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Commercial Arbitration Reform in Pakistan: Legal Fragmentation, Institutional Capacity, and Regional Competitiveness

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Abstract

Pakistan's commercial arbitration landscape is legally plural and institutionally uneven. This article examines whether Pakistan can operate as a credible dispute-resolution bridge between South Asia, China, Central Asia, the Gulf and the Arabian Sea in a changing geopolitical economy. It uses doctrinal legal analysis and qualitative institutional mapping to connect the domestic Arbitration Act, 1940; the 2011 legislation implementing the New York Convention; the separate investment-arbitration regime; federal and provincial ADR instruments; reported case law; and the emerging institutional market. The analysis finds four linked conditions. First, legal classification must precede procedure: domestic, foreign-commercial, investment and court-connected ADR pathways cannot be treated as interchangeable. Second, the 1940 domestic framework remains the principal structural weakness because it is court-centred and poorly aligned with contemporary international practice. Third, the 2011 foreign-award framework and recent enforcement-oriented reasoning provide a usable platform, but jurisdictional and procedural uncertainty remains. Fourth, institutions, specialist judges, professional training, secure digital administration and transparent performance data are as important as statutory reform. The article argues for a staged, Model-Law-informed reform programme focused initially on Pakistan-linked infrastructure, energy, mining, construction, logistics, technology and Islamic-finance disputes. Pakistan need not imitate established arbitral hubs; it must make a narrower promise and perform it consistently. A trusted regional role will result from modern legal rails, disciplined courts, credible institutions and measurable outcomes rather than geography or branding alone.

Keywords: commercial arbitration; alternative dispute resolution; Pakistan; New York Convention; investment arbitration; CPEC; legal reform; South Asia

Introduction

Commercial arbitration is no longer only a private mechanism for resolving a dispute after a contract has failed. In capital-intensive transactions, the dispute clause is part of the project's economic infrastructure. It allocates procedural risk, influences financing and insurance decisions, determines the forum for technical evidence, and affects whether an award can be converted into recovery against assets. For states and state-owned enterprises, the choice of dispute architecture also interacts with sovereign risk, public procurement, regulatory change and the credibility of the state's investment environment.

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Pakistan occupies a strategically consequential position in this environment. Its commercial relationships connect South Asia with China, Central Asia, the Gulf and the Arabian Sea. Transport corridors, energy projects, mining, construction, logistics, technology, public procurement and cross-border supply chains generate disputes that may be referred to domestic arbitration, a foreign-seated tribunal, mediation, a dispute board, an investment tribunal or the ordinary courts. Geography therefore creates demand for dispute-resolution services, but it does not by itself create a trusted seat or institution.

The central argument of this article is that Pakistan can become a dispute-resolution bridge only if it treats arbitration as a legal-institutional system. The relevant question is not whether Pakistan should replace established foreign seats. It is whether Pakistan can provide a credible option for suitable Pakistan-linked disputes, participate effectively when proceedings are seated abroad, and reduce avoidable disputes through better contracts and project governance. That requires a reliable relationship between legislation, courts, institutions, professionals, technology and enforcement.

The article converts a comprehensive ADR treatise into a focused publication manuscript. It narrows the inquiry to commercial arbitration and its adjacent institutional environment while preserving the source's core distinctions between domestic arbitration, foreign commercial arbitration, investment arbitration, court-annexed mediation and community or sector-specific mechanisms. It first states the research questions and method, then maps the legal architecture, analyses case-law signals and institutional capacity, and concludes with a staged reform roadmap and contract-level implications.

Research questions and contribution

The study addresses five connected questions:

- How should Pakistan's federal and provincial ADR instruments be classified across domestic, foreign-commercial, investment and court-connected pathways?
- What practical weaknesses arise from the continued centrality of the Arbitration Act, 1940, and how do they differ from the Convention-based treatment of foreign awards?
- What do leading Pakistani authorities and recent enforcement-oriented decisions indicate about arbitrability, party autonomy, court intervention and recognition of foreign awards?
- Do Pakistan's institutions and professional ecosystem presently support a credible regional role, or do they require a narrower sector strategy?
- What sequence of legal, judicial, institutional, professional and data reforms could make Pakistan a trusted dispute-resolution bridge by 2030?

