



**UDO UDOMA &
BELO-OSAGIE**

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A REVIEW OF SOME NOTABLE ARBITRATION DECISIONS BY THE NIGERIAN COURTS IN 2025



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INTRODUCTION:

The year 2025 recorded a number of important arbitration decisions by the Nigerian courts in the area of arbitration. These decisions demonstrate the pro- arbitration posture of the Nigerian courts, particularly the appellate courts. In this iteration of our arbitration newsletter, we have curated some of the impactful decisions rendered by the Nigeria courts in 2025 on arbitration law and practice dealing with wide ranging issues, including, among others, (a) whether a party who has taken benefit of a contract can turn around to repudiate or impugn the contract on the grounds of illegality, (b) whether a claim for recovery of outstanding invoices due under a drilling contract is a matter that falls within the exclusive jurisdiction of the Federal High Court by virtue of 251(1)(n) of the 1999 Constitution as amended, and Section 7(1) (n) of the Federal High Court Act over matters arising from or relating to mines, minerals, including oil fields, mining, geological surveys and natural gas or whether such claim, regardless of the purpose of the underlying contract, qualifies as a simple claim for breach of contract over which the State High Court has jurisdiction, (c) whether a law firm trading under an unincorporated business name can validly enter into a contract, (d) whether a party to an agreement that is registerable under the National Office for Technology Acquisition and Promotion (NOTAP) Act and who has the obligation to ensure the registration of the agreement can avoid its contractual obligations under the agreement on the grounds that the agreement was not registered and, or the agreement is not- registerable because it provides for settlement of disputes arising under or in connection with the agreement in a foreign jurisdiction, and (e) whether the Nigerian courts have the jurisdiction to set aside an international arbitration award arising from an arbitration that was seated in London, England.

The common thread that runs through most of the cases reviewed is the attempt by award debtors, through disingenuous arguments, to set aside arbitral awards against them based on frivolous grounds in a manner that suggests that they used arbitration as an initial skirmish prior to litigation rather than as a binding and final alternative dispute resolution mechanism.

NOTABLE ARBITRATION DECISIONS DELIVERED IN 2025:

i. Pan Ocean Oil Corporation (Nig) Ltd v. KCA Deutag Drilling GMBH & Anor (2025) 14 NWLR 413

Facts

KCA Deutag Drilling GmbH and KCA Deutag (Nigeria) Limited (the “Respondents”), entered into a Land Drilling Agreement with Pan Ocean Oil Corporation (Nig) Ltd (the “Appellant”), for the provision and operation of a land drilling rig and related services. The Respondents performed the contract and issued invoices for their services, which the Appellant failed to settle, despite repeated demands. Consequently, the Respondents commenced arbitration under the ICC Arbitration Rules. During the proceedings, the parties reached a negotiated settlement of the dispute by which the Appellant agreed to pay the Respondents certain sums in both Naira and US dollars in instalments and at agreed milestones. At the behest of the parties, the arbitral



tribunal issued a consent award reflecting the settlement terms. Although the Appellant paid some of the agreed instalments under the settlement agreement and consent award, it defaulted on subsequent instalments. The Respondents applied to the High Court of Lagos for leave to enforce the award, which was granted on 18 March 2020 without opposition from the Appellant. Thereafter, the Appellant applied to set aside the award on grounds of alleged illegality of the underlying contract, but the High Court dismissed the application, finding that the agreement was not illegal and that the Appellant had not raised any issue of illegality during the arbitration. The Appellant appealed to the Court of Appeal, which, in its judgment that was handed down on 25 May 2023, affirmed the High Court's decision and refused to set aside the award. Still dissatisfied, the Appellant further appealed to the Supreme Court.

In the Supreme Court, the Appellant contended that the underlying contract was illegal and therefore void because the 1st Respondent (KCA Deutag Drilling GmbH), being a foreign company, did not incorporate a local subsidiary to perform the contract in Nigeria, thereby contravening the provisions of the Companies and Allied Matters Act. On this basis, the Appellant contended that the High Court lacked the jurisdiction to recognise and enforce the arbitral award. The Appellant further submitted that the High Court had no jurisdiction to enforce the award because the contract concerned oil mines, minerals, oil fields, mining, geological surveys, and natural gas, which are matters in respect of which the Federal High Court has exclusive jurisdiction.

