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Gulf War, Fast Justice

The Case for Expedited Arbitration in LNG Disputes

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As the war in the gulf enters its fifth week, the Strait of Hormuz remains effectively blocked. This data shows that daily traffic through one of the world's most important shipping lanes is down 95% since the beginning of the war.[1] In parallel, Iran's missile and drone strikes on the Ras Laffan facility, reportedly impacting two liquified natural gas (LNG) trains, have prompted a chain reaction of *force majeure* declarations from the gulf into wider energy markets.[2]

Tremors of the macroeconomic impact of this disruption are already being felt around the world, with some fearing an oil price-induced global inflation shock. Meanwhile, market participants are facing immediate legal, commercial and operational risks, which in some cases may evolve into disputes. In the context of the LNG industry, those disputes may concern disagreements on contract interpretation and claims advanced under contractual provisions for *force majeure*, annual programming, restoration, make-up entitlement, failures to deliver, hardship and price reviews.

This article, which supplements several other recent insights from our global team on issues arising from the gulf conflict,[3] explores the use of expedited arbitration as a means of resolving such disputes in an efficient and expeditious manner.

Disputes arising out of LNG agreements affected by the ongoing war in the gulf region are likely to be time sensitive. Whether the issue in question turns on the validity of a *force majeure* notice, the allocation of cargoes between competing buyers, allegations of contractual arbitrage, the scope and timing of restoration obligations or make-up rights, these are disputes where days and weeks can matter commercially.

For instance, a buyer that cannot obtain a swift ruling on whether a seller's *force majeure* declaration is valid may face compounding downstream liabilities across a chain of on sale arrangements. Equally, a seller that cannot promptly secure a determination of its entitlements may be exposed to claims.

The conventional arbitration timetable, often measured in years, is arguably ill-suited to resolving these time sensitive disputes. Expedited arbitration, which involves condensed pleadings, limited (or no) document production and shorter hearing windows, may offer a possible solution.

Given the requirement for contractual cooperation between companies in administering LNG deals on a daily/weekly basis, parties may see real value in agreeing to expedite disputes to allow focus to return to day-to-day operations without a contentious cloud looming over that relationship for an extended period.

Why Expedited Arbitration May Be Suited to Certain LNG Disputes

LNG agreements – be it Sales and Purchase Agreements (SPAs), Master Sales and Purchase Agreements (MSAs) or confirmation notices – typically contain detailed operational provisions spanning the lifecycle of LNG delivery, from annual programming to make up rights. Disputes arising out of those provisions tend to be discrete: they turn on specific contractual language applied to a defined set of facts. Expedited arbitration offers several advantages in this context.

1. **Speed and certainty** – Expedited procedures can yield an award within six months of commencement (or even sooner). Where a seller has suspended LNG deliveries, and a buyer faces downstream shortfall claims (to domestic customers or through on-sale arrangements), the ability to obtain a binding determination within that timeframe can be commercially decisive.
2. **The relationship dimension** – Many LNG supply relationships are long-term, often spanning decades. By resolving discrete disputes quickly, companies may reduce the risk of entrenched positions calcifying into broader commercial breakdowns.
3. **Cost proportionality** – Shorter arbitrations with less procedure will likely result in lower arbitrator fees, administrative fees and legal and expert costs.

Comparison of Expedited Procedures

Each of the major arbitral institutions offers its own set of expedited procedures, albeit with different claim value thresholds, timelines and structural features. We consider three examples of those procedures below.

It should be noted at the outset that disputes arising out of LNG agreements impacted by the ongoing conflict are unlikely to fall within these automatic claim value thresholds.

1 BBC, "Nearly 100 ships pass the Hormuz Strait- who is getting through?".

2 BBC, "Why are gas prices soaring and how could it affect you?"; QatarEnergy, "QatarEnergy Declares Force Majeure"; The Straits Times, "Shell declare force majeure to clients who buy Qatari LNG: Sources".

3 See Squire Patton Boggs, "LNG Force Majeure Alert", March 2026; SPB, "LNG Force Majeure Alert – Part 2", March 2026; Squire Patton Boggs, "Force Majeure and Material Adverse Change – A Reminder of the Key Points", March 2026; Squire Patton Boggs, "Déjà Vu – Safe Port/Berth Warranties and Lessons From the Iran-Iraq War", March 2026; Squire Patton Boggs, "Refusing Transit Through the Strait of Hormuz", March 2026; Squire Patton Boggs, "Beyond Force Majeure: When Does a Conflict Actually "Frustrate" a Contract, What Is My Strategy and What Questions Should I Ask?", March 2026; Squire Patton Boggs, "Credit Documentation in Conflict – MAC Clauses and Drawstop Rights in the GCC Loan Market", March 2026; Squire Patton Boggs, "Anti-suit Injunctions and Arbitrations: Preparing for the Wave of Conflict-driven Disputes", March 2026.

However, just as parties are free to agree the seat, the governing law and the institutional rules that govern their disputes, they are equally free to agree – whether at the contract stage or once a dispute has crystallised – to adopt an expedited procedure that is tailored to the specific characteristics of their dispute. The question for parties in the current environment is therefore not simply whether an expedited procedure applies automatically, but whether one can and should be agreed.