The contribution is integrative rather than statistical. Existing discussions often examine one statute, one province, one institution or one investment dispute. This article places those materials in a single analytical frame: the arbitration lifecycle, the classification of legal pathways, and the capacity required to make each pathway work. It also connects commercial arbitration to the geopolitical and project risks that generate disputes, including sanctions, supply-chain fragmentation, climate transition, cybersecurity and multi-party contracting.

Literature review and research gap

The international arbitration literature commonly treats the seat, the arbitration agreement, tribunal authority, limited court intervention and recognition of awards as the central architecture of cross-border dispute resolution. The New York Convention supplies the international baseline for written arbitration agreements and recognition of foreign awards, while modern model-law practice emphasises party autonomy, separability, competence-competence, effective interim relief and restricted review. Institutional literature adds a further insight: predictable case administration, appointment procedures, conflicts rules, fees, technology and published performance are part of the service that users purchase.

Pakistani legal writing and policy material is more fragmented. It addresses the Arbitration Act, 1940; the 2011 foreign-award legislation; section 89-A of the Code of Civil Procedure; the federal ADR Act and Rules; provincial ADR statutes; court-annexed mediation; investment disputes; or particular institutions. Reports and manuals from judicial, development, academic and professional bodies also identify delay, access to justice, mediation capacity and institutional design as recurring concerns. These materials are valuable, but they do not always connect the domestic arbitration statute to foreign-award enforcement, provincial pluralism and Pakistan's commercial positioning in a single argument.

The gap is therefore one of legal-system integration. A country may have a Convention implementation statute and a functioning institution yet remain unattractive if domestic courts are unpredictable, appointments are slow, professional capacity is thin, or the contract network contains incompatible clauses. Conversely, a country may improve local dispute resolution without seeking to become a global seat. The article responds to this gap by analysing Pakistan as a potential specialised regional platform rather than assuming that "hub" status is the correct or immediate objective.

Conceptual and theoretical framework

The arbitration lifecycle as an organising framework

The analysis follows the complete lifecycle of a commercial arbitration. A dispute-resolution system is reliable only when the transitions between stages are reliable: the clause must be valid and usable; the tribunal must be constituted without avoidable deadlock; the procedure must protect notice and equality; interim relief must be available where necessary; the award must be reasoned and final; and challenge, recognition and execution must occur through the correct legal route.

Table 1: The arbitration lifecycle used in the analysis

Stage	Core legal question	Institutional requirement
Clause and consent	What disputes, parties, law, seat and rules are covered?	Accurate drafting, authority checks and compatible contract documents
Commencement and constitution	Which notice, limitation and appointment mechanism applies?	Fast registry or court support; disclosures and conflict control
Procedure and interim	How are evidence, urgency, confidentiality and equality protected?	Competent tribunal, secure case administration and effective

protection		interim relief
Award	What relief, reasons, interest, costs and finality are required?	Quality control without merits re-litigation
Challenge, recognition and execution	Which court and statutory test applies at the post-award stage?	Specialised judicial discipline, document integrity and asset strategy

A trusted-bridge capacity model

The article develops a four-part capacity model. Legal capacity means that the applicable statute, treaty and procedural route can be identified and applied consistently. Judicial capacity means that courts support arbitration at the threshold, provide urgent assistance, and confine review to the legally permitted test. Institutional capacity means that an administering body or mediation centre can deliver independent appointments, secure administration, transparent costs and reliable timelines. Market capacity means that judges, counsel, arbitrators, mediators, experts, registry staff, universities and businesses possess the specialist skills and data needed to repeat the system's performance.

These capacities are mutually reinforcing. A modern statute cannot compensate for a court that re-hears the merits; a strong court cannot compensate for defective clauses and weak institutions; and neither can create a market if users cannot locate skilled neutrals or predict costs. The "bridge" in the title is therefore a systems concept: Pakistan would connect jurisdictions and transactions by offering a dependable set of legal and professional interfaces, not merely a physical location.

Methodology

This is a doctrinal legal research article supported by qualitative institutional analysis. The documentary corpus comprises Pakistani statutes and rules, treaty materials, reported and officially hosted judgments, institutional rules and websites, judicial and development-sector reports, and the annotated research directory contained in the source treatise. The research cut-off is 18 July 2026. The study does not claim to measure actual case duration, cost or user satisfaction; it identifies the legal and institutional conditions that would make such measurement meaningful.

