

Artificial Intelligence in Conciliation: Examining Its Validity under Sharia and Its Standing in Legal Perspectives

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Abstract: The world is experiencing rapid and unprecedented advancements in artificial intelligence, whose applications are increasingly integrated into daily life, including the field of dispute resolution. The emerging concept of “AI-assisted conciliation” presents a modern approach to settling disputes, prompting a critical examination of its compatibility with Sharia principles on one hand, and with existing legal and regulatory frameworks on the other. This study aims to analyze the extent to which artificial intelligence can effectively and legitimately support conciliatory processes within both religious and legal contexts. The problem lies in the gap between the rapid technological advancement of artificial intelligence applications in conciliation and the slow response of both legal and Sharia frameworks to regulate them. This disparity creates ambiguity and uncertainty regarding the legitimacy and legality of the rulings and recommendations issued by these AI systems, as well as the consequences that may arise from their use. Therefore, this study seeks to address the main research question: To what extent do AI-assisted conciliation mechanisms comply with Sharia rulings and the applicable legal regulations? The study is structured as follows: The first section examines the Sharia framework governing AI-assisted conciliation, while the second section addresses the legal and regulatory framework of AI-assisted conciliation.

Section One: The Sharia Framework Governing by AI-Assisted Conciliation.

Subsection One: The Concept, Legitimacy, Legal Ruling, and Objectives of Conciliation.

Part One: The Concept of Conciliation:

The word "Reconciliation" in Arabic from a linguistic perspective: Al-Khalil said: "Reconciliation" means the people making peace with each other.¹ Whereas AL-Salāḥ (rectitude) stands in contrast to corruption, and the term may be used in both masculine and feminine forms², and conveys the meaning of reconciliation, peaceful settlement, and cordial relations.³

From a juristic (technical) perspective, it has several definitions, including: Reconciliation is a contract that resolves a dispute by mutual consent, and it is concluded by offer and acceptance.⁴

Ibn Arafa states: Al-Sulḥ "Reconciliation" is the transfer of a right or claim in exchange for compensation to resolve a dispute, or to prevent its occurrence".⁵ Also, it is defined as: "A contract that resolves disputes".⁶

Atfaysh states: "The term al-ṣulḥ "Reconciliation" may serve as a verbal noun derived from the trilateral root Ṣ-L-Ḥ. It can mean ṣulḥ as opposed to faṣād (corruption), for when conciliators reconcile parties corrupted by dispute and enmity, conciliation occurs as an opposition to corruption. It can also mean 'reform,' as in the verbal noun aṣlah, whose root meaning is 'to make right'; to reconcile between them is ṣulḥ, i.e., reform."

It can also mean 'reconciliation,' as in the verbal noun ṣāliḥ (with a fathā on the lām and ḥā'), which denotes amicable settlement; or ṣalāḥ (with a kasra on the ṣād); or it may refer to the verbal noun taṣālah, which signifies reconciliation; or the verbal noun iṣṭalah, which also means reform.

Linguistically, al-ṣulḥ refers to the termination of disputes by mutual consent. From a Sharia perspective, it denotes the transfer of a right or claim in exchange for compensation to resolve a dispute or to prevent the fear of one occurring, as stated by "Ibn Arafa".⁷

Jurisprudential definitions of conciliation generally describe it as a contract established by Sharia with the purpose of resolving disputes between parties by mutual consent.

In the legal context, Article (504) of the Omani Civil Transactions Law defines a conciliation contract as "a contract by which the parties resolve an existing dispute or anticipate a potential one, within the matters in which conciliation is permissible." Omani courts follow the same

¹. Al-Farahidi, *Al-'Ayn*, 1/192.

². Al-Jawhari, *Al-Ṣiḥāḥ*, 1/383.

³. Saadi Abu Jayb, *Al-Qāmūs al-Fiqhī*, p. 215

⁴. *Majallat al-Aḥkām al-'Adliyyah*, p. 297.

⁵. Al-Rasa', *Sharḥ Hudud Ibn 'Arafa*, p. 314; Atfaysh, *Sharḥ al-Nayl wa Shifa' al-'Alil*, 13/639.

⁶. Al-Sharbini, *Mughni al-Muḥtāj*, 3/161.

⁷. Atfaysh, *Sharḥ al-Nayl wa Shifa' al-'Alil*, 13/639.

approach. For instance, the Supreme Court, in Appeal No. (27/2015), defined conciliation in Sharia terms as follows: “A conciliation is a contract to which the rules of the most similar contract apply regarding its validity and the legal effects resulting therefrom. Accordingly, the essential elements of contracts—consent, object, and cause—shall be present. The object (Theme of the dispute) shall be specified in a manner that excludes uncertainty.”

