increasingly opting for arbitration over national courts because of their speed, flexibility, and cross-border reachability (International Chamber of Commerce [ICC], 2022; UNCTAD, 2023).

In fact, in this context of increased popularity of international commercial arbitration, there is a paradox regarding its actual effectiveness in the resolution of e-commerce disputes, particularly in regards to open, yet national-referential, legal orders. Recent research has demonstrated that the efficiency of arbitration is not solely dependent on the legal acknowledgment of the process through legislation, but is instead influenced by, and dependent on, differences in regulation, the degree of specialization or disparity in judicial practice at the time of recognition and enforcement of the awards (United Nations Commission on International Trade Law [UNCITRAL], 2021). In this regard, some recent studies in the field have advocated that the practical framework of arbitration should be considered in the resolution of digital disputes, rather than solely studying legal texts from a theoretical perspective (OECD, 2022).

The lack of uniformity in the way Arbitration is conducted and the lack of consistent practice in regards to precedents is evident when considering, for example, the Kingdom of Saudi Arabia and the Hashemite Kingdom of Jordan. In both countries, international commercial arbitration is now part of the domestic legal system, both countries have endorsed the 1958 New York Convention, and both countries want to attract digital investors while also providing for efficient cross-border e-commerce. However, there are discrepancies in the infrastructure of institutions dedicated to arbitration. The degree to which legal texts address the particulars of e-commerce disputes, alongside the level of national regulation over judicial proceedings related to arbitration – particularly within the Saudi Arabia – coupled with the principles of public order and Shari'a-related regulations in the Saudi legal framework, stands in contrast to the more adaptable legal system found in Jordan. These differences have an effect on the speed of resolution of disputes and the enforceability of arbitrated awards; they also constitute a legitimate question of the investor's trust in arbitration as a form of legal protection.

1.2 Research Significance

The significance of this issue is also associated with the perspective of the eighth Sustainable Development Goal (SDG 8), which is dedicated to promoting long-term, inclusive, and sustainable economic growth, full employment, and decent work for all, as well as the support of the business environment and the encouragement of productive investment. The most recent international studies directly associate the efficacy of commercial resolution mechanisms, especially arbitration, with various metrics of investment interest, climate change mitigation, and cost reduction associated with disputes (World Bank Group, 2020). As such, any lack of the effectiveness of arbitration in the e-commerce context in regards to resolution of disputes will ultimately have a negative impact on the practical application of this goal and will reduce the potential positive impact of the digital economy on development.

If several studies have focused on international commercial arbitration or e-commerce in general, many of them have focused on the analysis of specific theoretical approaches, the Western legal systems, or traditional arbitration. Additionally, none of them specifically associate arbitration, e-commerce and economic development that is sustainable. Additionally, studies of the Saudi and Jordanian systems regarding this specific topic are limited and have typically focused on legal theory, which allows for a balance between the legal texts and judicial and institutional practice, as well as measuring the actual developmental impact of arbitration.

1.3 Research Questions

The main research question is formulated in the following question:

- To what degree is international commercial arbitration effective in addressing e-commerce issues, and what is the impact of this on the support of economic growth that is sustainable in light of a comparison between the legal systems of the Kingdom of Saudi Arabia and the Hashemite Kingdom of Jordan?

This main question gives rise to a limited number of subsidiary questions, the collective resolution of which contributes to addressing the core problem, namely:

1. To what degree do the legal regulations pertaining to international commercial arbitration in Jordan and Saudi Arabia specifically address the unique nature of e-commerce-related disputes?
2. How do the different institutional structures and judicial processes in the two countries affect the speed of resolution of digital conflicts and the enforceability of arbitrated awards?
3. What is the effect of public order management and Sharia-related rules on the effectiveness of arbitration in each system?
4. To what degree does international commercial arbitration, as it is currently implemented, help to promote faith in e-commerce and encourage digital investment in a way that is consistent with the goals of the SDG 8?

