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THE EVOLVING LANDSCAPE OF AI REGULATION IN INTERNATIONAL COMMERCIAL ARBITRATION: LESSONS FOR ALBANIAN JURISDICTION

Artificial Intelligence (AI) tools are increasingly available in international arbitration for purposes of document review, legal research, and award drafting, to mention but a few. However, their use in arbitration poses significant legal and ethical challenges, including risks of bias, lack of transparency, confidentiality breaches, and potential violations of due process.

Current responses to such challenges range between soft-law guidelines from arbitral institutions as well as hard-law rules such as the EU AI Act. The latter classifies AI in adjudicative contexts as “high-risk”, imposing obligations for transparency and risk management as well as sanctions. In this context, questions arise about the governance models to address any misuse of AI in commercial arbitration.

This article explores current global discussions about such regulatory interventions. It then focuses on Albanian jurisdiction by identifying lessons to be drawn therefrom. While recognizing the values of the self-regulation of AI in commercial arbitration, it is admitted that the hard-law model pursuant to the AI Act will likely prevail in Albania, given its path toward EU integration. In view of the ongoing global discourse about the two key models as well as some criticism associated with the EU AI Act’s application to commercial arbitration, the paper suggests that Albania should undertake a diligent evaluation of such developments and their interaction with domestic law, before moving forward with the harmonization of the EU legislation agenda. Moreover, a hybrid approach, whereby binding minimum safeguards are combined with flexible soft-law guidelines, may result as plausible for Albania to follow. This should satisfy the EU harmonization requirements and at the same time enhance commercial arbitration practices by preserving its essential values of flexibility and party autonomy.

Keywords: Albania, alternative dispute resolution, arbitration, arbitral proceedings, artificial intelligence.

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1. POTENTIAL USES AND MISUSES OF ARTIFICIAL INTELLIGENCE IN ARBITRATION

Artificial Intelligence (AI) tools, both traditional and generative, are increasingly available and with widespread use in various industries and market practices. This includes the legal industry, particularly dispute resolution and international arbitration. Arbitrators, counsels, party representatives and other participants in the arbitral proceedings, such as tribunal secretaries and appointed experts, are having more opportunities to rely on AI tools.

Without delving into the historical aspects of AI use in legal practice (Quintão & de Oliveira Dias, 2025, pp. 55–56), it is striking how traditional approaches are being reshaped in the context of a profound and ongoing evolution of the landscape of AI utilization in law. This is empowered by the rapid introduction of generative models and proprietary and specialized AI systems technologies (Freshfields Risks and Compliance Blogs, 2026).

AI tools are already present in various areas of legal practice, including contract analysis, legal research, e-discovery etc. (Scherer, 2019, p. 540). In international arbitration, practitioners are increasingly finding such tools useful in a variety of tasks, such as conducting legal research and predictive analytics, whereby arbitration outcomes can be forecasted by analyzing past cases with similar issues or fact patterns; drafting and proof-reading written submissions, procedural orders, other legal documents; summarizing awards and pleadings; comparing arguments and counter-arguments; organizing evidence, translating documents, managing the proceedings and organizing documentation; estimating costs; dealing with hearing arrangements (transcripts, simultaneous foreign language interpretation); selecting counsel, experts and arbitrators by analyzing massive data to identify the most suitable arbitrators based on their expertise, past rulings, and even potential biases; assisting in settlement proposals; and most controversially, assisting in the decision-making process by offering outcome prediction and drafting awards and briefs even beyond the standard sections (such as procedural history, etc.) (Scherer, 2019, p. 540; Quintão & de Oliveira Dias, 2025, pp. 55–56; Al Fatayri, 2024; Bell, 2025). As reported in the 2025 International Arbitration Survey, the development of AI technology has profoundly affected the evolution of the arbitration system (Queen Mary of London and White & Case, 2025).

Currently, there seems to be some consensus, and reasonably so, that the use of AI tools is less problematic in relation to case management issues, and more so in relation to the substantive adjudication aspects of decision-making processes (such as reasoning and conclusions) – whereby these latter have been traditionally regarded as inherently related to the human exertion (Scherer, 2019, p. 540; Bell, 2025).

The significant power of AI systems in international arbitration is undeniable. The arbitration community's perception has shifted from a somewhat skeptical view about AI use in arbitration to being intrigued by the topic, and finally, nowadays, to an undisputed acceptance that AI systems have a significant and increasing impact on international arbitration (Scherer, 2023).