Section Two: Its Legitimacy, Ruling, and Objective

Part One: Its Legitimacy

The legitimacy of conciliation (Al-Sulḥ) is established by the Qur’an, the Sunnah, and consensus (Ijmā‘). **From the Qur’an, Allah says:** “There is no good in much of their private conversation, except for those who advocate charity, or doing good, or reconciling among people” (An-Nisā’,:114). This verse indicates the virtue of conciliation in matters of disagreement among people.

From the Qur’an, Allah says: “And reconciliation is better”, where the description of conciliation as “better” demonstrates its legitimacy and the permission to engage in it.

As for the evidence from the Sunnah, it is narrated on the authority of Abu Hurairah (May Allah be pleased with him) that The Messenger of God (peace and blessings be upon him) said: “Conciliation is permissible among Muslims, except a conciliation that makes lawful what is unlawful or makes unlawful what is lawful”.⁸

it is also narrated on the authority of Abu Hurairah (May Allah be pleased with him) that The Messenger of God (peace and blessings be upon him) said: “Every joint of a person shall perform a charity each day the sun rises; acting justly between people is a charity”.⁹

As for the evidence from consensus (Ijmā‘), jurists have unanimously agreed on the general legitimacy of conciliation.

Secondly: Its Ruling

Conciliation (Al-ṣulḥ), in principle, is recommended (mandūb) in Sharia. However, but the legal rulings pertaining to it depend on the circumstances and conditions surrounding it, and it may fall under different legal classifications. It may be prohibited if it involves something unlawful; it may also be disliked or recommended depending on the context. Jurists have expressed this by stating: “In its essence, it is recommended; however, it may become obligatory when its benefit is

⁸. Abū Dāwūd, Sunan Abī Dāwūd, ḥadīth no. 3594.

⁹. Al-Bukhārī, Ṣaḥīḥ al-Bukhārī, ḥadīth no. 2707.

deemed necessary, and it may become prohibited or disliked if it entails a harmful consequence that must be prevented or is likely to occur".¹⁰

In general, conciliation (Al-ṣulḥ) may be either permissible or prohibited in Sharia. Permissible conciliation is that which is just and equitable; indeed, it is the recommended and encouraged form. In contrast, prohibited conciliation is that which is unjust and oppressive. Allah has commanded that conciliation be conducted with justice, as He says: "If two groups of believer's fight, make peace between them; but if one of them transgresses against the other, then fight against the one that transgresses until it returns to the command of Allah. Then if it returns, make peace between them with justice and act equitably; indeed, Allah loves those who are just" (Al-Ḥujurāt, 9).

Thirdly: Its Objective

Sharia has established the legitimacy of conciliation (al-ṣulḥ) with the aim of fostering reconciliation between disputing parties and removing discord between them. This serves to purify hearts, eliminate resentment, and promote security and social harmony among members of society.

Subsection Two: The Scope and Conditions of Conciliation in Islamic Jurisprudence

Part One: The Scope of Conciliation ¹¹

The scope of conciliation in Islamic jurisprudence varies according to the parties involved in the dispute. Jurists have identified five main categories:

1. Conciliation between Muslims and non-Muslims.
2. Conciliation between the people of justice (ahl al-'adl) and the rebellious group (ahl al-baghy).
3. Conciliation between spouses when discord is feared between them, or when the wife fears neglect or aversion from her husband.
4. Conciliation between disputing parties in non-financial matters, such as cases involving intentional harm.
5. Conciliation between disputing parties in financial matters.

Part Two: The Conditions of Conciliation

A conciliation contract is subject to a number of conditions related to its essential elements, namely: the form (offer and acceptance), the parties to the conciliation, the subject matter of the conciliation, and the right or claim being relinquished.

¹⁰. Al-Ḥaṭṭāb, *Mawāhib al-Jalīl*, vol. 5, p. 80; Atfaysh, *Sharḥ al-Nayl wa Shifā' al-'Alīl*, v.

¹¹. A Group of Authors, *Kuwaiti Encyclopedia of Islamic Jurisprudence*, p. 326.

Firstly: Conditions of the Form (Offer and Acceptance):

It is required that the form of conciliation be established through an offer and acceptance between the parties to the conciliation. This is achieved when one party states, “I have reconciled with you on such-and-such terms,” and the other responds, “I accept,” “I agree,” or “I reconcile.” In some types of conciliation, it is also valid to conclude the agreement using expressions such as waiver, remission, or similar terms. Jurists have stipulated several conditions regarding the form, which may be summarized as follows:

1. The form shall be clear and comprehensible such that each party understands the intention of the other.¹²

3. The form shall be issued by a person possessing legal capacity, namely one who is of sound mind and has reached the age of majority.¹³

4. There shall be a correspondence between the offer and the acceptance.¹⁴

Secondly: Conditions of the Parties to the Conciliation:

Certain conditions are required of the parties to the conciliation, including:

1. They shall be of sound mind. Thus, conciliation by an insane person or a minor lacking discernment is invalid due to the absence of legal capacity resulting from lack of mental capacity. Jurists have differed regarding the requirement of majority (*bulūgh*): some consider the conciliation of a minor valid if it entails a clear benefit and no harm, while others do not recognize its validity due to the lack of legal consideration of a minor’s dispositions

in Sharia.¹⁵

2. The conciliation shall not result in clear harm to the minor, whether the minor is the defendant or represented by a guardian acting as the claimant.