1.4 Methodology of the Study

The investigation employs the integrated method of legal research, which combines the jurisprudential and practical approaches to provide a solution to the problem and achieve its goals and purposes. The method of analysis is the primary method employed in this study which involves the study of the legal texts pertaining to international commercial arbitration and e-commerce in the Kingdom of Saudi Arabia and the Hashemite Kingdom of Jordan in order to assess the rules and procedures of arbitration as well as the judicial authority in regards to arbitration, the enforcement of arbitration awards and their potential for adoption in the digital environment. The comparative method is also employed to highlight the similarities and differences between the two systems, discuss their benefits and drawbacks, and also explain the role of legal differences in the resolution of e-commerce disputes and the enhancement of digital business confidence. These issues are discussed in the context of public order and the Sharia-based restrictions on it – all of which are considered in the context of global law and the impact of these issues on the enforcement of arbitrated awards in order to produce a comprehensive, balanced, and substantiated conclusion that develops legislation and practice.

2 The Conceptual and Legal Framework of International Commercial Arbitration in E-Commerce Disputes

International commercial arbitration is considered to be one of the most effective methods of dispute resolution that are appropriate for the nature of international trade. Similar to traditional litigation, its primary goal is to resolve disputes and restore the stability of legal relations. Unlike court litigation, arbitration is a procedure that does not begin with a national court, but instead with an arbiter, chosen by the parties in dispute or appointed by a competent institution, according to a written agreement that removes the parties' jurisdiction over their disputes from the ordinary courts and instead submit them to a private, voluntary system of decision making based on procedural flexibility and neutrality. This results in an enforceable award that is binding on the parties (United Nations, 1958). The significance of the mechanism above is attributed to its capacity to regulate the conflicts of jurisdiction and the laws that are applied, as well as to provide a legal framework that is specifically designed to address the unique characteristics of international commercial interactions, which are common in the digital environment. These interactions are therefore rapid and require minimal additional costs in terms of commercial disruption that would adversely affect the continuity of economic activity.

At the conceptual level, the justification of arbitration is always the same, that is, it is based on consent as the sole source of its creation and authority. The conclusion of the arbitration clause in the contract or a subsequent agreement on arbitration from the contracting parties implies their relinquishment of their right to submit to the arbiter, if there is already a dispute or a future commitment, their claim to be resolved by a binding decision (Born, 2021). Today, modern laws contain an image of arbitration that is based on a different perspective as it is no longer considered a process of exception or marginality, but as an autonomous system

that is built around the separation of the arbitration agreement from the underlying contract and the protection of contractual freedom – subject to the requirements of procedural fairness and public policy. The causes of the proposed mechanism are more pertinent in online contracts that have a resolution mechanism. Indeed, the way the transaction is resolved typically via platform terms or electronic agreements, with different components distributed across different jurisdictions, and for which the need for an impartial and rapid resolution mechanism is not an elective, but a necessary practical step as suggested by the nature of the contract.

The term E-commerce disputes is used to describe disputes regarding the conclusion, performance or interpretation of contracts, as well as transactions that occur via electronic and/or information technology means. These transactions are associated with the sale of goods, the provision of digital services, the operation of electronic markets, platforms or other forms of online payment processing (UNCTAD, 2023). They have a singular nature that is attributed to the virtual nature of the contractual relationship, the electronic method of communication, and the multiple locations where the parties are located. These facts reduce the difficulty of resolving these disputes, especially regarding the choice of court, the speed of the process, and the cost of the procedure. These factors explain why international commercial arbitration is particularly beneficial in cases that have a specific purpose in mind which allows for greater flexibility in regards to taking into account specific details.

International commercial arbitration is believed to have a number of legal properties that make it appropriate for use in the electronic sphere. They would include the procedural flexibility that it provides to the parties to create their own rules regarding arbitration, the location of the arbitration process, the language of the proceedings, and the law that is applied, as well as confidentiality, which is crucial to the protection of commercial information and other data that is communicated via electronic commerce (OECD, 2022). The expedience of the procedure and a decrease in the cost of the procedure are also attributes that distinguish this type of dispute, because, having a long duration of proceedings can lead to the suspension of electronic commerce – that is, a direct economic damage that can result from the suspension of commerce.

