

# Avoiding the Expiry of an Arbitral Award: Court Sets Out Timeline of Limitation Period in Award Enforcement

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## Introduction

In commercial arbitration, obtaining an award doesn't mark the end of a dispute; efforts should then turn to the effective enforcement of the award. To encourage timely enforcement and provide certainty for disputants, the enforcement of an arbitral award is typically subject to a statutory limitation period.

In Singapore, section 6(1)(c) of the Limitation Act 1959 ("**LA**") provides that any action to enforce an award shall not be brought after the expiration of six years from the date on which the cause of action accrued. In *Pacmar Shipping Pte Ltd v South of England Protection and Indemnity Association (Bermuda) Ltd (in liquidation)* [2026] SGCA 20, the Singapore Court of Appeal considered key questions relating to the timeline under this limitation period, including: (i) when does the limitation period start to run; and (ii) when does the limitation period stop running?

The dispute involved an arbitral award obtained in favour of the respondent. On the eve of the expiry of the six-year period (calculated with reference to the date of the award), the respondent obtained a court order to recognise and enforce the award. The Court of Appeal upheld the order, finding that the enforcement of the award was not time-barred.

In reaching its decision, the Court clarified that, for purposes of section 6(1)(c) of the LA:

1. time should start to run from the date when the award was not honoured; and

2. time stops running when the action is commenced.

This Update highlights the key points of the Court's decision and how to navigate the limitation period for the enforcement of an arbitral award.

## Brief Facts

A protection and indemnity association ("**Respondent**") which provided insurance cover for shipping liabilities commenced arbitration proceedings in 2017 against a Singapore-incorporated shipping agent and its insured member ("**Appellant**") for unpaid insurance calls. An arbitral award ("**Award**") was issued in favour of the Respondent on 17 July 2019.

The Appellant did not satisfy the Award, and on 15 July 2025 – just before the expiry of six years from the Award – the Respondent filed an application for permission to recognise and enforce the Award before the Singapore courts ("**Recognition Application**").

On 16 July 2025, the High Court issued a Recognition Order granting the Respondent permission to recognise and enforce the Award and entered judgment against the Appellant. The Recognition Order provided that the judgment on the Award was only enforceable 14 days after the service of the Recognition Order on the Appellant, to allow time for the Appellant to apply to set aside the order.

The Appellant applied to set aside the Recognition Order, arguing that enforcement of the Award was time-barred under section 6(1)(c) of the LA. Although the Recognition Application was brought within six years of the Award being issued, the Appellant submitted that the limitation period under section 6(1)(c) of the LA includes: (i) the time required for service of the Recognition Order; (ii) the 14-day period before the Award becomes enforceable; and (iii) if an application is made to set aside the order, the time for the application to be disposed of. On this argument, the Respondent's Recognition Application would fall outside the limitation period.

## Issues Before the Court of Appeal

The Court of Appeal thus had to determine:

1. When the limitation period under section 6(1)(c) of the LA starts and stops running;
2. Whether the enforcement of the Award was time barred; and
3. The Appellant's other grounds of setting-aside, namely that: (i) the doctrine of laches applied; (ii) the Respondent's underlying claims in the Arbitration were themselves time-barred; and (iii) the Appellant was not given proper notice of the Arbitration.

## Decision of the Court of Appeal

The Court of Appeal upheld the Respondent's enforcement of the Award, dismissing the Appellant's arguments.

### *Limitation Period for Enforcement of Arbitral Awards*

In reaching its decision, the Court provided key guidance on the timeline for the limitation period under section 6(1)(c) of the LA:

1. *Time starts running from the award debtor's failure to honour the award.*

The Court clarified that the limitation period starts running from the debtor's failure to honour the award rather than from the date of the award. This is because enforcement of an award constitutes a separate cause of action based on an implied obligation to honour the award, and a breach arises when the award debtor fails to comply with that obligation.

In most cases, however, this distinction will have little practical impact, as awards are typically immediately payable and the failure to honour the award will coincide with the date of issuance. But where an award provides for deferred performance or payment on a future date, the failure to honour the award, hence the commencement of time for the limitation period, may arise only upon non-compliance with that deferred payment obligation.

*2. Time stops running when the enforcement action is brought.*

The Court of Appeal further clarified that the limitation period stops running when the enforcement action is brought, that is, when an application to enforce the arbitral award is commenced. The Court of Appeal rejected the contention that time under section 6(1)(c) of the LA should continue to run, not only until the enforcement action is commenced, but until it is served or the time limit to apply to set aside the recognition order (and the time for subsequent steps thereafter) has elapsed.

*3. Once the arbitral award is recognised as a judgment, a separate limitation period applies to the enforcement of such judgment.*

Section 6(3) of the LA provides that an action upon any judgment shall not be brought after the expiration of 12 years from the date on which the judgment became enforceable.

The Court of Appeal emphasised the distinction between the recognition of an award as a judgment and the enforcement of that judgment, which are two distinct processes. Section 6(3) of the LA applies only after the recognition of an award as a judgment and does not enlarge the six-year limitation period under section 6(1)(c) of the LA for enforcing the award itself. If an award creditor fails to bring an enforcement action within the six-year period under section 6(1)(c), the 12-year period under section 6(3) does not arise at all because there is no judgment to enforce.

### ***Application of Time-Bar***

As the Respondent's Recognition Application was commenced within six years of the Appellant's failure to satisfy the Award (which, in this case, was the date of issuance of the Award), the time-bar defence under section 6(1)(c) of the LA failed.

### ***Other Grounds***

The Court of Appeal dismissed the Appellant's other grounds for setting-aside:

1. Laches: The doctrine of laches cannot apply to claims (such as this one) which are subject to statutory limitation periods.
2. Time-bar on underlying claims: It was not open to the Court to revisit the merits of the arbitral tribunal's findings on the time-bar issue. Issues of time bar arising from statutory limitation periods go towards admissibility, not jurisdiction, and they are matters for the tribunal to decide.
3. Notice: On the facts, the Appellant had been given proper notice of the arbitration.

## **Concluding Remarks**

This decision provides important guidance on the application of limitation periods to the enforcement of arbitral awards in Singapore. It reinforces a strict, statute-based approach: time runs from breach of the award (i.e. failure to honour), it

stops upon *commencement* of proceedings. It also clarifies that the processes of seeking recognition and enforcement of the award on the one hand, and executing the resulting judgment on the other, are distinct and separate.

Where award debtors fail to honour an award, award creditors should act swiftly to commence recognition and enforcement proceedings within the six-year limitation period. Given that time is likely to start running from the date of the award itself (save where the award orders deferred payment by a specified date), award creditors must closely monitor compliance with the award, lest they miss the critical window for enforcement.

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