The analysis proceeded in four passes. First, instruments were classified by territory, dispute type, consent source, seat and requested relief. Second, the material was read across the arbitration lifecycle to distinguish referral, appointment, interim protection, award challenge, recognition and execution. Third, cases and institutional materials were coded for recurring themes: arbitrability, party autonomy, court intervention, Convention refusal grounds, contract–treaty overlap, institutional independence and professional capacity. Fourth, each identified weakness was linked to a staged reform or a contract-level prevention measure.

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Table 2: Documentary source classes and their analytical use

Source class	Examples in the corpus	Use in the study
Primary legislation and rules	Arbitration Act 1940; 2011 foreign-award and ICSID statutes; federal and provincial ADR instruments	Identify jurisdiction, powers, standards and procedural transitions
Treaty and model-law materials	New York Convention; ICSID Convention; UNCITRAL Model Law and Rules	Provide international reference points and classification boundaries
Case law	Hub Power; SGS; Hitachi; Taisei; recent foreign-award and provincial decisions	Trace judicial treatment of consent, arbitrability and review
Institutional and policy materials	IMAC, CIICA, court centres, judicial bodies, World Bank/IFC and academic reports	Assess governance, administration, training and market capacity
Strategic and sector materials	Infrastructure, energy, mining, logistics, technology and investment-dispute materials	Connect procedure to geopolitical and project risk

The method has three limitations. It is not an empirical survey of practitioners, users or judges; it does not estimate the frequency or duration of cases; and it cannot replace verification of an authenticated statute, amendment, notification or later appellate judgment. The conclusions are accordingly framed as a legal-institutional argument and policy roadmap, not as a claim that every identified institution or doctrinal trend operates uniformly across Pakistan.

Findings

Pakistan's architecture is layered, not consolidated

Pakistan's ADR framework is best understood as a set of connected but non-identical legal layers. Domestic arbitration principally remains associated with the Arbitration Act, 1940. Foreign arbitration agreements and foreign awards engage the Recognition and Enforcement (Arbitration Agreements and Foreign Arbitral Awards) Act, 2011 and the New York Convention. ICSID awards follow a separate investment-arbitration route. Court-connected settlement is supplemented by the Alternative Dispute Resolution Act, 2017, the 2018 Rules, section 89-A of the Code of Civil Procedure and court practice directions. Provincial regimes add further variation.

Table 3: Classification of principal Pakistani ADR pathways

Pathway	Principal legal materials	Typical function	Primary risk
Domestic commercial arbitration	Arbitration Act, 1940; contract and procedural law	Reference, tribunal support, award and domestic challenge/execution	Court-centred procedure and modern-practice friction
Foreign	2011 foreign-award Act;	Referral, recognition and	Misclassification,

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commercial arbitration	New York Convention	enforcement of qualifying foreign awards	incomplete documents and jurisdictional uncertainty
Investment arbitration	ICSID Act, 2011; treaties and ICSID Convention	Investor–state disputes with public-law and treaty dimensions	Contract–treaty overlap and sovereign-risk exposure
Federal/court-connected ADR	ADR Act, 2017; Rules, 2018; section 89-A CPC; IHC practice	Mediation and other settlement-oriented referrals	Territorial scope, implementation and enforceability of settlement
Provincial ADR	Punjab, KP and Balochistan statutes/rules; Sindh court infrastructure	Provincial and court-annexed mediation/ADR	Non-uniform design, commencement and institutional capacity

Classification is not a technical preliminary that can be postponed. A party seeking a stay, referral, tribunal appointment, interim measure, set-aside, recognition or execution must identify the legal route and competent forum before arguing the merits. The same commercial relationship may generate contractual arbitration, a treaty claim, court-connected mediation and enforcement proceedings, but each proceeding is governed by its own consent instrument and standard of review.

The Arbitration Act, 1940 is the principal domestic weakness

The Arbitration Act, 1940 remains the domestic starting point for general commercial arbitration, but its architecture is heavily mediated by the courts. It provides a workable foundation for references and awards, yet it does not reflect the full vocabulary of contemporary international arbitration: separability, competence-competence, modern interim measures, emergency procedures, multi-party coordination, electronic case administration, institutional scrutiny and a clear separation between seat supervision and enforcement. In practice, this creates friction at precisely the stages where commercial users expect speed and procedural certainty.