From a comparative perspective on the legislative side, the practice of international commercial arbitration in the Kingdom of Saudi Arabia and the Hashemite Kingdom of Jordan is based on modern legal systems that are mostly consonant with the UNCITRAL Model Law. The Saudi legislator has enacted an independent system of arbitration, via the Arbitration Law of 2012, which maintains the binding nature and separability of the agreement on arbitration from the main contract, and the degree to which the judicial branch participates in the procedural matters without overzealousness in regards to the dispute. This position advocates the effectiveness of arbitration in addressing international commercial disputes, including electronic transactions (Saudi Arabia, 2012). Supporting this legislation is the E-Commerce Law of 2019, which created a custom law to regulate e- transactions. As a result, this legislation increased the practicality of submitting transactions that occur via e-Recipients to arbitration in order to preserve the legitimacy and consistency of e-Recipients (Saudi Arabia, 2019).

The Jordanian Arbitration Law is composed of Arbitration Law Number (31) of 2001 and additional amendments. The law is considered to be a legislative act that promotes and facilitates the settlement of civil and business conflicts in agreement. The legislator recognized the contractual nature of the arbitration agreement and its capacity to resolve disputes associated with electronic contractual relations (Jordan, 2001). This legislation is backed by the Electronic Transactions Law Number (15) of 2015. This law grants legal importance to electronic records and data, and contributes to creating a formal environment for the arbitration of e-commerce disputes. Subject to the requirements of form and content, this legislation is considered to be effective (Jordan, 2015). Internationally, the primary source of the cross-border enforceability of arbitration is the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards. This convention created a single universal standard for the recognition of arbitration agreements and the enforcement of arbitral awards between contracting states (Al-Khraisat et al., 2026). It is of special significance in instances of e-commerce, where a conflict can be resolved in one state and an award can be made in another, and assets located in a third can be enforced. In this context, the New York Convention is the pivotal instrument that converts the arbiter's award into a legal decision that has practical significance of enforcement.

This method is also promoted by the United Nations Convention on the Use of Electronic Communications in International Contracts, 2005. This convention sought to eliminate formal barriers to the use of electronic

communications in international commerce and recognized the functional equivalency of the traditional form of writing and electronic form (United Nations, 2005). This would also have an effect on the legal validity of the conclusion of electronic contracts, as well as their binding power. This would lead to the logical expansion of the effects of arbitration clauses that were agreed on in electronic form, or inserted in digital general terms and conditions, to their intended conclusion, i.e. the process of submitting disputes to arbitration and having them settled according to the principles of digital transactions. This is typically referred to as electronic arbitration, an evolution of the process of arbitration, not its actual content.

A comprehensive legal and conceptual model of international commercial arbitration in the context of e-commerce disputes involves a Sharia-derived mechanism for commercial transactions that are arbitrated. Arbitration is in line with the larger goals of Islamic Sharia. The overarching goals of Islamic Sharia are the realization of justice, the settlement of disputes, the protection of property and the facilitation of transactions (Aleshoush & Almakhzoumi, 2024). Arbitration has been recognized as a legitimate method of resolving disputes if the prerequisites for it (power, consent, and impartiality, among others) are met. This increases the legitimacy of the arbitration in the Saudi context, and increases the confidence in the instrument as a means of Sharia and legal compliance.

As a result, it is this idea that the extensive association between international commercial arbitration and trust in e-commerce is born. Arbitration is considered a form of resolution, which represents a legitimate means of ensuring the stability of online transactions. Besides, the parties, especially investors and traders who are cross-border, have a neutral, efficient, and binding tool to resolve any issues that may arise. This facilitates the establishment of legal certainty in an e-commerce context that is secure and supports digital investment in the economy. In turn, this will promote the attainment of economic growth that is sustainable and reduce the likelihood of commercial disputes. All of this will have a positive effect on the achievement of sustainable economic growth.