Decision

The Supreme Court dismissed the Appellant's appeal and upheld the concurrent decisions of the Court of Appeal and High Court of Lagos State, which recognised the arbitral award for enforcement. Specifically, the Court held that the Appellant was precluded from raising the alleged illegality of the contract for the first time in the High Court, having failed to raise it before the arbitral tribunal. The Court further held that the Respondents' claim concerned breach of contract and payment of invoices, not issues relating to mines, minerals, oilfields, mining, geological surveys, and natural gas and that the matter fell outside the exclusive jurisdiction of the Federal High Court under Section 251(1)(n) of the 1999 Constitution as amended, and Section 7(1) (n) of the Federal High Court Act. Finally, the Court held that it was morally reprehensible for the appellant, who had taken benefit of the contract, to turn around and try to avoid its contractual obligations based on unfounded allegations of contractual illegality.

UUBO acted for the Respondents in the arbitration, and in the ensuing proceedings in the High Court, the Court of Appeal and the Supreme Court. Our earlier review of the decision of the Supreme Court can be accessed here. ↓

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Comments

The Appellant participated in the arbitral proceedings but did not at any time raise the issue of the alleged illegality of the contract. The Appellant was also represented by counsel during the proceedings in the Lagos High Court when the Court granted the Respondent's application for leave to enforce the award as a judgment of the Court, but did not oppose the application. The Respondent executed a settlement agreement, which formed the basis of the consent award and had in fact made voluntary payments under the consent award. It is, therefore, obvious that the attempt to set aside the award in these circumstances was actuated by bad faith, and as held by the Supreme Court, was reprehensible conduct on the part of the Appellant.

On the issue of the jurisdiction of the High Court of Lagos, the Supreme Court has, in a number of cases, adopted the nature of the claim rather than the purpose of the contract approach in determining the question of whether or not the jurisdiction of the Federal High Court vide Section 251(1)(n) of the 1999 Constitution as amended, and Section 7(1) (n) of the Federal High Court Act is activated or engaged. According to this approach, the purpose of the contract is not crucial. What is crucial is the nature of the claim - whether it is contractual or not. This is so because, as held by the Supreme Court in the case of *Statoil (Nig) Limited v. Inducon (Nig) Ltd & Anor (2018) LPELR-44387(SC)*, the contract and the activity it relates to are two distinct and different objects and there is no aspect of a breach of contract, be it simple or complex contract, that the Constitution, in Section 251(1) thereof, confers jurisdiction on the Federal High Court to adjudicate.

It is to be noted that the Supreme Court had in 2023 in the case of *N.N.P.C. v. Fung Tai Eng. Co. Ltd (2023) LPELR-59745(SC)* held, among others that (a) the jurisdiction vested in the courts listed in Section 57 of the ACA (now Section 91 of the AMA) to enforce an arbitral award has nothing to do with the exercise by such courts of their respective subject matter jurisdiction, (b) the courts possess the jurisdiction to recognise and enforce an arbitral award regardless of the subject matter of the dispute from which the award emanate, (c) recognition and enforcement of arbitral awards is not the same thing as and has nothing to do with the subject matter jurisdiction vested on the courts under the constitution to entertain and try specific subject matters, and (d) the jurisdiction of the courts to enforce arbitral awards is a post- judgment procedure, not jurisdiction to adjudicate over the subject matter of the dispute from which the award arose, which dispute has been determined by an arbitral tribunal.



ii. **A – G., Bayelsa State v. Odok (2025) 4 NWLR (Pt. 1982) 365**

Facts

The Respondent, a legal practitioner, entered into a Consultancy Services Agreement (the “Agreement”) with the Bayelsa State Government (the “Appellant”) for the recovery of monies owed to the Appellant by various Federal Government agencies. The Agreement was signed in the name of the Respondent’s law firm, “*Abak Odok-Ogar & Co*”. The Respondent was to be paid a fee of 15% of any sums recovered by the Respondent. Pursuant to the Agreement, the Respondent successfully recovered the sum of ₦18,705,308,094.83 on behalf of the Appellant from various Federal Government agencies and issued an invoice for 15% of the recovered sum.