3. The person conducting conciliation on behalf of the minor shall be legally authorized to manage the minor’s property, such as a father, grandfather, or legal guardian, since conciliation constitutes a disposition over property and is therefore restricted to those who have such authority.

¹². Al-Buhūfī, *Kashshāf al-Qinā’*, vol. 5, p. 39.

¹³. Ibn Rushd, *Bidāyat al-Mujtahid*, vol. 3, p. 189.

¹⁴. Al-Buhūfī, *Kashshāf al-Qinā’*, vol. 3, pp. 146–147.

¹⁵. Al-Kāsānī, *Badā’i’ al-Ṣanā’i’*, vol. 6, p. 40.

4. The party to the conciliation shall not be an apostate from Islam. If a person is an apostate, their conciliation is not considered valid, as their legal acts are deemed suspended; this is according to the view of some jurists.¹⁶

Thirdly: Conditions of the Subject Matter of Conciliation:

1. The subject matter of the conciliation shall be lawful property. Accordingly, conciliation is not valid if it concerns unlawful items such as wine, carrion, blood, or anything that is not considered property in Sharia. This is because conciliation involves an element of exchange; therefore, anything that is not valid as consideration in sales cannot serve as consideration in conciliation.¹⁷

2. The subject matter shall be legally valuable (*mutaqawwam*). Accordingly, conciliation is not valid over items such as wine or pork, as these are not considered legally valuable property in Sharia.¹⁸

3. The subject matter shall belong to the party conducting the conciliation. Thus, if a person conciliates over property and it later becomes owned by the claimant, the conciliation is invalid, since it is evident that the property did not belong to the party conducting the conciliation.¹⁹

4. The subject matter shall be known and certain. Uncertainty regarding the consideration of the conciliation may lead to dispute and litigation.²⁰

Fourthly: Conditions of the subject matter of the Settlement (The Subject of the Settlement Agreement):

1. The right shall not belong to Allah, but rather to the people whether it be tangible property or a debt.²¹ Accordingly, conciliation is invalid in matters pertaining to the limits set by Allah, such as the penalties for adultery, theft, or consumption of wine.

2. The right shall belong to the party conducting the conciliation. If it does not belong to them, the conciliation is null and void.²²

3. The right shall be established and valid for the party in the context of the conciliation. If the right is not established or certain, conciliation over it is not permissible.

¹⁶. Wahbah al-Zuhaylī, *Al-Fiqh al-Islāmī wa Adillatuhu*, vol. 6, p. 4341.

¹⁷. *Ibid.*, vol. 6, p. 4342.

¹⁸. Al-Kāsānī, *Badā'ī' al-Ṣanā'ī'*, vol. 6, p. 47.

¹⁹. Wahbah al-Zuhaylī, *Al-Fiqh al-Islāmī*, vol. 6, p. 4351.

²⁰. Al-Kāsānī, *Badā'ī' al-Ṣanā'ī'*, vol. 6, p. 48.

²¹. Wahbah al-Zuhaylī, *Al-Fiqh al-Islāmī*, vol. 6, p. 4351.

²². Al-Kāsānī, *Badā'ī' al-Ṣanā'ī'*, vol. 6, p. 48.

Subsection Three: The Sharia Ruling on Delegating Conciliation to Artificial Intelligence and Its Implementation Guidelines

Part One: The Position of Sharia on Delegating Conciliation to an AI Program

It is well known that artificial intelligence possesses a wide capacity to collect data and extract information in a very short time. AI can also conduct preliminary case evaluations, propose suitable solutions for limited and non-complex issues, and analyze evidence, data, and information. Accordingly, legal authorities can benefit from AI to reduce the required time for pre-conciliation procedures by collecting and analyzing data and evidence, provided that further analysis is performed when necessary.

However, despite AI's analytical capabilities, it remains limited in fully bridging the gap between disputing parties. This is because direct interaction with the parties, listening to them and sitting with them reveals an essential aspect of conciliation: the emotional and psychological dimensions of the parties. Undoubtedly, these dimensions play a crucial role in proposing the most appropriate solution to resolve disputes, especially in family matters characterized by privacy and sensitivity. Between spouses, there may be private matters and nuances that AI cannot fully comprehend or consider, including each party's feelings and emotions. This limitation is incompatible with the expected qualities of a conciliator, who shall be capable of handling such cases.