The utilizations of AI systems speak for various benefits in the arbitration process, such as enhancing efficiency and cutting costs through processes of arbitrator selection, legal research and predictive analytics, as well as increasing consistency by minimizing human error and delivering analytical outputs that could even challenge human capability, through summaries, scheduling, drafting, and translation tasks (Al Fatayri, 2024; Bell, 2025).

But what is the cost behind these opportunities? Certain AI limitations include “black-box” issues (missing a transparent internal logic and the nuances of human judgment that involves a deep appreciation of the contextual background, political, economic, and social factors, etc.), hallucination (generating non-existent legal precedent and case citations), and AI’s continuous pursuit of data and updating (Alnaber, 2025; Al Fatayri, 2024; Freshfields Law Firm, 2025).

Focusing on legal decision-making, there are system inherent limitations that make AI programs risky to rely upon. Scherer refers to the four Vs of big data (Volume, Variety, Velocity, and Veracity) as the cornerstones of data-driven projects which also describe the challenges of data use. This in turn helps to assess data-driven AI programs and their use in the legal sector. Fully relying on AI systems is risky to the extent that those systems will suffer from insufficient data (inability to access all or most of the relevant awards), the variety of such data, the velocity of updating the data in the light of legal and policy changes over time, and finally their accuracy (Scherer, 2019, p. 540).

Substantial legal and ethical challenges arise, such as concerns over bias, lack of transparency, confidentiality breaches, and due process violations. All these issues compromise the integrity, quality, and overall legitimacy of the process and outcomes of international arbitration.

For instance, the quantity and quality of data on which AI systems rely are essential in excluding concerns with bias and ensuring fairness. If the data is biased due to AI tools being trained to use historical data, AI’s predictions and decisions may also perpetuate these biases or inaccurate results, hypothetically leading to wrong, non-existent, and unfair outcomes (Al Fatayri, 2024; Mills & Shanker, 2024). The equation gets even more complex considering the cultural, legal, and social differences that permeate international arbitration (Al Fatayri, 2024).

Confidentiality and security constitute another matter of concern regarding the integrity of arbitration proceedings. The use of AI could increase the risk of data violation of confidential pleadings, privileged or commercially sensitive documents, as well as attorney-work products which are often present in arbitral cases (Al Fatayri, 2024; Freshfields Law Firm, 2025).

Another aspect of potential AI misuse in arbitration is the lack of nuanced understanding and human judgment typically provided by experienced arbitrators (Al Fatayri, 2024). This is linked with the highly controversial role of AI in the decision-making process in terms of drafting awards and briefs (Scherer, 2019, p. 540; Quintão & de Oliveira Dias, 2025, pp. 55–56).

AI use might violate *receptum arbitri* as in the scenario where the arbitrator delegates to AI tools certain aspects of his or her presumed personal duty vis-à-vis the parties to render the decision, without subsequently reviewing the process. Similarly, the arbitrator may breach confidentiality obligations, when feeding third party-AI platforms with confidential data or procedural requirements while failing to disclose to the parties any use of AI (Nappert, 2025).

From the regulatory and ethical perspectives, the question of accountability arises where an AI system makes an incorrect or biased decision. The integration of AI in arbitration, particularly into decision-making processes, challenges essential principles of impartiality and transparency (Venero, 2026). While arbitrators must remain fully detached from the parties’ interests, even when relying on AI tools, questions persist as to whether AI outputs can be unbiased and whether the use and influence of such systems should be revealed to the parties.

LaPaglia v. Valve case illustrates some of these concerns, questioning whether reliance on AI compromises the arbitrator’s adjudicative role. It involved a petition to vacate an American Arbitration Association award, allegedly drafted with the assistance of AI (*LaPaglia v.*

Valve Corp., Petition to Vacate Arbitration Award, 2025). Although the case was dismissed on jurisdictional grounds, it could have offered a direct judicial test in the United States of America of the extent to which AI-assisted arbitration could be relied upon, if at all, and ultimately whether AI-assisted awards could be vacated over grounds of transparency vis-à-vis parties, lack of human reasoning that is deemed inherent in adjudication, etc. (Silicon Valley Arbitration & Mediation Center, 2025; Aceris Law, 2025; Pashaeva, 2025; Legal News, 17 February 2026).