The Appellant, however, failed to settle the Respondent’s invoice, prompting the Respondent to commence arbitration proceedings under the Agreement. The Appellant participated fully in the arbitral proceedings, which resulted in an award in favour of the Respondent. However, the Appellant still refused to pay the award sum.

The Respondent commenced proceedings in the High Court of the Federal Capital Territory, Abuja, for recognition and enforcement of the award. On the other hand, the Appellant filed various applications seeking to strike out the proceedings, which were dismissed by the court. The Appellant appealed to the Court of Appeal and applied for a stay of proceedings, but later withdrew the appeal, which was accordingly dismissed. Thereafter, the trial court proceeded to hear the Originating Motion for the enforcement of the award, but before the trial court could deliver its judgment, the Appellant filed yet another application, challenging the jurisdiction of the court to entertain the suit. The trial court dismissed the objection and delivered judgment in favour of the Respondent, recognising the award for enforcement.

The Appellant was dissatisfied with the trial court’s decision and appealed to the Court of Appeal, but the appeal was unsuccessful and was dismissed. The Appellant further appealed to the Supreme Court, contending that a business name, such as the Respondent’s business name, *Abak Odok-Ogar & Co.*, lacked the capacity to contract, the Agreement was null and void and the High Court of the Federal Capital Territory lacked the jurisdiction to determine the matter.



Supreme Court's Decision

The Supreme Court dismissed the appeal and affirmed the decisions of the lower courts, upholding the validity and enforceability of the arbitral award.

The Supreme Court held that the Appellant's reliance on its earlier decision in *Okafor & Ors v. Nweke & Ors (2007) 10 NWLR (Pt. 1043) 521* was misconceived because that case dealt with the validity of court processes signed in the name of a law firm. In that case, the Supreme Court held that only a legal practitioner duly called to the Nigerian Bar and whose name is on the roll of Legal Practitioners kept at the Supreme Court can validly sign a court process and that a law firm, not being a natural person or enrolled legal practitioner, cannot sign court processes. The Court, however, distinguished the principle laid down in that case from the present case, which concerns the capacity of a business name to enter into a contract. It held that there is no legal principle precluding a law firm or a business name from entering into contracts.

The Court further observed that the routine activities of law firms of accepting briefs and rendering legal services for consideration are, by their nature, contractual. The Court emphasised the shift from technical justice to substantial justice, holding that the Appellant, having benefited from the contract, should not be allowed to evade its obligations by raising technical objections regarding the alleged incapacity of the Respondent to enter the Consultancy Agreement.

On the issue of jurisdiction of the trial court, the Supreme Court held that no statutory provision restricts the enforcement of arbitral awards to any specific High Court in Nigeria. The Court further held that the contract was performed in Abuja and the arbitration proceedings took place there, and that the enforcement proceedings were properly commenced in the High Court of the Federal Capital Territory.

Comments

The Appellant's arguments that a business name does not have the legal capacity to enter into a contract and that the contract, which the Appellant took full benefit of was void, smacks of bad faith. Nigerian Courts have consistently deprecated such conduct as being reprehensible. The Supreme Court similarly deprecated the conduct of the Appellant in the case of *Pan Ocean Oil Corporation Nigeria Ltd v. KCA Deutag*. The Appellant's challenge to the Federal High Court's jurisdiction to enforce the award is equally baseless and frivolous given the Supreme Court's decision in 2023 in the case of *N.N.P.C. v. Fung Tai Eng. Co. Ltd (2023) 15 NWLR (Pt. 1906) 117* in which the Supreme Court held that proceedings to enforce an arbitral award being post-judgment proceedings can be brought in either the Federal or State High Court.