3 The Effectiveness of International Commercial Arbitration in Resolving E-Commerce Disputes and Its Role in Supporting Sustainable Economic Growth (SDG 8)

International commercial arbitration is considered to be one of the most effective modern legal systems in existence. It is now functioning as a significant legal mechanism for regulating and promoting commercial interactions. It promotes a more steady business climate and increases faith in the international commerce sphere. E-commerce is not considered special; however, it has multiple complex and diverse legal components that involve different parties. Such mechanism is complex in nature (along with a legal dispute). In the digital transformation era that is fast, the infrastructure and technical proficiency do not only play a significant role in the success of e-commerce – instead, the availability of a functional legal mechanism for risks and resolution of disputes is necessary.

In this context, international commercial arbitration could be considered a form of policy that is used by the states to attract digital investments and promote economic-based innovation. Because of its procedural flexibility, its efficiency in resolving disputes and the large number of enforceable awards that are reduced by the process, international commercial arbitration could be considered a form of policy that has the potential to be used to promote business continuity. The importance of this function increases when the dispute arises from an e-commerce contract that is typically digitally concluded across borders and necessitates an objective resolution mechanism that is not confined by the territory and instead works towards a universal conclusion.

International commercial arbitration is one mechanism by which this role can be utilized to assist with the implementation of Sustainable Development Goal 8 (SDG 8). This SDG promotes long-term economic growth, the creation of a business-allowing environment, productive investments, and also a legal framework for the purpose of which business activities have legal certainty, stability, and fairness. Indeed, the formal process of arbitration is to resolve disputes or promote international trade in order to achieve the goal of the SDGs in the digital realm.

In this regard, the current research attempts to explore the importance of international commercial arbitration in the resolution of e-commerce disputes by studying the different ways that exist in the Kingdom of Saudi Arabia and the Hashemite Kingdom of Jordan as two examples of a legislative shift towards arbitration in various fields and institutions. The investigation attempts to assess the capacity of the regulatory and procedural

frameworks of arbitration in both countries to support the digital economy and the impact of these instruments in terms of economic development, as a means of starting to identify the benefits and drawbacks of these tools and to build on their potential as an effective form of arbitration in support of development within the digital economy.

4 The Regulatory and Procedural Framework of Arbitration in Saudi Arabia and Jordan: Regulation, Procedures, and Enforcement of Awards in Light of Public Order and Sharia Controls

The regulatory and procedural climate of international commercial arbitration is the foundation for any evaluation of the effectiveness of this method of resolving E-commerce disputes. Arbitration would not have been effective as a means of resolution in e-Commerce disputes if there was only a written agreement to take part in arbitration, but instead by considering the evolution of the legislative system of arbitration, the flexibility of the processes, and the degree to which the standards were clear. In this regard, the comparison of the Saudi and the Jordanian systems is more pertinent as both represent two different legal systems that have a similar developmental profile and support investment and global trade; however, they are dissimilar in regards to their sources and limitations regarding regulation. Table (1) below summarizes the differences between the Saudi and the Jordanian systems in terms of regulating international commercial arbitration, the procedures used, and the enforcement of awards in order to discuss the subject in greater detail in the following sections.

Table 1. A Comparative Overview of the Regulatory and Procedural Framework of International Commercial Arbitration in Saudi Arabia and Jordan in E-Commerce Disputes