Therefore, in Islamic jurisprudence, artificial intelligence cannot serve as a delegated substitute in conciliation between disputing parties due to its limitations in certain essential aspects. It is well established in Fiqh that conciliation is a type of authority similar to that of a judge. The conciliator acts in a capacity comparable to a judge in resolving the parties' dispute. Accordingly, jurists have stipulated conditions for anyone assuming judicial authority and conciliation, in this case, is akin to judgment—including:²³

1. Full legal capacity, meaning the person shall be of sound mind, of legal majority, and mature in their conduct.
2. Justice and integrity, being upright in faith, with good character and conduct among people.
3. Scholarly competence, capable of understanding and adjudicating to Sharia-related issues, possessing the necessary insight.

²³. Al-Kindī, *Bayān al-Shar'*, vol. 14/15, p. 28. Al-Khin, Mustafa, *Al-Fiqh al-Manhajī 'alā Madhhab al-Imām al-Shāfi'*, vol. 8, p. 179.

Upon examining artificial intelligence programs, it becomes evident that the aforementioned conditions do not apply to them. AI cannot be relied upon in religious or Sharia-related matters. Moreover, as software, it is susceptible to breaches and may expose people's secrets and private information. Conciliation requires careful judgment and precision by the conciliator to ensure that the rights of the parties are not compromised. Sharia objectives emphasize caution in matters concerning people, their rights, and disputes. Therefore, delegating conciliation to artificial intelligence is not permissible under Islamic law.

Part Two: Sharia Controls for Conciliation and Their Application within the AI Environment

Notwithstanding the aforementioned inability to delegate conciliation to artificial intelligence as a substitute, it may nonetheless serve as a supportive and auxiliary tool in managing conciliation cases, under the supervision of competent legal authorities. This is subject to a set of proposed controls, including:²⁴

1. Ensuring the integrity of the AI system's operation, continuously monitoring its performance, and safeguarding against breaches that may affect the outcome.

2. Verifying the accuracy and reliability of the entered data into the system, particularly with regard to the disputing parties and the subject matter of the dispute, and ensuring the absence of uncertainty and ambiguity; as any defect in data input would undermine the objective of conciliation.

3. Establishing the full consent of the disputing parties to engage with the system, after they have been adequately informed of its features and implications.

4. Ensuring that the conciliation agreement and its related elements are properly documented, including audio and visual recording, and stored within the digital platform of the supervising legal authority.

5. Ensuring that conciliation is not finalized without review and approval by a competent official, on the condition that it does not conflict with any Sharia or legal provisions.

Accordingly, if the preliminary stages of conciliation cases are managed via an artificial intelligence program, under the supervision of the competent legal authority and subject to review by specialists, there is no objection to such a procedure. This allows for benefiting from its

²⁴. Al-Jaloud, Arwa bint Abdulrahman, *Legal Rulings on the Applications of Artificial Intelligence in the Judiciary*, Saudi Judicial Scientific Society, Judicial Studies Series, Qadha Center for Judicial Research and Studies, 1st ed., 1444 AH, p. 171.

advantages without granting it absolute authority over the outcomes of conciliation cases.

Section Two: The Legal and Regulatory Framework of AI-Assisted Conciliation

The world is witnessing a rapid digital transformation that extends to the fields of litigation and dispute resolution, where artificial intelligence is emerging as a key factor in the development of conciliation and online mediation mechanisms **25** ²⁵. This section examines the legal and regulatory framework surrounding this emerging phenomenon, seeking to trace legislative and judicial responses to the challenges posed by these technologies. This section is divided into two main parts. The first addresses the extent of legal recognition of conciliation outcomes issued with the assistance or administration of artificial intelligence, particularly in terms of their evidentiary value and the nature of their binding force. The second highlights the most prominent legal challenges associated with such technologies, including the determination of liability for errors, the protection of data and privacy, and ensuring algorithmic transparency, while also proposing legislative and technical mechanisms to address these issues.

This analysis is conducted in light of a relative legislative gap in many countries, particularly in the Arab world, which necessitates the development of flexible frameworks that strike a balance between fostering technological innovation and ensuring justice, as well as safeguarding the fundamental rights of the parties.

Subsection One: Legal Recognition of AI-Generated Conciliation Outcomes

The integration of artificial intelligence into the field of dispute resolution has become a subject of increasing discussion at both national and international levels. This is particularly evident through digital platforms for conciliation and mediation, where the technological component plays a prominent and visible role. Accordingly, fundamental questions arise regarding the legal status of the outcomes produced by such platforms or systems. Can these outcomes or agreements be considered legally binding? What is their evidentiary value if the dispute is brought before the courts?

The answer to these questions depends on the extent to which existing legal systems can accommodate this emerging phenomenon and their ability to interpret traditional concepts such as “will,” “consent,” and

²⁵. Amr Muhammad Al-Mariya, The Impact of Digital Transformation on the Development of Arab Judicial Legislation: The UAE Legislation as a Model, Vol. 4, No. 37, Journal of the Faculty of Islamic and Arabic Studies for Girls, Alexandria, https://journals.ekb.eg/article_218873_dc34293a99bc983a58dffe71a1667d7d.pdf.