iii. **Champion Breweries PLC v. Brauerei Beck GMBH & Co. KG (2025) LPELR 81422(CA)**

Facts

The Appellant and Respondent were parties to a Manufacturing, Distribution, Technology, and Trademark License Agreement dated 24 October 2005 by which the Appellant was granted the exclusive right to use the intellectual property rights of the Respondent to produce, package, use, market, sell and distribute Beck's beer and other branded merchandise in Nigeria. Clause 19.2 of the agreement provided for the resolution of any disputes under the agreement by arbitration under the Rules of the International Chamber of Commerce Court of Arbitration (ICC Arbitration Rules) with the seat of arbitration in Geneva, Switzerland. Under the agreement, the Appellant was required to register the agreement with the National Office of Technology Acquisition and Promotion (NOTAP) within 60 days of its execution, but failed to apply for the registration until May 2007, nearly two years later, while continuing to implement the agreement and make profit from it.

The Appellant defaulted in paying the royalties due to the Respondent under the agreement, claiming that the agreement was illegal for non-registration with NOTAP. Consequently, the Respondent terminated the agreement and commenced arbitration proceedings under the ICC Arbitration Rules in Geneva for the recovery of the unpaid royalties. The Appellant then commenced parallel proceedings in the Federal High Court, seeking a declaration that the arbitration clause was illegal, null, void, and incapable of enforcement on the grounds that the arbitration clause offended Section 6(2)(r) of the NOTAP Act as it amounted to submitting disputes under the agreement to a foreign jurisdiction. The Appellant obtained an order of interlocutory injunction restraining the Respondent from taking any further steps in the arbitration pending the determination of the suit and subsequently obtained a mandatory order of injunction directing the Respondent to reverse any steps that it took in furtherance of the arbitration in Geneva (the court order). However, despite the orders, the arbitration proceeded, and on 14 January 2011, the arbitral tribunal issued a final award in favour of the Respondent for the outstanding royalties, damages, and arbitration costs.

Ultimately, in the action commenced by the Appellant, the court decided the merits of the suit against it and held that the Appellant, having benefited from the agreement by implementing the same and deriving income therefrom, was estopped from relying on its own default, i.e., failure to register the agreement as a basis to challenge the arbitration clause.

Subsequently, the Respondent commenced proceedings in the Federal High Court, Lagos, for recognition and enforcement of the arbitral award and was granted an order to enforce the award in the same manner as a judgment of the court. Dissatisfied, the Appellant appealed to



the Court of Appeal. In the Court of Appeal, the Appellant contended that the arbitration clause was illegal and contrary to public policy, as it contravened Section 6(2)(r) of the NOTAP Act, its application to register the agreement with NOTAP was rejected on the grounds that the arbitration clause offended Section 6(2)r of the NOTAP Act and that NOTAP was justified in refusing to register the agreement, and the resulting award was null and void and should not be enforced. The Appellant further contended that the lower court ought not to have recognised the arbitral award, given that the Respondent obtained the arbitral award in defiance of the interlocutory and mandatory orders of the Federal High Court, which restrained the Respondent from commencing or continuing arbitration.

Decision

The Court of Appeal dismissed the appeal and held that the agreement between the parties was not illegal, null, void, or contrary to public policy on account of Section 6(2) r of the NOTAP Act but was merely non-registrable. The Court also deprecated the Appellant's conduct and attempt to rely on its own default to register the agreement within time as a basis to evade its obligations under the agreement from which it derived benefit.

On the issue of the award being obtained in breach of the court order, the court noted that it was clear that the arbitral award was obtained during the subsistence of the orders, the Respondent was aware of the court order, yet took steps in the arbitral proceedings, in flagrant disobedience to the court orders, a court order is valid and must be obeyed until it is set aside and that disobedience to an order of a court of competent jurisdiction is affront to the society, state and the citizens, it is difficult to live in anarchic society where rule of law is trampled upon. Despite these observations, the court noted that the Respondent had commenced contempt proceedings against the Respondent for the breach of the court order, but discontinued the proceedings and cannot be heard to complain after it had compromised the court order.