Meanwhile, a recent judicial decision addressed the core of the matter of AI use in arbitration. In *Association des ressources intermédiaires d'hébergement du Québec (ARIHQ) v. Santé Québec*, 2026, the Quebec Superior Court annulled an arbitral award based on the arbitrator's undisclosed use of AI to generate substantive reasoning supported by hallucinated authorities. This is regarded as the first judicial decision addressing such an important aspect of AI use in arbitration (Appleton, 2026).

Against this background, the discussion is not much about whether, but rather how AI should be integrated in arbitration. The use of technological advances and particularly AI tools in arbitration enhances cost and time efficiency. Yet, it provokes a tension concerning compliance with fundamental principles of confidentiality, impartiality, and independence of arbitrators, and ultimately it puts under serious risk the enforceability of awards (Paulsson & Suresh, 2024). The core issue centers on whether AI-assisted awards may violate procedural fairness, public policy, or “black box” transparency requirements. These violations would potentially lead to challenges under the New York Convention and the domestic procedural laws governing enforcement of arbitral awards.

In view of the need to safeguard the integrity and legitimacy of arbitration proceedings, there is a quest to establish ethical and legal rules and frameworks that regulate and ensure responsible and transparent use of AI in international arbitration (Al Fatayri, 2024; Mills & Shanker, 2024).

2. CURRENT RESPONSES TO CHALLENGES OF AI APPLICATION IN ARBITRATION

Most of the current responses to such challenges are in the form of self-regulation. The Silicon Valley Arbitration and Mediation Center (Guidelines on the Use of Artificial Intelligence in Arbitration, 2024), the Chartered Institute of Arbitrators (Guideline on the Use of AI in Arbitration, 2025), the Vienna International Arbitration Center (Note on the Use of AI in Arbitration Proceedings, 2025) and other institutions have introduced soft-law standards and guidelines aiming to foster responsible use of AI in arbitration. They admit the positive contribution of AI in terms of efficiency and analytical authority. They also emphasize aspects of transparency, due process, and human oversight. These are meant to ensure that arbitration proceedings keep fostering party autonomy, fairness, and reasoned judgment.

From a different angle, there is a recent proposal to institutionalize the so-called AI ethical review committees in international arbitration with the aim of regulation and oversight of AI-assisted adjudication (Hong Kong International Arbitration Center, HK45, 2026). According to the proposal, by taking the example of AI ethics boards or committees that serve advisory and accountability functions in various types of organizations (such as Microsoft's AETHER, Google's DeepMind, etc.) (CMS, 2026), these independent and multi-disciplinary

bodies are expected to review and assess AI use in arbitral proceedings. They would act as advisory bodies, institutional vetting boards, or technical amici curiae, and provide critical evaluations *ex ante* (pre-award – e.g., Art. 34 of the ICC Rules 2021, which allows the scrutiny of draft awards to enhance enforceability) as well as *ex post* (post-award – drawing from the practice adopted pursuant to Art. V(1)(b) and V(2)(b) of the New York Convention, which allows refusal of award enforcement over grounds of due process or public policy violations) (Hong Kong International Arbitration Center, HK45, 2026).

The authors admit that these mechanisms lack a determinative nature and add a layer of control that would in turn challenge efficiency and party autonomy. They still believe that they could serve as an alert and corrective system that can promote arbitral integrity in the context of AI use and the generally voluntary nature of guidelines (Hong Kong International Arbitration Center, HK45, 2026). It is, however, questionable whether these mechanisms might ensure proper and fair use of AI in arbitration that does not lead to unenforceable awards.

The other end of the governance spectrum shows the adoption of binding AI rules and regulations. A few states have already introduced or are in the process of introducing such laws, and some authors support their application to commercial arbitration (e.g., Venero, 2026 commenting on the Peru AI Act, 2023).

From a regional perspective, the EU AI Act of 2024 is of key relevance for Albania given its EU accession prospect. It constitutes the most comprehensive set of rules in the AI realm, pointing to a shift toward risk-based AI governance. The Act aims to promote human-centric and trustworthy AI while ensuring a high level of protection of fundamental rights enshrined in the EU Charter, democracy, and the rule of law, operationalized through transparency (Article 13) and human oversight (Article 14). It classifies economic activities according to the likelihood of harm caused by AI systems and specifies various regulatory duties according to the level of risk (Recital 26). In this context, AI in adjudicative contexts, including ADR, falls under the “high-risk” category (Article 6(2) and Annex III, para. 8). This involves the imposition of strict requirements for transparency, documentation, testing and human oversight, as well as compliance duties and fines. Awards that fail these standards may fail enforcement within the EU, particularly on grounds of violating the New York Convention (lack of proper reasoning or procedural irregularity, violation of public policy) (Paulsson & Suresh, 2024; Pabakhshi, 2025).