The weakness is not simply the age of the statute. It is the mismatch between a court-supported reference model and transactions that operate through complex corporate groups, finance documents, guarantees, subcontracts, state approvals and technical evidence. If the arbitration clause does not identify the juridical seat, applicable rules, appointment method, law of the arbitration agreement, language and pre-arbitration steps, later applications may become disputes about the machinery rather than the merits. Legislative modernisation should therefore be paired with clause discipline and judicial protocols.

The source's practical classification rule is decisive: domestic procedure should not be imported into a foreign-award case merely because Pakistani law governs the contract, and a foreign-award proceeding should not become a rehearing on the merits. The reform objective is not to remove all court supervision. It is to make supervision timely, specialised and limited to the function assigned by the applicable legal regime.

The foreign-award framework supplies a usable Convention platform

The 2011 foreign-award legislation gives the New York Convention a domestic procedural route. Article II principles support referral to arbitration where a qualifying written agreement exists, while Article V supplies the limited refusal framework for recognition and enforcement. The practical implication is document-led advocacy: the applicant must establish the agreement, the award, authentication or certification requirements, translation where necessary, and the status of any seat-court challenge; the respondent's objection should fit a recognised refusal ground.

The case-law materials in the source indicate an increasingly pro-enforcement orientation in foreign-award matters. Taisei Corporation v A.M. Construction Co. (Pvt.) Ltd. is treated as an important distinction between domestic awards and foreign awards, with the 2011 Act functioning as the special route for the latter. Recent Sindh High Court materials similarly emphasise that Article V should not be converted into a general appeal, that collateral objections must be raised at the proper stage, and that adjournment for a pending seat-court challenge may require attention to security and asset protection.

The trend is significant but should not be overstated. Residual uncertainty remains over jurisdiction, public policy, arbitrability, the boundary between a foreign agreement and a domestic award, and the interaction of interim relief with different statutory pathways. A Convention-consistent system needs both a pro-enforcement presumption and disciplined refusal where consent, notice, mandate, procedure, award status, arbitrability or public policy genuinely justify it.

Provincial pluralism is a source of experimentation and friction

Pakistan's provincial framework does not follow one uniform design. Punjab has a dedicated statutory ADR system whose operation must be read with rules, amendments and district-level commencement. Khyber Pakhtunkhwa combines formal legislation with community-oriented mechanisms, including the Saliseen model described in the source. Balochistan has a more recent and consolidating framework. Sindh has developed court-annexed mediation principally through civil-procedure practice, judicial infrastructure and its mediation centre. These differences may support local adaptation, but they increase the need for jurisdictional precision.

Table 4: Provincial design choices and national policy implications

Jurisdiction	Design signal	Policy implication
Punjab	Dedicated ADR statute, rules, amendment and staged commencement	Publish a complete commencement and practice map; measure district-level performance
Sindh	Court-annexed mediation, Order X/section 89-A practice and judicial infrastructure	Strengthen the court–centre interface and preserve confidentiality and settlement authority

Khyber Pakhtunkhwa	Formal ADR law combined with community-based mechanisms	Protect accessibility while screening for consent, rights, safety and lawful subject matter
Balochistan	Recent legislation and rules still consolidating	Prioritise implementation guidance, training, registries and accessible local panels
Federal baseline	Different statutes for domestic, foreign, investment and ICT court-connected processes	Build a national classification baseline without erasing provincial competence

The provincial comparison also shows why "ADR" cannot be treated as a single policy. A voluntary mediated settlement, a court referral, an arbitral award and a community mechanism differ in consent, neutral authority, enforceability and rights risk. Accessibility and social legitimacy are valuable, but no process can lawfully validate coercion, forced marriage, denial of inheritance, violence, collective punishment or compromise of a non-compoundable criminal matter. Rights-sensitive design is part of institutional credibility, not an exception to it.

Case law reveals the boundaries of consent, review and public policy

The Pakistani authorities collected in the source reveal a movement from broad intervention risk toward more differentiated analysis. They also show why case law must be cited by precise statutory pathway, procedural posture and later treatment. The following authorities are used as doctrinal signals rather than as substitutes for reading the complete judgments.

Hub Power Company Ltd v WAPDA, PLD 2000 SC 841, is presented as a public-policy and arbitrability battleground. The case is associated with allegations involving corruption, fraud and public policy and with the Supreme Court's refusal, in the circumstances before it, to allow the dispute to proceed to arbitration. Its continuing practical lesson is caution: counsel must draft around state or state-owned-entity authority, illegality risk and non-arbitrability rather than assume that every contractual dispute or fraud allegation is privately adjudicable.