“signature” within a digital context that is partially or fully managed by algorithms. Legal recognition is considered the cornerstone of the success of these mechanisms; without it, they lose their effectiveness and their primary purpose of resolving disputes. Assessing such recognition requires examining two closely interconnected principles: the legal validity (or evidentiary value) of the resulting agreement, and the nature of the binding force it acquires²⁶. Contemporary legal scholarship indicates that the treatment of these issues varies across legal systems, particularly between civil law systems and common law systems, and depends on the extent to which electronic mediation and conciliation are regulated within each framework.²⁷

Firstly: The Legal Validity of AI-Assisted Conciliation Outcomes

The term “legal validity” here refers to the evidentiary and binding force that the law confers upon an agreement concluded through or with the assistance of artificial intelligence systems. In the traditional framework, conciliation agreements derive their validity from the free and informed consent of the parties, and they acquire the force of *res judicata* once ratified by a competent authority (such as a court or an arbitrator). In the context of artificial intelligence, however, the challenge lies in determining whether the “will” expressed through algorithmic processes can be regarded as adequately reflecting the true intent of the parties.²⁸

In many legislations, such as the Egyptian Arbitration Law²⁹ and the UAE Mediation Law³⁰, it is required, for a conciliation agreement to be documented and to acquire the force of *res judicata*, that it be conducted by a qualified natural mediator or be formalized before a judicial authority. This is explicitly stated in Article (9) of the UAE Mediation Law concerning the mediation agreement: “A mediation agreement shall only be concluded by a natural person who has the legal capacity to dispose of rights, or by a representative of a legal person duly authorized to conclude

²⁶. Dr. Shamil Suleiman Asleh, *The Problem of Electronic Contracts in Civil Law: Proof of Will and Digital Signature – A Comparative Study*, *Journal of Law and Interdisciplinary Sciences*, vol. 03, no. 03 (2025), pp. 58–96.

²⁷. Dr. Omar Salah Al-Azzawi, *Methodology of Codification in Comparative Legal Systems: Applied Models in Civil Laws*, *Kuwait International Law School Journal*, Year 7, Issue 2 (Serial No. 26), June 2019, p. 411.

²⁸. Dr. Musab Ibrahim Muhammad, *Artificial Intelligence and the Legal Perspective*, in: *The Future of Artificial Intelligence – Legal and Ethical Challenges*, Arab Democratic Center for Strategic, Political, and Economic Studies, Conference Book, 2024,

<https://democraticac.de/wp-content/uploads/2024/08/%D9%85%D8%B3%D8%AA%D9%82%D8%A8%D9%84-%D8%A7%D9%84%D8%B0%D9%83%D8%A7%D8%A1-%D8%A7%D9%84%D8%A7%D8%B5%D8%B7%D9%86%D8%A7%D8%B9%D9%8A-%D8%AA%D8%AD%D8%AF%D9%8A%D8%A7%D8%AA-%D9%82%D8%A7%D9%86%D9%88%D9%86%D9%8A%D8%A9-%D9%88%D8%A3%D8%AE%D9%84%D8%A7%D9%82%D9%8A%D8%A9.pdf>.

²⁹. Egyptian Arbitration Law No. 27 of 1994, Chapter Five: Arbitral Award and Termination of Proceedings, Article 39/4, <https://mnasserlaw.com/wp-content/uploads/2020/11/arbitrationLawar.pdf>.

³⁰. Federal Decree-Law No. (40) of 2023 Concerning Mediation and Conciliation in Civil and Commercial Disputes, <https://uaelegislation.gov.ae/ar/legislations/2121>.

the mediation agreement; otherwise, it shall be void. The mediation agreement shall not terminate upon the death of any party or the cessation of its legal personality. In such cases, it may be enforced by or against the legal successor of that party, unless otherwise agreed by the parties. ”These laws do not explicitly recognize the notion of a “virtual mediator” or an “automated mediator,” which gives rise to a degree of legal ambiguity.

So, if the role of artificial intelligence is limited to that of an “assistant” to the human mediator, such as analyzing documents and providing predictions of potential outcomes, the legal validity remains contingent upon the signatures of the parties and the human mediator on the conciliation record. However, if the system advances further by proposing a complete solution or by managing negotiation sessions through an intelligent platform, the question then arises: can such a solution be regarded as a “conciliation agreement” in the legal sense?

No, a solution fully proposed by an artificial intelligence system cannot be considered a “conciliation agreement” in the traditional legal sense under most current legislations, for several fundamental legal reasons:³¹

First: Lack of legal Personality of the Algorithm: As a conciliation requires the presence of natural or juridical persons who possess legal capacity to express their will. The algorithm does not have such capacity; therefore, the “solution” it provides is merely an automated suggestion and not a legally binding agreement.

Second: Requirement of Free and Conscious Consent: As conciliation fundamentally relies on the mutual agreement and free will of the parties. In cases of full AI intervention, it becomes legally difficult to prove the existence of such consent, particularly due to the “Black Box” phenomenon, which renders the decision-making process opaque and uninterpretable, thereby invalidating the parties’ genuine will.