Current discussions of the integration of AI in international arbitration convey several messages. With information technology solutions advancing rapidly and challenging human imagination, the nature and dimensions of regulations that enhance the benefits (efficiency) and mitigate the risks (integrity) from the use of AI tools in international arbitration will also have to adapt to the new and dynamic AI reality. This is by no means a straightforward task for policy makers and lawyers. The present landscape shows diversity in terms of legal governance, ranging from industry self-regulation – whereby stakeholders of commercial arbitration are being able to voluntarily respond and adapt to technological advancements by maintaining flexibility, party autonomy, confidentiality, and a tailored approach to the arbitration context, to hard-law regulation – where the state proactively imposes binding rules and strict compliance requirements to ensure minimum standards, uniformity, and safeguards against bias.

Drafting and enforcing rigid rules in such a dynamic and fluid context of AI developments might prove to some extent counterproductive. Drafting regulations involves costs and bureaucracy. Once enforceable, such regulations may spoil the aimed efficiency of the

proceedings by imposing compliance burdens on their subjects. Moreover, they may provoke challenges regarding their interpretation and application to specific subjects and cases. For instance, the enactment of the EU AI Act has already provoked professional and academic reactions regarding the interpretation and application of key aspects of the new regulation to commercial arbitration, *rationae personae*, *rationae materiae*, *rationae temporis*, and *rationae loci* (Scherer, 2024; Lüttenberg *et al.*, 2025; Migliorini & Moreira, 2026).

Some authors have even suggested carving out commercial arbitration from the Act's scope of application (as opposed to employment or consumer protection arbitration, which are characterized by party asymmetries and the need to protect the weaker party), for the sake of the core values of party autonomy and confidentiality (Migliorini & Moreira, 2026).

The soft-law approach would encourage experimentation with essential safeguards that rely on reputation and professional responsibility grounds. In turn, a hard-law model might even have a chilling effect on the actual use of AI due to the compliance burden and interpretative concerns.

Amidst the two ends of the spectrum, a hybrid or multilayered approach for governing the use of AI in commercial arbitration might have to be considered. Reference is made to a combination of binding minimum safeguards with flexible soft-law guidelines, such as applying the EU AI Act to AI systems that directly decide disputes, while leaving supportive tools (document review, transcription, workflow management) under soft-law guidance from arbitral institutions (Migliorini & Moreira, 2026; Paulsson & Suresh, 2024). The aim would be to differentiate between AI tools that “genuinely threaten fundamental rights and those that enhance efficiency without compromising due process” (Migliorini & Moreira, 2026, p. 160).

The next section turns to the Albanian jurisdiction. It assesses the extent to which the above international discourse and the multifaceted approach to regulating AI uses in commercial arbitration may be echoed in the Albanian arbitration law and practice. It further identifies lessons to be drawn from the international realm so that Albania can support a favorable commercial arbitration environment that benefits from the advanced AI technologies.

3. FOCUS ON THE ALBANIAN JURISDICTION

From a normative perspective, Albania offers a robust legal framework on international and domestic commercial arbitration. It has ratified key international instruments such as the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention, 1958) and the European Convention on International Commercial Arbitration (Geneva Convention, 1961). The main pieces of domestic legislation comprise the Albanian Code of Civil Procedure, 1996, as well as the Albanian Arbitration Law, 2023, which largely follows the UNCITRAL Model Law. These rules and regulations, and particularly the direct and prevalent application of the New York Convention and Geneva Convention over purely domestic law, ensure adherence to the international standards on essential matters of international arbitration (Gjuzi, 2025).

Yet, there has been a rather slow progress of the Albanian arbitration practice in relation to domestic cases and international cases with a legal seat in Albania. Contributing factors include a prolonged lack of regulation until the enactment of the Law on Arbitration in 2023, as well as the overall legal and business environment in Albania, which is characterized by a weak justice system and limited experience in arbitration law (Gjuzi, 2024).

