THE INTEGRATION OF AI INTO INTERNATIONAL COMMERCIAL ARBITRATION: OPPORTUNITIES, CHALLENGES AND PROSPECTS FOR LEGAL REGULATION

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Abstract: *This paper examines the significant impact of AI on international commercial arbitration. It highlights how AI enhances efficiency and predictability in various stages, including document analysis, case management, and arbitrator selection. The paper critically addresses the emerging legal and ethical challenges, such as the lack of regulatory frameworks, transparency issues, responsibility allocation, and potential threats to arbitrator independence and confidentiality. The article underscores the urgent need for unified standards for AI disclosure, liability mechanisms, and clear limitations to ensure fairness and transparency in this evolving field.*

Keywords: *Artificial Intelligence (AI), International Commercial Arbitration, Digital Transformation, Legal Technology, Transparency, Regulation.*

International commercial arbitration is currently undergoing a significant transformation due to the active introduction of digital technologies. Today, AI can act as an auxiliary tool at different stages in the arbitration process. Parties to commercial disputes use artificial intelligence tools at different stages of the proceedings, and arbitrators and lawyers use algorithms for document analysis, law enforcement practice and case management. This is part of the overall digital transformation: electronic portals for filing claims, ODR systems and smart contracts are being introduced[1]. This integration of AI into arbitration is explained

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[1] Comprés, T. (2025, May 6). Global Miami magazine. Global Miami Magazine - a Hub for Miami's Booming International Business Community. https://globalmiamimagazine.com/2025/05/06/the-role-of-technology-in-international-arbitration/

by the desire to increase the efficiency, speed and predictability of international dispute resolution.

The reduction in time costs with the help of AI technologies can also be seen in the process of selecting an arbitrator. By analyzing large amounts of biographical data and rulings, AI tools can help select candidates with the necessary qualifications, while taking into account their possible biases. Here, it is not exactly AI that comes to the fore, but rather databases and analytics. For example, the Arbitrator Intelligence project collects feedback and information on the behavior of arbitrators in different cases to help parties make informed decisions[2].

Arbitration, as a form of alternative dispute resolution, has always been flexible, and it is this quality that allows it to more quickly adapt to the challenges of the digital age. However, such a large-scale technological update gives rise to a number of complex legal and ethical issues that require immediate scientific analysis and legal regulation.

In practice, AI is used at various stages of arbitration. First of all, this concerns the drafting of procedural documents, automatic analysis of arbitration and judicial practice, and the search for relevant norm. Artificial intelligence is used to predict the likely outcome of a dispute, evaluate evidence, and in some cases, to prepare drafts of arbitration decisions. These technologies are also being implemented in procedural administration: the formation of timelines, the calculation of arbitration costs, and monitoring the timing of case consideration.

Despite these advantages, the legal system faces challenges in the absence of a regulatory framework governing the use of AI in arbitration. Today, no international arbitration rules contain provisions directly addressing the admissibility of algorithms in decision-making. This creates legal uncertainty for both the parties and the arbitrators themselves, especially in the case of appeals or enforcement of decisions.

One of the most pressing issues is the lack of transparency in the use of AI. Algorithms that use machine learning often operate on a "black box" principle,

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meaning that their internal mechanisms are not available for analysis by third parties[3]. This undermines the principles of equality of arms and accountability of the arbitrator, which are the foundation of international arbitration. In addition, the use of AI without disclosure violates the principles of due process. process and may serve as grounds for overturning the decision.

Another concern is the question of responsibility allocation. Who should bear the consequences for the AI's erroneous actions: the arbitration institution, the arbitrator itself, the parties, or the developer of the algorithm? The lack of clear provisions in regulations and national laws makes it difficult to resolve such conflicts and increases the risks for the participants in arbitration. This is especially critical in cross-border disputes, where a highly standardized procedure is required.

There are also ethical and legal issues. The use of AI may violate the principle of arbitrator independence if the algorithm forms the content of the award. There is a risk of inequality between the parties, especially in cases where one party has a technical advantage and the other does not. In addition, the use of AI-based cloud solutions may threaten the confidentiality of arbitration proceedings, which is especially important when government bodies and transnational corporations are involved.

An analysis of international practice shows that leading arbitration institutions have different approaches to the use of AI. For example, the International Chamber of Commerce (ICC) uses AI in case management, but does not allow it to form decisions[4]. The London Court of International Arbitration (LCIA) recognizes the need to disclose the fact of using AI. The Singapore and Hong Kong centers (SIAC, HKIAC) are actively testing internal standards for assessing the admissibility of algorithms. However, there is no unified legal model yet that establishes acceptable frameworks and procedural guarantees for the use of AI.

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[3] Kosinski, M. (2024, October 29). What is black box artificial intelligence (AI)? IBM. https://www.ibm.com/think/topics/black-box-ai

[4] Leveraging Technology for Fair, Effective and Efficient International Arbitration Proceedings. (2022). https://iccwbo.org/wp-content/uploads/sites/3/2022/02/icc-arbitration-and-adr-commission-report-on-leveraging-technology-for-fair-effective-and-efficient-international-arbitration-proceedings.pdf

In the current conditions, the primary task of legal regulation is to develop uniform standards for disclosing the use of AI, establishing limits on its application, and introducing liability for violating the rights of the parties. It is proposed to introduce so-called AI into arbitration regulations Disclosure Clauses that oblige parties and arbitrators to report on the use of intelligent systems. It is also necessary to enshrine in law the possibility of reviewing a decision in the event of a technical failure and to provide a mechanism for appointing a technical expert.

The integration of AI into international arbitration thus creates both opportunities and risks. AI has the potential to improve the quality and accessibility of the arbitration process, but only if it is properly regulated and respects the basic principles of fairness, transparency, and equality.

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