Comparative Aspect	Kingdom of Saudi Arabia	Hashemite Kingdom of Jordan
Basic legislative framework	Arbitration Law issued by Royal Decree No. (M/34) of (2012)	Arbitration Law No. (31) of 2001 and its amendments
International reference	Inspired by the UNCITRAL Model Law with Sharia adaptation	Inspired by the UNCITRAL Model Law
Binding force of arbitration agreement	Writing required; separability of the arbitration clause (Article 21)	Writing required; separability of the arbitration agreement
Judicial intervention	Limited to supporting arbitration and post-award review (annulment action)	Limited review through annulment and recognition and enforcement
Management of digital procedures	Broad flexibility through modern institutional rules	Flexibility by party agreement without sufficient specialized institutional framework
Arbitral institution	Saudi Center for Commercial Arbitration (Rules 2023)	Multiple arbitral bodies without a unified national center
Enforcement of foreign awards	Under the New York Convention 1958, subject to Sharia-based public order review	Under the New York Convention 1958, subject to civil public order review
Public order	Linked to Islamic Sharia principles	Linked to mandatory rules and principles of justice
Impact on e-commerce	Supportive institutional environment with expedited enforcement	Legislative flexibility with a need to strengthen institutional specialization

As is apparent from Table (1), the systems of the Arab states share a similar approach to international arbitration based on commercial interests, while they differ on the structural and scope of the public order review systems. The latter of which is more lenient in its approach to e-commerce disputes, specifically regarding the speed of resolution and the enforceability of the arbiter’s award. These differences also exist in the way the two systems approach commercial arbitration, specifically regarding the speed of resolution and the enforceability of the arbiter’s award. As a result, these two systems should be discussed separately.

For the arbitration law in the Kingdom of Saudi Arabia, the legislative body in the country is considered to be one of the most significant legislators and is considered to be a modern law. The Law of Arbitration, which was issued by royal decree in (M/34) of 2012, and this legislation is derived from the UNCITRAL Model Law and has been modified to be appropriate for the Saudi environment (Jordan, 2001). This law is based on the concept of freedom of choice or the concept of party autonomy; both of which stipulate that the arbitration

agreement must be written and because of Article (21), the clause regarding arbitration is separate from the main contract in the agreement. That said, if the main contract is null or terminated, the clause regarding arbitration will not cease to be effective and the process of arbitration cannot be terminated. The Law of Arbitration has limited the judicial role to the process of arbitration. This includes only procedural assistance or oversight and post-award control. Besides, the law has not limited the judicial participation in the process of arbitration to the merits of the dispute; instead, we find this in the Law of Arbitration in the actions intended to nullify the arbiter's award and are limited to contesting the arbiter's award on one of the listed grounds (Abdelrahman et al., 2026).

In this regard, the regulatory role has been enhanced by the institutional nature of the Saudi Center for Commercial Arbitration, which was created by virtue of Council of Ministers Resolution No. (257) of 2013, as the leading commercial arbitrator in the country. The Center has enacted modern rules of arbitration (version 2023), which include rules pertaining to e-commerce, including rules regarding electronic submissions, remote hearings, and digital evidence; these rules are reflective of the legislative's vision and are practical in nature (Saudi Center for Commercial Arbitration [SCCA], 2023). This association of formal regulations with institutional frameworks increases the confidence of investors in the digital economy, while also decreasing the costs associated with disputes and their financial effects.

The law of arbitration in the Hashemite Kingdom of Jordan is under Law Number (31) of 2001 and its subsequent amendments. The most recent of which was in 2017. The law of Jordan regarding arbitration is considered to be one of the most progressive in the Arab world because it encompasses the main principles of international commercial arbitration, including the concept of separability of the agreement on arbitration, the parties' choice of arbitrators, and their freedom to determine the procedure and the law of the matter (Al-Hawamdeh & Saraira, 2024). This legislative stance regarding arbitration, which is described as an ancillary method of court resolution that is separate from the national court system, promotes a fine equilibrium between the requirements of judicial sovereignty and the desire to attract investment.

The Jordanian regulatory system is augmented with a more developmental aspect via another investment law, specifically Article (43) of the Jordanian Investment Law, which grants to parties involved in investment disputes the right to seek arbitration or other alternative methods of resolution in addition to the national courts (Jordan, 2014). It is considered to be an absolute representation of the Jordanian government's recognition of the arbitration as a method of resolution of disputes. It reassures investors and diminishes their worries about being prosecuted by the national court system of the host state.