Pakistan v SGS Société Générale de Surveillance SA, 2002 SCMR 1694, exposes the boundary between contractual consent and treaty consent. The source describes a domestic arbitration clause alongside an investor's ICSID proceedings under the Pakistan–Switzerland BIT and the Supreme Court's intervention in the dispute before it. The case predates Pakistan's modern 2011 implementing statutes, so its lesson is classificatory: contract claims, treaty claims, anti-arbitration relief and the later international-law consequences of court orders must be analysed separately.

Hitachi Ltd v Rupali Polyester, reported in 1998 SCMR 1618, is associated with party autonomy and governing-law analysis in a cross-border commercial arrangement. Taisei Corporation v A.M. Construction Co. (Pvt.) Ltd., PLD 2012 Lahore 455, is important to the domestic/foreign distinction and to the restricted judicial role under the 2011 foreign-award legislation. Read together, the authorities support a practical rule: the contract law, the law of the arbitration agreement, the seat, the award's legal status and the enforcement forum should be identified expressly, because an implied or blended assumption can change the applicable court test.

The source also treats the Indus Waters Kishenganga arbitration and Pakistan's investment-dispute experience, including Reko Diq-related exposure, as evidence of state-side arbitration capacity and sovereign-risk lessons. These are not commercial arbitrations and should not be conflated with them. Their relevance is institutional: complex disputes require technical evidence, inter-agency records, treaty interpretation, public-law coordination and early dispute prevention. The same capabilities can improve commercial arbitration if they are translated into contract review, project governance, expert management and professional training.

Institutions exist, but repeatable performance is the test

Legislation creates authority; institutions create repeatable performance. The source identifies government-backed, private, professional and court-annexed initiatives, including the International Mediation and Arbitration Centre, CIICA, MICADR, ICADRP, the Karachi Centre for Dispute Resolution and court mediation centres. Their strategic value will depend less on branding than on governance: independent appointments, conflict disclosure, transparent fees, competent registries, secure communication, emergency capability, appropriate panels, accessible rules and published, anonymised performance data.

The institutional market should also be evaluated realistically. International users compare Pakistan with established centres on the combined experience of the seat courts, emergency relief, arbitrator pools, cost, technology, language, diversity, ethics, enforcement and institutional responsiveness. Pakistan should therefore benchmark functions rather than copy the visible features of Singapore, Hong Kong or other mature seats. A specialised niche in Pakistan-linked infrastructure, energy, mining, construction, logistics, technology, Islamic finance and regional trade may be more credible than a general claim to become a global hub.

Accreditation is a foundation, not the full capability. A credible ecosystem needs tribunal chairs, construction and delay experts, quantum professionals, bilingual advocates, tribunal-secretary training, judicial specialisation, continuing education, university and bar programmes, and secure digital case administration. Without these people and systems, a modern statute may coexist with old behaviour.

Geopolitics expands both the merits and the procedure of disputes

The "new geopolitical order" affects arbitration in two directions. It creates substantive disputes about sanctions, export controls, payment restrictions, currency volatility, political change, regulatory transition and climate obligations. It also affects procedure: counsel may be unable to transfer evidence, institutions may face payment or sanctions constraints, arbitrators may have conflicts arising from state-linked work, and cybersecurity incidents may affect confidentiality, equality of arms and the integrity of the record.

CPEC and other corridor contracts illustrate why a single final arbitration clause may be insufficient. A project can include an employer, contractor, subcontractors, lenders, guarantors, insurers, public authorities, suppliers and technical consultants. Negotiation, project-level dispute avoidance, mediation, adjudication or a dispute board may be needed to keep work moving, while arbitration remains the final enforceable mechanism. The principal contracts should use compatible clauses, authority records, governing laws, joinder or consolidation mechanisms where appropriate, and a clear response to urgent relief.

Energy and mining disputes require specialist architecture because delay, technical standards, resource rights, environmental regulation, currency risk and public approvals intersect. Climate transition will add disputes about stranded assets, carbon obligations, renewable procurement and adaptation. Artificial intelligence can reduce cost in document review and case administration but may create challenge grounds if its use is undisclosed, unreliable or incompatible with confidentiality. Cybersecurity is accordingly part of procedural fairness, not only an information-technology concern.

