



From Arbitral Award to Enforcement:

What Every Business Must Know About Arbitration in Nigeria

Introduction:

On 14 July 2025, the Federal High Court in Lagos granted Dolphin Drilling AS leave to enforce an arbitral award of approximately USD 105 million against General Hydrocarbons Limited (GHL). The award arose from a contractual dispute involving the early termination of a rig agreement by Dolphin Drilling in 2024 due to alleged payment defaults by GHL. This case highlights the practical relevance of enforcement strategy and the pathways available to businesses seeking to recover sums awarded in arbitration.

What Does the Law Say?

Under Nigeria's Arbitration and Mediation Act 2023, an arbitral award can be enforced once the High Court

(Federal or State) grants leave. Once granted, the award has the same legal effect as a court judgment and can be enforced through regular court procedures.

To obtain this leave, the applicant must file a request with the High Court and attach:

- A copy of the award
- The arbitration agreement (or a certified copy)

How Can an Arbitral Award Be Enforced?

Once recognised by the court, there are several legal tools available to recover the awarded sum—commonly used in enforcing both judgments and arbitral awards:



1. Writ of Fieri Facias (FiFa):

This allows the creditor to seize and auction off the debtor's movable or immovable property to recover the amount owed.

2. Garnishee Proceedings:

If the debtor has money in a bank or with another third party, the court may order that those funds be transferred directly to the creditor.

3. Judgment Summons:

The debtor may be summoned by the court to disclose their financial situation and capacity to pay. This step helps determine the next steps for enforcement.

Key Considerations Before Enforcement

• Time Limits Apply:

Enforcement should be initiated within 6 years (or 2 years for some types of claims). After this period, permission must be sought from the court, and enforcement is barred entirely after 12 years.

• Consent for Public Sector Debtors:

If the award is against a government entity, consent from the Attorney General (federal or state) is required before enforcement can proceed.

• Multiple Tools Can Be Used:

The law allows creditors to pursue several enforcement methods at once reflecting the principle that the successful party should be able to enjoy the benefit of the award without unnecessary delay.

Why This Matters for Commercial Stakeholders

Arbitration continues to be the preferred mechanism for cross-border and complex commercial disputes in Nigeria. However, even the strongest arbitral award is only as effective as its enforceability.

Businesses entering contracts governed by Nigerian law should consider:

- Including clear, enforceable arbitration clauses
- Confirming Nigeria as a seat of arbitration or choosing an award-recognised jurisdiction
- Identifying counterparty assets early for post-award enforcement
- Accounting for regulatory hurdles (such as government consent) in public sector contracts

Navigating Enforcement in Nigeria's Arbitration Landscape

As businesses increasingly rely on arbitration to resolve disputes, understanding the available legal mechanisms, time limits, and procedural nuances for enforcement in Nigeria is essential—especially when awards involve high-value assets or cross-border elements.

For more information on enforcement procedures, court applications, or the legal steps required to secure and recover arbitral awards in Nigeria, contact us at info@scp-law.com or visit www.scp-law.com.