Regarding the procedure of arbitration, the Saudi and Jordanian approaches are similar. The will of the parties is paramount in the creation of the arbitration panel, and the determination of the procedure for arbitration is dependent on the will of the parties. At this point, the unique procedural requirements of e-commerce cases are necessitated like the speed of the process, the importance of digital evidence, and the overcome of physical barriers in terms of territory. In this regard, the Saudi system appears to have a more malleable nature, either through the provisions of the Arbitration Law or the Rules of the Center for Commercial Arbitration, which have granted a lot of room to the management of disputes through digital methods that are completely new (Awaisheh et al., 2025). Conversely, Jordanian law leaves the parties free to choose the procedure they want, under Article (23). The parties are permitted to adapt the procedure to the nature of electronic disputes, despite the practical necessity of more specialized institutions in this field.

The stage of the enforcement process of arbiter's awards may be considered the most effective way to assess the success of international commercial arbitration in general, because the process of legal protection becomes meaningless and ineffective if it lacks the possibility of enforcement of the arbiter's award. As such, in the two examined systems, the access to the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Aids, which grants international importance to the recognition of arbiter awards, was the primary foundation on which to support the enforcement of these awards (Al-Dabbas, 2024). The systems are committed to restrict the reasons for a lack of enforcement of arbitrated awards to a limited number, thus following the international trend of pro-arbitration and increasing the confidence of e-commerce and digital investment.

However, the ability of public order to regulate the enforcement of arbitration awards still represents the general boundary of parties' autonomy. In the Kingdom of Saudi Arabia, the concept of public order is associated

with all parts of Islamic Sharia, and this doctrine was consistently employed by the relevant courts during the process of enforcing awards. It is common knowledge that the court's application is not permitted to execute a punishment that violates the principles of Sharia or the main values of the Saudi legal system (Alsarairh et al., 2026). This statement necessitates a higher degree of attention towards parties during negotiations regarding an arbitration agreement on the internet in the event of an e-commerce dispute, particularly regarding the law applicable to the contract and the subject of the damage.

Conversely, in Jordan, the public order concept is derived from the civil and business rules that are more similar to the comparative law paradigm. However, while maintaining its sovereign nature as a barrier to enforcement, it has been said that Jordan's public order enforcement is more liberal, allowing for greater flexibility in the field of enforcement when it comes to violent crimes or serious crimes that are not in violation of mandatory rules or basic principles of justice (Al-Awaysheh et al., 2026).

Because of this, one can easily conclude that the Sharia-based constraints in the Saudi system are not considered a problem by the arbiter, but rather a means of obtaining a standard of religiously-based norms for its content, which are derived from Sharia. This is not in conflict with the goals of Sharia, which are centered on justice, resolution of issues, and the right to ownership. Conversely, the Jordanian system is more malleable from a legal perspective, and it promotes a more favorable environment for state enforcement in terms of clarity and resolution of disputes regarding digital technology.

Ultimately, the convergence or divergence between the regulatory and procedural models of arbitration in Jordan and Saudi Arabia demonstrates an obvious association on the level of strategic direction regarding international commercial arbitration, and a relative difference regarding the levels of reference and limitations on enforcement. This is considered paramount to the design of e-commerce and digital investment agreements in order to strike a balance between the effectiveness of the process of arbitration and the need to maintain public order. As a result, there is greater faith in the business climate and a movement towards the goal of economic growth that is sustainable.

5 The Developmental Impact of Arbitration on the Digital Business Environment: The Role of Arbitration Centers and the Assessment of Effectiveness in Reducing Disputes, Enhancing Digital Investment, and Promoting Cross-Border Trade in Relation to SDG 8

