



Amendment of the Lebanese Arbitration Law

following the Conseil d'Etat cancellation of
the arbitration clause contained in the two
cellular phone companies contracts

Guarantee of the investments and modernization of the arbitration law.

by

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The Lebanese legislator has recently passed a law amending some articles of the Code of Civil Procedure related to arbitration¹ (the “amendment”) constituting an important milestone for the government to settle its disputes by arbitration, notably in international disputes. The intervention of the Lebanese legislator came after the *Conseil d'Etat* has rendered on 17/7/2001 two rulings concerning the contracts of the two cellular phone companies: Cellis and LibanCell, whereby it cancelled the two arbitration clauses, and confirmed that its jurisdiction concerning the administrative contracts passed by the Government cannot be challenged.

It is well-known that the Lebanese legislation is not only impregnated with the French Law but also with its doctrine and case law.

The amendment introduced by the Lebanese legislator came to dissipate the concern of the investors about the legal guarantee of the contracts entered into between them and the Lebanese State, specially that the arbitration clause has become a major guarantee for investments. In addition, the new amendment has confirmed that when the *Conseil d'Etat* has rendered the two rulings canceling the arbitration clause stipulated in the two contracts, it was rightfully applying the law that needed to be amended.

¹ Law number 440 published in the Official Journal issue number 43 on 1/8/2002.