Certainly, the success or failure of a law, particularly of the Law on Arbitration of 2023, cannot be assessed in a few years' time. The potential interest by local SMEs to opt for domestic arbitration vis-à-vis local courts as well as the few domestic arbitration institutions already established in Albania (Albanian Mediation and Arbitration Center, 2002; Tirana Chamber of Arbitration, 2021; Albanian Chamber of Arbitration, 2022, as per the information retrieved from the Albanian National Business Center) could offer good premises for domestic arbitration cases. In this respect, it is questionable whether the local small and medium businesses would be willing to invest financially in expensive AI tools, considering the potential low or medium values of their cases. This is to the extent that such tools would be available for cases based on local law and the engaged lawyers and arbitrators would have the skills to use them professionally.

Meanwhile, there is considerable foreign and international arbitration practice involving foreign companies doing business in Albania and even the Albanian state, with the proceedings taking place in the main European seats such as Vienna, Paris, London, Stockholm, etc. In these cases, the parties and lawyers involved have focused on the Albanian arbitration legal framework, mainly with respect to the recognition and enforcement of the outcoming arbitral awards (Gjuzi, 2024).

Without prejudice to the prospects of arbitration in Albania, the current reality shows that the discussion about the potential uses and misuses of AI tools in arbitration proceedings could be raised predominantly in the cases of recognition and enforcement of foreign arbitral awards by Albanian courts.

As regards the challenge posed to any party by the outcomes of arbitration proceedings due to the alleged misuse of AI tools and their negative effects on the arbitration proceedings and parties, one might consider the present legal protections enshrined in the Albanian Arbitration Law, and most importantly, in the prevailing New York Convention.

Key provisions include the principles of party autonomy, independence and impartiality of arbitrators, the due and proper administration of the arbitral proceedings by affording the same and equal conditions to all parties, the adversarial principle, as well as the arbitral tribunal's duty to state reasons in the award (Articles 24, 38–39 of the Albanian Arbitration Law). These provisions speak for the protection of such high standards vis-à-vis any situation that could unfairly hinder them, and arguably also from the uses of AI tools that because of their inherent limitations (black-box, hallucination, etc.) could challenge the integrity of the process and its outcomes. Along the same lines, the public policy provisions regarding the annulment and enforcement of foreign awards (Articles 44, 46–47 of the Albanian Arbitration Law) might also be invoked.

Some emphasis here should be given to the currently-in-force Albanian Arbitration Law requirement for the arbitrator to be a "natural person" (Article 13(1)), thus excluding options for an AI arbitrator. Notably, the approach of the New York Convention is different. It only mentions an "arbitrator" twice (Articles I(2) and V(1)(b)) and does not include any reference to the nature of the arbitrator or the tribunal, thus neither implicitly nor explicitly precluding AI arbitrators (Bell, 2025, p. 20).

Similarly, violations of the public policy requirements under Article V(2)(b) of NY Convention could be relevant in the cases of alleged arbitrator's partiality (where decisions are reached by the arbitrators by using biased datasets), data insufficiency or inaccuracy (due to limited available data, which is often the case in arbitration suffering from unpublished awards), or failure to provide reasoning (due to the "black box" problem, whereby their outputs are so

complex that even human experts, including the system's own designers, cannot fully interpret or unravel them) (Bell, 2025).

The above statutory references, however, do not contain detailed rules to deal with the various misuses of AI in arbitration. Neither does Albania have a dedicated national law on AI more generally, which could also apply to arbitration cases. This triggers the question of whether Albania should address the potential legal gap or not, and if so, how and at what speed. Should regulation come from the state in the form of hard-law legislation or should it rather be left to the industry in the form of voluntary guidelines?

Theoretically, global discourse will resonate domestically. Considering the nature of commercial arbitration, which has been traditionally and successfully based on the principles of party autonomy, confidentiality, and flexibility, a strong argument goes in favor of the self-regulation model led by industry players. Guided by professional integrity, reputation, and responsibility, such players are the ones benefiting from the opportunities but also bearing the challenges from any uses and misuses of AI in commercial arbitration practices. By experiencing AI developments closely and daily, they are deemed to be fully equipped to diligently and timely address the need for and content of rules and guidelines. Moreover, arbitrators, arbitration practitioners and institutions have the flexibility to adjust to newer developments through a rather straightforward process, as opposed to the more complex law-making process involving governments and parliaments.

This should not negate the role of the state introducing high-level protections against the encroachment of human rights and other citizens' concerns and generally preserving public order. In the AI context, one could think of a more proactive regulatory approach by the state in the cases of employment arbitration, consumer protection arbitration, and the like, given the party asymmetries and the undisputed role of the state to protect the weaker party.