Third: Legislative Gap: Till date, comparative legislation has not explicitly recognized fully automated solutions as legally binding conciliation agreements. For instance, some contemporary legal trends indicate that purely automated arbitral decisions “may not be enforceable under federal arbitration law” if there is no human oversight and final signature.

Nevertheless, there are developments indicating the potential recognition of such agreements in the future, provided that certain safeguards are in place, such as human oversight, algorithmic transparency, and the possibility of appealing decisions. This is the

³¹. Issa Mu’ni, The Black Box Myth: Understanding AI Transparency in the Legal Domain, <https://www.linkedin.com/pulse/f/>.

approach followed by some bodies like CAM-CCBC, or as initiated by institutions like AAA through the “AI Arbitrator” tool, where artificial intelligence drafts a recommended decision which is then reviewed by a human arbitrator before issuance.

Some recent legal trends, such as those observed in certain U.S. states and European legislative projects on e-commerce, indicate the possibility of recognizing agreements concluded through certified smart platforms, provided sufficient safeguards are in place to ensure parties’ consent and the electronic verification of their identities (for instance, through advanced electronic signatures and biometric authentication).³² In this context, the evidentiary weight of the agreement shifts from the human mediator to the technological system itself, depending on its reliability and transparency. If it is established that the system was designed and tested to preserve voluntary choice and ensure a clear understanding of the available options, courts may recognize the resulting agreement. Nevertheless, a major challenge arises with systems that rely on machine learning, where decisions continuously evolve. This dynamic nature makes it difficult to determine the fixed standards on which the agreement was based at the moment of its signing, thereby potentially weakening its evidentiary strength.³³

Secondly: The Legal Obligation of AI-Assisted Conciliation Decisions

The concept of legal obligation is directly linked to legal validity. An agreement arising from the parties’ consent, once it acquires the force of a judgment, becomes enforceable and may be implemented compulsorily.³⁴ The issue arises if one of the parties challenges an agreement concluded via an AI platform, claiming that the algorithm was biased or erroneous, or that the consent process was flawed due to the complexity of the system.³⁵

In traditional judicial systems, conciliation agreements may be challenged on grounds such as mistake, fraud, or exploitation.³⁶ However, how can a party prove the existence of a “mistake” resulting from a complex algorithmic recommendation? And who bears responsibility in

³². Karrar Ghanem Bustan, Prof. Dr. Audin Saloum, Electronic Means for Verifying Capacity and Their Role in Protecting the E-Contracting Party, *Journal of Science, Humanities, and Natural Studies*, Vol. 6, No. 1, pp. 517-534, <https://www.hnjournal.net/ar/6-1-31/>.

³³. Dr. Amal Mahsoub Mohamed Zanati, Accreditation Management for Pre-University Educational Institutions in Egypt Using Artificial Intelligence Applications: A Future Study, *Journal of Faculty of Education – Ain Shams University*, Issue 47, Part 2, 2023, https://journals.ekb.eg/article_312232_6fafa84975a96775c2e056ee3919c0ba.pdf.

³⁴. Rana Sadiq Mahmoud, Evidence Obtained by Artificial Intelligence and Its Evidentiary Value: A Study in the Iraqi Evidence Law, *Al-Madarāt Scientific Journal for Humanities and Social Sciences*, Vol. 3, No. 2, 2025.

³⁵. Dr. Mahmoud Al-Jakhbeer, Application of Predictive Justice Algorithms in the Criminal Justice System (Comparative Study), Mohammed V University, Souissi – Morocco, 20-08-2025, <https://mucjournals.muc.edu.ps/index.php/pub/article/view/295/196>.

³⁶. Boudriat Mohamed, The Legal Nature of the Judge’s Role in Conciliation, University of Algiers, 2014, <https://asjp.cerist.dz/en/downArticle/18/25/1/94230>.

such a case: the algorithm developer, the service provider, or the parties themselves? Till date, there are no definitive answers. Some approaches suggest handling enforceability through the concluded contract with the service provider, whereby the parties agree in advance to be bound by the outcomes generated by the platform, subject to specific conditions for challenging them in certain cases. Additionally, a conciliation agreement issued through such platforms may acquire the status of an “enforceable instrument” if it is generated by a platform accredited by a judicial or professional regulatory authority that oversees its technical and ethical standards.³⁷

Conversely, if the role of artificial intelligence is non-decisive and limited to that of an assisting tool, enforceability remains grounded in the direct will of the human parties. In conclusion, the enforceability of AI-assisted conciliation remains contingent upon the development of clear regulatory frameworks that define the conditions for recognizing such mechanisms, establish standards for challenging them, and clarify the chain of responsibility. This, in turn, requires legislative reform that anticipates technological advancement and ensures legal certainty for the parties.³⁸

In conclusion of this section, the integration of artificial intelligence into dispute resolution represents a legal challenge to the principles of legal validity and enforceability, as automated decisions test the capacity of traditional concepts to accommodate them. The legal recognition of such decisions depends on the provision of safeguards ensuring consent, transparency, and the proper attribution of responsibility, through regulatory frameworks and the subjection of algorithms to judicial calibration. Practical solutions require cooperation between legislators, judges, and experts to establish standards governing enforceability and grounds for challenge. Ultimately, the objective is to achieve a balance between the efficiency of artificial intelligence and legal justice, through flexible legislation that anticipates technological developments and establishes a secure legal environment.