Summary of findings

Table 5: Findings, risks and institutional responses

Finding	Risk if unaddressed	Required response
Classification precedes procedure	Wrong statute, forum or remedy; avoidable jurisdiction litigation	Use a pathway checklist at drafting and filing stages
Domestic law is court-centred and dated	Delay, inconsistent interim support and procedural uncertainty	Model-Law-informed statute with transition rules and specialist court protocols
Foreign-award regime is Convention-based	Merits re-litigation or incomplete enforcement files	Article V discipline, document integrity and focused judicial review
Provincial systems are diverse	Uneven access, commencement confusion and variable quality	National baseline plus provincial implementation maps and data
Institutions are developing	Weak appointments, conflicts, fees, technology or user confidence	Independent governance, current rules, trained panels and published metrics
Geopolitical projects are multi-party and technical	Fragmented proceedings and unenforceable or impractical clauses	Layered dispute systems, aligned contracts and sector expertise

Discussion: from geographic advantage to institutional trust

The findings answer the article’s central question in qualified form. Pakistan has the transaction base and strategic location to support a regional dispute-resolution role, but it does not yet follow that users will choose Pakistan as a seat or administering forum. Users choose systems they trust. Trust is produced through repeated low-surprise decisions: the correct court refers the matter; the tribunal is constituted; urgent relief is meaningful; the award is reasoned; the court does not reopen the merits; and enforcement is practical against identifiable assets.

The first implication is that legislative reform is necessary but not sufficient. A modern domestic arbitration statute should make party autonomy, separability, competence-competence, interim measures, limited court intervention, coherent set-aside standards and Convention-consistent

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enforcement familiar to courts and practitioners. It should also contain transition and repeal provisions, address institutional and ad hoc procedure, and work with electronic filing and publication systems. Enactment without implementation would shift the wording of the law without changing the users' experience.

The second implication is that federal and provincial pluralism should be coordinated, not denied. A national classification baseline can state how domestic, foreign, investment and court-connected matters are distinguished, while provinces retain authority to design local mediation and access-to-justice processes. The baseline should be accompanied by official, searchable maps of commencement, rules, competent forums, fees and model clauses. The goal is intelligibility: a party should be able to determine which route applies without guessing from an informal summary or a stale website.

The third implication is that enforcement credibility should be measured. Institutions and courts should publish anonymised information about time to constitution, time to award or settlement, costs, challenges, recognition and execution outcomes, panel diversity, conflicts, complaints and digital incidents. Data must protect confidentiality and avoid reducing quality to speed alone. Nevertheless, without data Pakistan cannot distinguish a formal reform from a working reform, and users cannot evaluate the risk of selecting a Pakistani process.

The fourth implication is strategic restraint. Pakistan should initially compete where it can develop depth: Pakistan-linked infrastructure and construction, energy, mining, logistics, technology, Islamic finance and trade corridors. It should offer credible participation in foreign-seated proceedings even when local seating is not appropriate. A specialised regional platform that performs consistently is more valuable than a broad hub claim unsupported by judicial, institutional and professional capacity.

A staged reform roadmap

Sequencing law, courts, institutions and people

The reform sequence should begin with diagnosis and implementation rather than with a statute alone. The following roadmap translates the source's strategic conclusion into a publication-ready policy programme. The periods are indicative; the order is the important point.

Table 6: Staged reform roadmap for a specialised regional platform

Horizon	Priority actions	Expected institutional output
0–6 months	Consolidate statutes, amendments, commencement notices, rules and case-law status; consult judges, bars, business, provinces and institutions; establish a baseline dataset	Authoritative legal map, consultation record, classification checklist and baseline metrics
6–12 months	Prepare a Model-Law-informed domestic arbitration bill; publish court protocols for referral, appointments, interim relief and enforcement; clarify transition and repeal	Legislative draft and predictable court interfaces
12–24	Train judges, counsel, registries, arbitrators,	Operational capability and

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months	mediators and experts; upgrade institutional rules, appointment systems, digital filing and cybersecurity	visible independence
24–36 months	Create sector panels and expert networks; build regional partnerships; expand hearing and online dispute-resolution infrastructure; publish anonymised outcomes	Specialised Pakistan-linked caseload and evidence of performance
36 months and after	Review outcomes, correct implementation gaps, refine rules and update the statutory and professional framework	Evidence-based policy cycle rather than one-off reform

Judicial reform should be designed around support with discipline. Designated or specialised arbitration benches, electronic filing, limited adjournments, published judgments, a coherent appellate route, prompt appointment and interim-relief procedures, and narrow public-policy analysis can reduce delay without removing legitimate safeguards. The phrase "arbitration-friendly" should mean faithful application of the statutory test, not uncritical enforcement or the abandonment of due process.