Comments

Under Section 4 of the NOTAP Act, an agreement or contract for the transfer of foreign technology to Nigerian parties shall be registerable if its purpose or intent is wholly or partially for or in connection with any of the purposes listed in Section 4(d)(i) to (vi) and (e) of the NOTAP Act, which includes agreements for the use of trademarks and the right to use patented inventions. However, such an agreement shall not be registerable if it falls within any of the situations listed in Section 6 (2) (a) to (r).

Section 6(2) (r) prohibits the registration of an agreement where the transferee is obliged to submit to foreign jurisdiction in any controversy for decision concerning the interpretation or enforcement in Nigeria of any such contract or agreement or any provisions thereof. Section 7 of the NOTAP Act provides for the effect of non- registration. It provides that no payment shall



be made in Nigeria to the credit of any person outside Nigeria by or on the authority of the Federal Ministry of Finance, the Central Bank of Nigeria or any licensed bank in Nigeria in respect of any payments due under a registerable contract or agreement unless a certificate of registration issued under the Act is presented by the party or parties concerned, together with a copy of the contract or agreement certified by NOTAP.

Nigerian courts have interpreted this provision to mean that non- registration only means that funds for the payment of fees under an agreement that is not registered cannot be sourced through Nigerian banks or official channels. It does not render such an agreement void as contended by the Appellant. See **Stanbic IBTC Holding Plc v. Financial Reporting Council of Nigeria & Anor (2018) LPELR-46507(CA)**. What is more, the Appellant, having derived benefits under the agreement cannot be heard to impugn the validity of the agreement in order to avoid its contractual obligations under the agreement. Such conduct has been held by the Nigerian courts to be reprehensible and unconscionable.

On the issue of the award having been obtained during the subsistence of an order of injunction against the Respondent, the court rightly noted that an order of a court of competent jurisdiction ought to be obeyed until set aside and that disobedience to an order of a court of competent jurisdiction is an affront to the society, the state and the citizens. In other words, the court recognised that obedience to a court order until it is set aside is a matter of public policy. However, the court’s decision that the Appellant had compromised the court order by discontinuing the contempt proceedings that it had commenced against the Respondent begs the question of whether an award obtained in flagrant disobedience of a court order ought to be refused enforcement on grounds of public policy, even where the contempt proceedings that had been commenced against the party in breach of the court order were subsequently discontinued, considering the wider implications for the entire society of wanton disregard of court order, which is a matter that ought to outweigh the parties’ interests.

iv. B.P.E & Anor v. Messrs. U. Maduka Enterprises (Nig.) Ltd & Anor (2025) (2025) LPELR-80698(SC)

Facts

The case arose from a construction contract entered on 15 August 1978 between the Federal Ministry of Communications and Messrs U. Maduka Enterprises (Nigeria) Limited (the “Contractor”) for the construction of, among other things, the P & T School at Agbani in Enugu State. In 1985, the now defunct Nigerian Telecommunications Plc (NITEL) was established and subsequently became a beneficiary of the contract through an addendum dated 7 December



1988. From the commencement of the project, the Federal Government paid various sums due under the contract, with NITEL as the beneficiary. During the execution of the project, additional payments were made at different stages to account for fluctuations and depreciation in the value of the naira.

A dispute arose between the parties concerning payments under the contract. The dispute was referred to arbitration, and an award was issued by the arbitrator on 6 February 2006 in favour of the Contractor.

Following the award, the Contractor filed a motion on notice dated 18 April 2011, five years after the award was issued, in the Federal High Court seeking to enforce the arbitral award. NITEL opposed the application on the ground that the action for the enforcement of the award had become statute barred. The Federal High Court accepted this argument and dismissed the action.