Section Two: Legal Challenges (Liability, Privacy, Transparency) and Mechanisms of Response

Introduction:

The use of artificial intelligence in the field of electronic conciliation is expected to bring about a qualitative shift that raises complex legal issues related to liability, privacy, and transparency. Despite the practical

³⁷. Natesh Khalifa, Al-Aqoun Rafiq, Conciliation as an Alternative Mechanism for Dispute Resolution under the Civil and Administrative Procedures Law, *Journal of Legal Studies*, Yahia Fares University of Medea, Algeria, 2026.

³⁸. Assist. Prof. Aqil Najm Mahdi Al-Tamimi, Administrative Liability for Unlawful Acts of Artificial Intelligence, *Journal of Humanities and Natural Sciences*, Published on 01/05/2024, <https://www.hnjjournal.net/ar/5-5-9/>.

advantages offered by this technology, significant challenges remain, particularly in determining the responsible party in cases of algorithmic errors, ensuring the protection of sensitive data of the parties, and achieving a minimum level of transparency necessary to understand the decision-making processes. These challenges necessitate the development of integrated legislative, technical, and ethical mechanisms that ensure a balance between the use of artificial intelligence in dispute resolution and the protection of individuals' legal rights and guarantees. Accordingly, it becomes necessary to examine the key associated challenges with the use of artificial intelligence.

Firstly: Legal Challenges:

The legal challenges will be divided into three main categories: the challenge of liability, followed by privacy and data protection, and finally the challenge of transparency and explainability.

1. Liability

Determining liability for errors or biases in conciliation decisions generated by artificial intelligence represents a complex legal issue. Such errors may arise from defects in the design of the algorithm, bias in the data used to train it, or misuse by the benefiting party from the service.³⁹

From a traditional legal perspective, it is difficult to attribute harmful conduct to the automated system itself due to its lack of legal personality. Accordingly, several parties may be held liable:⁴⁰

- 1.The developer (in terms of design and programming),
- 2.The service provider (the electronic platform),
- 3.The supervising human mediator (if any),
- 4.And even the user, in cases of improper data input.

This multiplicity creates difficulties in identifying the primary liable party and providing compensation to the injured party, particularly in deep learning systems characterized by the "Black Box," where it is difficult to trace the exact cause of a decision. Moreover, tort liability, which is based on three elements, an unlawful act, damage and a causal link⁴¹ may not be easily applicable if no fault attributable to a natural person can be established. This necessitates the development of new liability theories, such as an adapted form of "product liability" to encompass complex software systems.

³⁹. Ahmed Al-Shoura Abu Zaid, Artificial Intelligence and the Quality of Judgment, Journal of the Faculty of Economics and Political Science, Vol. 23, No. 4, October 2022, https://jpsa.journals.ekb.eg/article_269199.html.

⁴⁰. M.D. Aqeel Najm Mahdi Al-Tamimi, Administrative Liability for Unlawful Acts of Artificial Intelligence, Journal of Humanistic and Natural Sciences, published 01/05/2024, <https://www.hnjjournal.net/ar/5-5-9/>.

⁴¹. M.D. Aqeel Najm Mahdi Al-Tamimi, Administrative Liability for Unlawful Acts of Artificial Intelligence, Journal of Humanistic and Natural Sciences, published 01/05/2024, <https://www.hnjjournal.net/ar/5-5-9/>.

2. Privacy and Data Protection:

AI-based settlement systems rely on processing vast amounts of sensitive data from the parties, including financial details, private correspondence, and even deeply personal information. This raises significant risks related to data breaches, unauthorized commercial use, or analysis in ways that violate individuals' privacy. The challenge becomes even more complex when the data is subject to special restrictions, such as financial, health-related, or child-related information.⁴²

Meanwhile, the collaborative nature of reconciliation, which may require a degree of confidentiality, conflicts with the need for artificial intelligence systems to access large datasets to train and improve their performance, potentially leading to conflicts of interest. The absence of legislation governing the collection, processing, and storage of dispute-related data on these platforms constitutes a major legal and security gap.⁴³