The above theoretical debate may have limited practical effects in the Albanian context as far as Albania is aspiring to become an EU member state. In light of its integration commitments as an EU candidate country, Albania is aiming to harmonize its legislation with the EU AI Act, in accordance with its EU accession timetable and the progress with Chapter 10 (Digital Transformation) negotiations. In its latest report, the European Commission stated that "Albania should fully align with the EU's Artificial Intelligence Act, ensuring the necessary enforcement structures." (European Commission Report for Albania, 2025, p. 72). In its draft National Strategy of Artificial Intelligence 2025–30, the Albanian Government states that "[t]he priorities of this document relate to (...) harmonization with EU policies and legislation, particularly the EU AI Act, ensuring a unified approach to standards of safety, ethics, and transparency in the use of AI." (Draft National Strategy of Artificial Intelligence 2025–30). Following the above, the Government has planned to examine the draft law in the third quarter of 2026 (National Plan of Normative Acts, 2025).

Questions arise as to whether this approach has been properly evaluated in advance and is realistic within the indicated timeline. Taking into account the weight and level of detail of the EU AI Act and certain grounded criticism among the commercial arbitration community about its application to commercial arbitration as well as the country's need for strengthening institutional capacities to meet compliance burdens, it is ambiguous whether Albania will be able to effectively complete such a legislative task in the short term.

On top of that, considering also the evolving global discussions about AI governance and particularly the self-regulation vs. state regulation debate, it would be advisable that the

Albanian Government should take the necessary time in moving forward with its EU-aligned regulatory agenda. This requires observing and carefully assessing relevant global and EU legislative developments and regulations, criticisms and institutional reactions thereto, as well as any implementation practices and ex-post evaluations of such legislative actions. In conducting an ex-ante evaluation of any draft AI legislation that could impact commercial arbitration, Albania should diligently examine how such rules interact with the existing regulatory framework. This includes ratified international conventions that uphold party autonomy and confidentiality while also recognizing the state's essential responsibility to safeguard public order. Furthermore, in line with the statutory requirements (mainly Law no. 146/2014 "On public notification and consultation"), it should pay heed to the opinion of key stakeholders by means of an effective public consultation process. Simultaneously, the Government should work further to improve its institutional capacities for managing, controlling, and enforcing new AI rules.

At this juncture, a hybrid approach appears plausible in the Albanian context. The Government of Albania could advance the alignment of its domestic legislation with the EU AI Act to secure baseline standards of safety and accountability while considering the possibility of fully or partially carving commercial arbitration out of the scope of application of any AI law (e.g., limiting it to systems that directly decide disputes). In the meantime, domestic arbitral institutions could harmonize their practices with the pace set by leading international bodies, which have already introduced voluntary guidelines designed to promote responsible AI use while safeguarding arbitration's essential values of flexibility, confidentiality, and party autonomy. Such deliberate measures could foster a more robust, sustainable, and widely accepted regulatory framework to address the current challenges posed by AI application in commercial arbitration.

4. CONCLUSIONS

This article explored current global discussions about the uses and misuses of AI in international commercial arbitration. Beyond the opportunities offered, AI application may hinder the integrity and legitimacy of arbitration. This requires a dedicated response regarding the legal governance of AI to ensure fairness, confidentiality, and enforceability of awards.

There is some debate about different models of such governance. For the time being, the industry-based self-regulation in the form of soft-law guidelines which are tailored to the arbitration context and the needs of each case could well provide plausible solutions over rigid state regulation that imposes uniform obligations. This is based on the special nature of commercial arbitration – founded on the prevailing principles of party autonomy, confidentiality, and flexibility enshrined in international conventions and domestic legislation – as well as on the speedy evolution of AI technologies that keep challenging regulatory responsiveness.

Nevertheless, as Albania pursues its integration into the EU, the EU-based hard-law approach of AI regulation in international commercial arbitration is likely to prevail. At this point, it is prudent for the Albanian Government to undertake a diligent evaluation process of both the extent and timing of alignment with the EU AI Act, by reflecting also on the current criticism of the scope of application of such an Act regarding commercial arbitration. This could pave the way for a moderate hybrid approach, whereby both models would be accommodated in a way that they can supplement rather than substitute each other. Such an approach would set the premise for adopting a sustainable regulatory framework that promotes responsible use of AI tools and safeguards the progress of commercial arbitration in Albania.

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