The Contractor was dissatisfied with that decision and appealed to the Court of Appeal. While the appeal was pending, the Federal High Court sitting in Abuja made an order appointing a liquidator over NITEL. The Contractor subsequently applied to substitute the relevant parties in the appeal to reflect the parties in the liquidation proceedings. The Court of Appeal granted the substitution and dismissed the preliminary objection raised by the appellants and the Liquidator of NITEL Plc, and ultimately set aside the decision of the Federal High Court, which led to a further appeal to the Supreme Court.

Although two issues were formulated for determination by the Supreme Court, the central controversy concerned whether the action to enforce the arbitral award was statute-barred. The appellants relied on Section 20(1)(c) of the Enugu State Limitation Law, which provides that an action to enforce an arbitral award where the submission is not under seal must be brought within six years from the date the cause of action accrued. They argued that the cause of action accrued in 2000, when the dispute was referred to arbitration, and that the action to enforce the award, which was brought in April 2011, was caught by the six-year limitation period. In support of this argument, reliance was placed on the Supreme Court's earlier decision in *City Engineering (Nig.) Ltd v. Federal Housing Authority*, in which the Supreme Court held that the limitation period for enforcement of an arbitral award runs from the date the cause of action accrued rather than from the date the award was made.

The Respondents, however, contended that the award was not statute-barred and that the Court of Appeal was right to rely on the decision of the Supreme Court in *Sifax (Nig.) Ltd v. Migfo (Nig.) Ltd*. In that case, the Supreme Court held that the filing of action freezes limitation period such that where an aggrieved person commences an action within the period prescribed by statute and such action is subsequently struck out without being heard on the merits, the



limitation period shall not run/is frozen during the pendency of the earlier action. The Respondents contended that the same principle should apply to arbitration proceedings.

Decision

The Supreme Court affirmed the decision of the Court of Appeal and held that the action to enforce award was not statute-barred. The Court reasoned, relying on its earlier decision in *Sifax v. Migfo*, that the period between the commencement of the arbitration proceedings and publication of the award must be excluded in calculating the limitation period and that once arbitration is commenced, time stops running until the arbitral tribunal issues its award.

Applying this principle to the facts of the case, the Court held that the period between the year 2000, when the arbitration proceedings were commenced, and 2006, when the award was delivered, must be excluded from the limitation period, which means that the action to enforce the award which was filed in 2011 fell within the applicable limitation period and was therefore not statute barred.

Comments

The issue of the limitation period within which to enforce an arbitral award, which has now been laid to rest by the Supreme Court in *BPE v. Maduka*, has long been a vexed issue. Earlier decisions of the Supreme Court, such as *Murmansk State Steamship Line v. Kano Oil Millers Ltd* and *City Engineering v Federal Housing Authority*, held that the limitation period for enforcing an arbitral award runs from the date the underlying cause of action accrued rather than from the date the award was delivered. This position created significant practical difficulties because arbitration proceedings could sometimes take several years to conclude. In some cases, the limitation period could expire even before the arbitration is concluded and an award issued, leaving the successful award party with an award that cannot be enforced. This situation was criticised by arbitration practitioners and users.

It is to be noted that the issue of the limitation period within which to enforce arbitral awards was already addressed by the Arbitration and Mediation Act 2023. Section 34(4) of the Act provides that in computing the time for the commencement of proceedings to enforce an arbitral award, the period between the commencement of arbitration and the date of the award shall be excluded.



v. Oil & Industrial Services Ltd v. Hempel Paints (South Africa) Pty Ltd (2025) LPELR-81602(CA)

Facts

Hempel Paints (South Africa) Pty Ltd (the “Respondent”) commenced proceedings in the High Court of Rivers State seeking to enforce an arbitral award issued by Kathleen Paisley, Sole Arbitrator, arising from proceedings conducted under a London- seated arbitration conducted under the arbitration rules of the London Court of International Arbitration (LCIA). On the other hand, Oil & Industrial Services Ltd (the “Appellant”) commenced separate proceedings seeking to set aside the same arbitral award. By consent of the parties, both the set aside and enforcement proceedings were consolidated and heard together by one Judge and judgment was issued in favour of the Respondent. In respect of the Appellant’s application to set aside the arbitral award, the trial court dismissed the application on the grounds that it lacked jurisdiction to entertain an application seeking to set aside an award arising from a foreign-seated arbitration and that only the courts, at the seat of the arbitration, in this case the English courts, have the jurisdiction to set aside the award.