Institutional governance should be verifiable. An independent board, conflict policy, appointment committee, term limits, audit and complaint mechanisms, published fees, a secure platform, time standards, challenge procedures, award-quality controls and anonymised annual data give users a basis for trust. The exact legal name of the institution and the current version of its rules should be reproduced in the contract; informal references create avoidable uncertainty.

A measurement dashboard

A national or institutional dashboard should not rank cases by speed alone. It should show whether the process is accessible, fair, independent, secure and enforceable. The following indicators can be collected without disclosing confidential merits:

- time from filing or request to mediator/tribunal constitution;
- referral, participation, settlement and compliance rates, disaggregated by case type;
- median duration and cost bands, with a transparent methodology;
- challenge, set-aside, recognition and execution outcomes;
- panel diversity, conflicts, training, complaints and user-satisfaction measures; and
- digital security incidents, accessibility, language coverage and regional distribution of services.

The dashboard would also improve academic research. It would permit later empirical work to test whether legislative change affects duration, whether court protocols reduce appointment delay, whether mediation referrals preserve commercial relationships, and whether sector panels produce better outcomes in technical disputes. The source-based article does not answer those questions; it identifies the infrastructure needed to ask them responsibly.

Contract and dispute-prevention implications

The reform agenda begins at the contracting stage. A robust clause should identify the parties and their authority; the scope of contractual and non-contractual claims; negotiation, mediation or dispute-board preconditions and deadlines; the juridical seat; the hearing venue; the institution and current rules; tribunal size and appointment method; the governing law of the contract; the law of the arbitration agreement; language and service; interim and emergency relief; consolidation or joinder; confidentiality and data security; the form of the award; interest, costs and currency; and the enforcement plan. Guarantees, subcontracts, financing documents and public approvals should be reviewed for compatibility.

When a dispute emerges, the first thirty days should run in parallel tracks. The party should preserve contracts, amendments, notices, correspondence, project records and financial data; calculate notice, limitation and escalation deadlines; classify the legal pathway; map assets and security; check state or state-owned-entity authority and immunity; assess sanctions and currency constraints; prepare a chronology and preliminary quantum model; and open a settlement or mediation channel where commercially sensible. Enforcement planning should begin before the award, not after it.

These measures also reduce sovereign exposure. Coordinated government legal review, realistic settlement authority, standing dispute boards, evidence governance, compatible project clauses and early technical assessment may prevent a dispute from escalating into arbitration or investment proceedings. Commercial arbitration strategy is therefore inseparable from procurement, contract management, regulatory coordination and project governance.

Conclusion

Pakistan's commercial arbitration opportunity is real but conditional. Its location creates a substantial supply of Pakistan-linked disputes and places the country within important trade, investment, infrastructure and energy relationships. Its legal architecture, however, remains layered: the domestic Arbitration Act, 1940 operates alongside the 2011 foreign-award regime, a separate investment-arbitration framework, federal and provincial ADR legislation, court-connected mediation and specialised mechanisms. That diversity is manageable only when classification, consent, seat, forum and requested relief are treated as distinct legal questions.

The source-based analysis supports five conclusions. First, domestic arbitration needs a modern, Model-Law-informed statute implemented through transition rules, court protocols and training. Second, foreign-award proceedings should remain faithful to the New York Convention and its limited refusal grounds, with document integrity and asset strategy treated as central. Third, provincial experimentation should be coordinated through an intelligible baseline rather than erased. Fourth, institutions and professionals need visible independence, specialist depth, secure administration and measurable performance. Fifth, Pakistan should pursue a specialised regional niche in Pakistan-linked sectors and participate effectively in proceedings seated elsewhere.

Pakistan does not need to promise that every dispute should be seated or administered domestically. It needs to make a narrower promise and keep it: that suitable Pakistan-linked disputes can be handled through clear law, disciplined courts, independent institutions, skilled neutrals, secure technology and practical enforcement. If those elements reinforce one another, Pakistan can move from geographic potential to institutional trust and contribute meaningfully to South Asia's legal landscape.

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