

Faculty of Graduate Studies

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A COMPARATIVE LEGAL ANALYSIS ON ROLE OF COURT IN COMMERCIAL ARBITRATION DISPUTES IN SRI LANKA

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ABSTRACT

Arbitration is a favored way to settle disputes in which the parties voluntarily choose to submit their disputes to an arbitral tribunal rather than to traditional courts. However, complications arise when one party unilaterally seeks court intervention despite an existing arbitration agreement. The central issue addressed in this research is the role and jurisdiction of courts under the Arbitration Act No. 11 of 1995 of Sri Lanka, particularly focusing on Section 5, which limits court jurisdiction and the intervention in matters agreed to be arbitrated unless exceptions apply. The study mainly focus on the key issues of the current court involvement in Arbitration, international standards, and the recommendations to enhance the arbitration process in Sri Lanka while preserving party autonomy and minimizing unnecessary court intervention. The study explores into the legislative intent behind Section 5, its implications for both domestic and international arbitration, and its interaction with other provisions of the Arbitration Act. It reviews case law to highlight how judicial decisions have shaped the interpretation and application of Section 5, particularly concerning the recognition of written arbitration agreements and jurisdictional objections raised by parties. The analysis shows how Section 5 aims to create a more predictable and structured arbitration process, reinforcing the effectiveness and reliability of arbitration. A comparative analysis of the 1995 Act with the historical Arbitration Ordinance of 1866 reveals a shift from discretionary court power to a more defined limitation of jurisdiction, reflecting legal progress in Sri Lanka. This research evaluates the effectiveness of 1995 Act in maintaining the integrity of arbitration agreements while aligning with international standards including situations where court intervention is necessary for justice and protecting parties' interests. By examining legislative intent, current practices, and judicial decisions, the study clarifies the court's role in arbitration. It proposes a framework that balances the autonomy of arbitration processes with necessary legal oversight, providing valuable insights for legal practitioners, policymakers, and scholars in dispute resolution.