

## Revolutionizing Dispute Resolution: An Introduction to Judicial Arbitration in Thailand

In an era where efficiency and expediency are paramount, the legal landscape in Thailand is undergoing a significant transformation with the introduction of judicial arbitration, also known as court-annexed arbitration. This innovative approach is set to revolutionize how disputes are resolved by offering a faster and more streamlined alternative to both traditional litigation and private (out-of-court) arbitration.

### 1. Understanding Judicial Arbitration

Judicial arbitration represents a paradigm shift in the arbitration landscape. Unlike traditional arbitration, which typically operates independently of the court system and is administered by institutions such as the Singapore International Arbitration Centre (SIAC), the Hong Kong International Arbitration Centre (HKIAC), and the Beijing International Arbitration Center (BIAC), judicial arbitration is integrated within the judicial framework. Governed by Sections 210-222 of the Thai Civil Procedure Code, this process allows for disputes to be resolved by arbitrators under the supervision of the court, focusing specifically on large and complex civil and commercial cases.

The process begins at the first hearing or settlement of issues, where the court will determine the issues in dispute and the burden of proof as usual. The court then schedules witness hearings and endorses the parties' consent to arbitrate. This endorsement allows for the case, specifically the disputed issues determined by the court, to be adjudicated by arbitrators, leading to a faster resolution and enabling the parties to enjoy the benefits and privileges of the arbitration system.

Moreover, once an arbitral decision is reached, subject to judicial review, it is immediately enforceable as a court judgment. This eliminates the need for resubmission to the court for recognition or enforcement, which could take several more years and carries the risk of being revoked by the court.

### 2. Implementation in Thai Courts

The Office of Arbitration, the Court of Justice (COJ), and the Thai Arbitration Institute (TAI), in collaboration with the civil courts, have spearheaded the implementation of judicial arbitration. This initiative aligns with the Supreme Court President's policy of promoting arbitration as an efficient dispute resolution mechanism.

Five courts—the Civil Court, the Taling Chan Civil Court, the Central Intellectual Property and International Trade Court, the Samut Prakan Provincial Court, and the Samut Prakan District Court—soft-launched this approach on 1 May 2024. The courts have issued specific guidelines on procedural aspects to facilitate the transition to judicial arbitration.

Notably, these courts also refund court fees to the parties, allowing these funds to be used for arbitration. This initiative not only facilitates a smoother transition to arbitration but also underscores the judiciary's commitment to enhancing dispute resolution processes.

### 3. Advantages of Judicial Arbitration in the Present Era of Efficiency and Value-for-Money Processes

Judicial arbitration offers several compelling advantages:

- **Faster Resolution:** By streamlining the arbitration process and integrating it with the court system, disputes are resolved more quickly. Typically, parties might wait 6-10 months for witness hearings in traditional litigation (at the time of this newsletter). It also takes about 1 year for the court to render a judgment. Judicial arbitration can be conducted in parallel, significantly reducing this waiting period or allowing the parties to make use of it.
- **Direct Enforcement:** Normally, a winning party in private arbitration must start a new case to enforce the arbitral award in court. In judicial arbitration, the arbitral award is directly enforceable as a court judgment, reducing the time and effort required for enforcement.
- **Confidentiality:** Arbitral proceedings are conducted in private, ensuring confidentiality for the parties involved.
- **Expert Adjudication:** Cases are adjudicated by experts in the relevant fields, enhancing the quality of decisions. This is particularly important in complex commercial and specialized cases.
- **Improved Relationships:** The process encourages more amicable resolutions compared to traditional court proceedings, preserving better business relationships between the parties.
- **Cost Efficiency:** Judicial arbitration can potentially reduce overall litigation costs, though this may vary depending on the specific circumstances of each case.

### 4. The Role and Expertise of Our Firm

At Weerawong C&P, we are proud to be the pre-eminent independent law firm at the forefront of this transformative initiative. With our expertise and pragmatic solutions, we ensure the dispute resolution process, whether through judicial arbitration or traditional arbitration/litigation, proceeds efficiently and exceeds expectations. We are uniquely positioned to assist clients in navigating this new process, offering tailored legal strategies and robust representation to achieve optimal outcomes.

### Conclusion

Judicial arbitration marks a significant advancement in Thailand's dispute resolution landscape. By offering a faster, more efficient, and confidential alternative to traditional litigation and private arbitration, it provides a valuable tool for resolving disputes. We encourage our clients to consider judicial arbitration as a viable option and look forward to supporting them through this innovative process.

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