The Appellant was dissatisfied with the judgment and appealed to the Court of Appeal seeking interpretation of Sections 52 and 54 of the now repealed Arbitration and Conciliation Act 2004, which pertains to recognition and enforcement of international arbitral awards in Nigeria. In this regard, the Appellant contended that the power of the Nigerian courts to set aside arbitral awards under the Arbitration and Conciliation Act applied to every award both foreign and domestic. In response, the Respondent relied on Articles V(1)(e) and VI of the Convention on the Recognition and Enforcement of Foreign Awards 1958 (New York Convention), in support of its position that only the English court have supervisory jurisdiction over the arbitration, including an application to set aside the award since the seat of the arbitration was in London, England. Respondent further contended that while the Appellant could oppose the recognition and enforcement of the award in the Nigerian courts, it could not seek to set aside the award before the Nigerian courts.

Decision

The Court of Appeal dismissed the Appellant’s appeal and affirmed the High Court’s decision that it lacked jurisdiction to set aside the arbitral award.



Comments

This decision highlights one of the key consequences of the choice of a seat in international arbitration. The arbitral seat is the legal or juridical home of the arbitration, and that choice results in a number of significant legal consequences. For instance, it is only the seat -court that can exercise supervisory jurisdiction over arbitration proceedings seated in that jurisdiction, including the jurisdiction to set aside or annul the resulting award. While an enforcement court may refuse or deny enforcement, it lacks the jurisdiction to annul or set aside such an award.

The implications of the choice of arbitral seat, particularly as regards the exclusive jurisdiction of the courts at the seat of the arbitration to annul or set aside an arbitration award made or located in that seat, is sometimes not appreciated by the Nigerian courts. In the unreported case *No. PHC/845/CS/2023: Unitech Drilling Company Limited v. KCA Deutag Drilling GmbH and KCA Deutag Nigeria Limited*, the award debtor/Claimant applied to the High Court in Port Harcourt, Rivers State, to set aside an award made under the Rules of the LCIA/DIFC and seated in the Dubai International Financial Centre (DIFC). The Respondent/award creditor opposed the application and challenged the jurisdiction of the court to entertain the suit on the grounds that under Article V (1) (e) of the New York Convention on the Recognition and Enforcement of International Arbitral Awards, only the courts at the seat of the arbitration (the Dubai International Financial Centre, United Arab Emirates) have the jurisdiction to set aside the award. The High Court rejected this argument and assumed jurisdiction, although it ultimately refused to set aside the award on the ground that the Claimant did not establish the allegation of lack of jurisdiction by the arbitral tribunal.

The decision of the Court of Appeal in the case *Oil & Industrial Services Ltd v. Hempel Paints (South Africa) Pty Ltd* therefore provides a much-needed clarification on the jurisdiction of the Nigerian courts to set aside arbitral awards arising from foreign – seated arbitration proceedings.



CONCLUSION

A recurring theme from the decisions reviewed in this newsletter is the worrisome attempts by award debtors to use the courts to frustrate the enforcement of arbitral awards based on frivolous grounds, including belated allegations of invalidity of the underlying contracts after taking benefit of the contracts, which conduct the Nigerian courts have deprecated as reprehensible and unconscionable. It is this sort of behaviour that feeds the cynical perception that arbitration is but an expensive skirmish before litigation. It is, however, gratifying that the Nigerian courts have demonstrated that parties would not be allowed to use the courts to frustrate the enforcement of arbitral awards and that they are committed to protecting the integrity of arbitration as a viable alternative dispute resolution mechanism. Ultimately, the 2025 decisions strengthen the pro -arbitration stance of the Nigerian courts, thus enhancing Nigeria's appeal as an arbitration-friendly jurisdiction.

DISCLAIMER

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