International commercial arbitration in the digital environment, in particular, is not intended to resolve an existing dispute as a follow-up procedure, but rather to create a stable, attractive environment for investment, including in e-commerce. This is done by creating a mechanism for speed, non-materiality, and a large number of parties and jurisdictions. Arbitration has a beneficial developmental effect as it is intended to remap the equilibrium of contractual relations and to mitigate as much as possible the negative consequences of a dispute regarding the continued existence of a business. As a result, it is deemed a mechanism that can promote long-term growth and have a direct association with the goal of SDG 8 – that is, decent work and economic growth. To demonstrate this developmental impact in a more specific way, it is important to recognize that the areas through which international commercial arbitration promotes the development of the e-commerce environment and economic sustainability can be specifically identified:

Table 2. Developmental Impact of International Commercial Arbitration in the E-Commerce Environment

Area of Impact	Role of International Commercial Arbitration
Reducing disputes	Resolving disputes efficiently and expeditiously outside national courts
Enhancing digital trust	Providing a neutral and binding mechanism to protect contractual rights
Supporting digital investment	Reassuring investors through an effective legal safeguard
Cross-border trade	Overcoming jurisdictional conflicts and conflicts of laws
Sustainable economic growth	Improving the business environment and stimulating commercial activity

Taking this general approach, the study will review the actual role of international commercial arbitration in the Kingdom of Saudi Arabia and the Hashemite Kingdom of Jordan. This is accomplished via a study of the extent of the contribution of the national arbitration centers in both countries to the activation of this developmental role, as well as their capacity to convert arbitration from a theory into a practical tool that can be used to reduce

electronic commerce disputes, strengthen digital investment, and support cross-border trade in a way that is consonant with the requirements of economic development.

In Saudi Arabia, the developmental impact is demonstrated in the conversion of informal rules into formal regulations. This approach is paralleled by the creation of the Saudi Center for Commercial Arbitration in accordance with the Council of Ministers' decision number (257) of 2014 as a standalone entity and nonprofit organization with a mission to oversee the arbitration and mediation of domestic and international commercial disputes in 27 different countries. The significance of the center is that it directs these conflicts to a successful resolution. In this context, the center's rules regarding arbitration have evolved in response to the demands of e-commerce. The most recent version, the 2023 version, addressed the issue by including provisions that facilitated the communication of submissions via electronic means, remote hearings and expedited case management; all initiatives are associated with the concept of the digital economy (Alhrerat et al., 2025). This practical function of the Saudi Center for Commercial Arbitration is not limited to improving processes, but instead decreases the likelihood of legal concerns, which provides comfort to foreign investors. This comfort is derived from the professional nature of the arbitration milieu augmented by the Saudi Arbitration Law in its issued version. (M/34) of 2012, which dedicated arbitration to a separate system that was independent of the judicial system and permitted limited judicial involvement in the process .

Arbitration would be beneficial to Jordan's growth because of the country's base of legal flexibility. This implies that one is not forced to submit to the boards of arbitration authorized by the law, and the Jordanian have the ability to create as many boards as they want (Al-Kasassbeh et al., 2024). The Law on Arbitration (31) of 2001 and the second addendum to it are the most significant regarding arbitration in Jordan. The mentioned goal is facilitated by the Jordanian Investment Law. Article (43) states that the parties to any investment dispute that may occur as a result of or connection with international commerce have the right to utilize arbitration instead of a Jordanian court (Alrfoua et al., 2026). This is a reassuring statement for parties in e-commerce, as it demonstrates to them that the Jordanian government does not have a problem with being affiliated with organizations that are neutral.

Regarding the decrease in commercial disputes, arbitration has a preventative role that is as significant as its remedial role. The presence of a legitimate arbitration clause, in addition to a previous legal framework and specialized institutions dedicated to the purpose of arbitrating disputes, will promote parties to engage in e-commerce and fulfill their contractual obligations without unnecessary disputes or claims. In Saudi Arabia, the institutional system for arbitration has led to a decrease in the average time needed in a commercial dispute0. This has in turn led to a positive effect on the continued operation of online businesses (Alayaydeh et al., 2025). In Jordan, there is no centralized authority that is singular across the country, similar to the Saudi Center. Indeed, the intricate nature of the law, and the difficulty in recognizing and enforcing foreign arbitration decisions, has led to a degree of mitigation of the conflict, particularly in complex contracts that cross borders. International commercial arbitration promotes the digital environment of investment, as digital investors value the legally enforceable protection of international arbitration more than the contempt that it generates. The admission of Jordan and Saudi Arabia to the 1958 New York Convention is beneficial for the enforcement of international court rulings. The capacity to enforce arbitrated decisions in over 170 countries that are legitimized the process of digital asset protection, as a means of avoiding criticism that states have in their courts or their jurisdiction is over.