International Chamber of Commerce (ICC)

- The ICC Expedited Procedure is governed by Article 30 of the ICC Rules and Appendix VI.
- Where parties have agreed to arbitration under the 2021 ICC Rules in an arbitration agreement concluded on or after 1 January 2021, the ICC Expedited Procedure will apply automatically where the amount in dispute does not exceed US$3 million.[4] Alternatively, the ICC Expedited Procedure will apply by party agreement irrespective of the amount in dispute.
- Where the procedure applies, the tribunal, ordinarily a sole arbitrator, is required to render its final award within six months of the case management conference, with proceedings often conducted on a documents-only basis.

Singapore International Arbitration Centre (SIAC)

- The SIAC expedited procedure is governed by Rule 14 of the 2025 SIAC Rules and Schedule 3.
- Where the parties have agreed to arbitration under the SIAC Rules, a party may apply to the SIAC Registrar for the arbitration to be conducted in accordance with the SIAC expedited procedure where the amount in dispute exceeds S$1 million, but does not exceed S$10 million, or where "the circumstances of the case warrant the application of the Expedited Procedure". This latter criterion, introduced as part of the 2025 SIAC Rules, replaces the previous threshold of "exceptional urgency", and is expected to broaden the category of cases potentially subject to the SIAC Expedited Procedure. Alternatively, the SIAC Expedited Procedure will apply by party agreement irrespective of the amount in dispute or circumstances of the case.
- Where the SIAC Expedited Procedure applies, the arbitration is conducted before a sole arbitrator on the basis of written submissions, often without document production or a hearing, and with an award to be rendered within six months of constitution of the tribunal.

Hong Kong International Arbitration Centre (HKIAC)

- The HKIAC Expedited Procedure is governed by Article 42 of the 2024 HKIAC Administered Arbitration Rules.
- Where the parties have agreed to arbitration under the HKIAC Administered Arbitration Rules, a party may apply to the HKIAC for the arbitration to be conducted in accordance with the HKIAC Expedited Procedure where the amount in dispute does not exceed HK$50 million, where parties so agree, or "in cases of exceptional urgency".
- Where the HKIAC Expedited Procedure applies, the case shall be referred to a sole arbitrator (unless the parties' arbitration agreement provides otherwise), who must render an award within six months of receiving the case file, with proceedings conducted on a documents-only basis unless the tribunal determines otherwise.

Bespoke *Ad Hoc* Agreements: A Tailored Alternative

The principle that parties may agree to their own procedure is at its most powerful in the context of fully bespoke *ad hoc* arbitration. Where the governing arbitration agreement does not incorporate institutional expedited procedures, or where the parties wish to design a process precisely fitted to their dispute, they may agree at any time, including after a dispute has arisen, to adopt a customised expedited procedure outside any institutional framework.

For instance, such an agreement might adopt the 2013 UNCITRAL Arbitration Rules as a procedural skeleton and overlay agreed milestones. In so doing, parties can also select the types of procedure they think will be best suited to the dispute in question. For example, the parties may decide to eliminate document production but appoint a three-member tribunal, or may decide on limited document production and an expedited oral hearing. Indeed, in a recent case, the authors acted for a party to an LNG SPA that required a contract interpretation dispute to be resolved by a specific contractual date. The parties agreed on a customised, expedited procedure that yielded an award within six months, thus facilitating the parties' timely performance of their obligations.

The principal risk of *ad hoc* proceedings is the absence of institutional support where procedural difficulties arise; for example, if a party fails to cooperate with the agreed timetable, or if a challenge to the arbitrator is raised. Parties considering this route should therefore ensure that their agreement includes clear mechanisms for addressing such eventualities, including, if appropriate, the designation of an appointing authority under Article 6 of the UNCITRAL Rules.

4 Where parties have agreed to arbitration under the ICC Rules in an arbitration agreement concluded on or after 1 March 2017, and before 1 January 2021, the ICC Expedited Procedure will apply automatically where the amount in dispute does not exceed US$2 million.

Practical Considerations for Parties

Whether parties are contemplating expedited institutional proceedings or an *ad hoc* arrangement, the consideration of certain steps at the outset is advisable.

1. First, the existing arbitration clause (if any) should be reviewed carefully to determine whether institutional expedited rules are already incorporated, and whether any preconditions such as prior negotiation requirements must first be satisfied.
2. Second, where no institutional expedited rules are incorporated, parties should consider approaching their counterparty at an early stage to explore whether agreement on an expedited procedure can be reached and if so, on what terms. In that regard, the current scale of disruption and the shared commercial interest in swift resolution may make such conversations more productive than they might otherwise be.
3. Third, specialist counsel and arbitrators with expertise in disputes arising out of LNG agreements should be engaged early.
4. Finally, although elimination of document disclosure can speed up proceedings considerably, certain *force majeure* and other, similar issues can be quite fact specific. Parties and counsel should therefore think carefully about whether document disclosure can reasonably be eliminated or whether a more pared down approach is preferable.

As LNG production and deliveries from the Middle East continue to be impacted by the ongoing conflict, it is almost inevitable that buyers, sellers and midstream parties will face escalating disputes over *force majeure* validity, restoration timelines, annual delivery programme adjustments, failures to deliver (including the application of wilful misconduct) and make-up entitlements.

While the monetary scale of those disputes may mean that expedited procedures do not apply as of right, parties who are willing to engage constructively on procedure and who appreciate that a swift, binding determination may serve their mutual commercial interests, have the tools to design an expedited process that works for them. The foundation for doing so is consent, and in the current environment, that conversation may have considerable value – sooner rather than later.

If you have any questions on the subject matter of this piece, please contact the authors. The views expressed in this piece are those of the authors and not the firm or any of its clients.

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