The international significance of commercial arbitration is the cause of its utilization in facilitating the free transmission of digital information between countries. This can be a passive instrument that releases the parties from the potential intrusion or authority of foreign systems of justice. This is of great importance in e-commerce transactions that involve multiple parties in different countries and the performance of duties via electronic platforms that cross borders. Arbitration, as a result, becomes a somewhat harmonizing mechanism for resolving these conflicts.

In recognizing the benefits and the drawbacks, we discover that the beneficial aspect of the Saudi experience is the clarity of the institutional mission and the integration of the legal framework with Sharia-based controls. This gives it credibility and stability, but necessitates the parties to pay attention to the Sharia-derived order in the creation of contracts and court judgments. In Jordan, the legislative's flexibility and openness to international arbitration are its greatest assets, but still need to be converted into more specialized institutions

in the e-commerce sphere and the development of centers that have a greater reach across the region and the world.

Because of this, it is possible to discuss a direct relationship between international commercial arbitration and the SDG 8. Through the elimination of the risks and costs associated with a long-term conflict, international commercial arbitration promotes the free flow of digital information and promotes innovation in the economy [25]

Ultimately, it can be deduced that international commercial arbitration has become less of a specialty of e-commerce, and has instead become an effective catalyst for growth that creates trust, supports investment, and facilitates cross-border trade; all of which are considered to be advanced legal tools for the purpose of sustainable development that satisfies the requirements of Jordan and Saudi Arabia.

6 Conclusion and Recommendations

The study comes up with a series of findings that demonstrate that international commercial arbitration is no longer simply an alternative to judicial arbitration in the digital economy, but it is now an integral part of the architecture intended to promote a sustainable digital economy with a beneficial legal climate. The investigation demonstrates that arbitration is both consensual and procedural in nature, and has a cross-border nature that is appropriate to the specific characteristics of e-commerce, including speed, invisibility, and the plurality of parties and jurisdictions.

Returning to the immediate research question, the study finds that international commercial arbitration is effective in practice for the purpose of addressing e-commerce disputes. The degree of this effectiveness is different depending on the development of the legislative framework, the clarity of the judicial practice, and the existence of an institutional structure with a specialized component that supports the process of arbitration. For the Kingdom of Saudi Arabia, the effectiveness is more apparent in the context of the integrated framework for regulation and the institutionalized nature of the center, as well as the clarity of the judicial process, although there is a reservation in regards to public order that is derived from Islamic Sharia. For the Hashemite Kingdom of Jordan, the effectiveness is demonstrated through the flexibility of the legislative framework and the openness of the country to international arbitration, as well as the enforcement of its judgments. Additionally, specialization and institutionalization are necessary in the e-commerce context.

The paper suggests that international commercial arbitration has a more developmental role than simply resolution of disputes. By increasing trust in digital transactions, by reducing the costs of disputes, and by ensuring the continuity of economic activity, arbitration is crucial to the digital economy and the long-term growth that it will have. This role is particularly pertinent to the SDG 8 regarding the business climate, investment assistance and international trade. All of this in a legal, institutional framework.

The results of the study suggest that legislation and regulations should be proposed. In this regard, the first and most important step is to create a regulatory framework for international commercial arbitration that takes into account the specifics of the digitalization of conflicts and is associated with the electronic nature of arbitration and its procedure. The investigation also suggests the utilization of electronic methods of conducting arbitration processes and to standardize the rules of evidence, specifically regarding the weight of electronic evidence, the service of electronic records and remote hearings.

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