3. Transparency and Explainability

Many advanced artificial intelligence algorithms, particularly neural networks, suffer from a lack of transparency, making it practically impossible to understand how they arrive at a specific recommendation or decision.⁴⁴ This "black box problem" fundamentally contradicts the principles of natural justice, which require that every individual has the right to understand the basis of any decision affecting their rights. In the context of reconciliation, parties might accept a proposed solution without comprehending the factors that favored it over others, potentially invalidating their genuine consent. Furthermore, the absence of transparency prevents the detection of hidden biases in the algorithm, which may discriminate against certain groups of users based on gender, race, or geographic location, even unintentionally by the developers.⁴⁵

Secondly: Mechanisms for Addressing the Challenges

To overcome these challenges, a set of legislative, regulatory, and technical mechanisms can be proposed:

⁴². Fatimah Abdulaziz Hassan Ahmed Bilal, *The Role of Artificial Intelligence in Promoting Efficient Justice before the Judiciary: A Comparative Study with the Legal and Judicial Systems in the State of Qatar*, Master's Thesis, College of Law, Qatar University, 2023, p.20.

⁴³. National Framework for Professional Standards in Data and Artificial Intelligence, <https://sdaia.gov.sa/ar/Research/Documents/PSFDataAndAIBook.pdf>.

⁴⁴. Transparency and Accountability in Artificial Intelligence Systems: Between Trust and Legal Risks, <https://justal.org/?p=149>, Accessed on 08/02/2026.

⁴⁵. Balqees Qaraza, Dr. Souad Kassaa, *Digital Bias in Artificial Intelligence Systems*, International Conference (The Relationship between Artificial Intelligence, Reality, and Law), 25 September 2022, <https://www.univ-emir-constantine.edu.dz/download/somairesemexterne/chaira-eco/souad-kasaaa/souad-kassaa-dakae-istinai-barika.pdf>.

Thirdly: Mechanisms for Addressing the Challenge of Liability

The importance of the “liability challenge” lies in the fundamental legal issue associated with the use of artificial intelligence in electronic conciliation, given the complexity of identifying the responsible party for algorithmic errors. This necessitates the establishment of clear mechanisms for allocating liability and ensuring legal protection.

1. Updating Legislative Frameworks: This can be achieved through the enactment of specific laws regulating liability in the context of artificial intelligence, clearly defining the conditions of liability applicable to the developer, the service provider, and the human mediator. In certain high-risk situations, a model of “strict liability” may be adopted, or a system of “mandatory insurance” may be imposed on service providers. In the Sultanate of Oman, there is Circular No. 11/2025 ⁴⁶ issued by the Ministry of Transport, Communications and Information Technology, titled General Policy for the Safe and Ethical Use of Artificial Intelligence Systems- April 2025.

2.Ensuring Clear Terms and Contracts: This can be achieved by requiring platforms to provide transparent and detailed terms of service, clearly outlining the limits of their liability, the available mechanisms for challenging decisions, and the authority to which users may resort in the event of a dispute.

Establishing a Secure and Documented Record: This can be achieved by using technologies such as “blockchain” to record all stages of the conciliation process and system interactions, thereby providing a permanent and transparent record that can be referenced to demonstrate how a decision was made and to identify the source of any error, if it occurs.

Therefore, it can be observed that the proposed mechanisms, such as legislative reform, contractual clarity, and blockchain-based documentation constitute an integrated framework for addressing this issue, enhancing trust in artificial intelligence, and establishing a secure and just legal environment.

Fourthly: Mechanisms for Addressing the Challenge of Privacy:

Privacy constitutes a fundamental pillar in electronic conciliation processes due to the sensitive nature of the data being processed. Without effective protection of such data, trust in smart platforms diminishes, and the purpose of electronic dispute resolution is undermined. Accordingly, the key privacy-related challenges can be outlined as follows:

⁴⁶. Ministry of Transport, Communications and Information Technology, Circular No. 11/2025: General Policy for the Safe and Ethical Use of Artificial Intelligence Systems, 9 April 2025, <https://qanoon.om/p/2025/mcicit20259901/>.

1. Strict Implementation of Data Protection Regulations:

This involves ensuring that AI-based conciliation platforms comply with stringent regulations such as the General Data Protection Regulation (GDPR) in the European Union, or their national equivalents, with a particular emphasis on the principles of “privacy by design” and “data minimization”.⁴⁷

2. Encryption and Security Technologies:

This involves the use of advanced encryption techniques (such as end-to-end encryption) and secure data storage, as well as enabling users to maintain full control over their data, including the ability to delete it entirely upon completion of the process.⁴⁸

3. Synthetics Data and Anonymization:

This involves the use of **Synthetic Data** or effective **Data Anonymization** techniques to train models without compromising the privacy of the parties’ real data.⁴⁹

Therefore, it can be concluded that the strict implementation of data protection regulations, the adoption of advanced encryption techniques, and the use of synthetic data constitute essential safeguards for protecting privacy. These mechanisms enable the achievement of a balance between leveraging artificial intelligence and preserving the confidentiality of the parties’ information.

Fifthly: Mechanisms for Addressing the Challenge of Transparency
Accordingly, privacy constitutes a fundamental pillar in electronic conciliation processes, given the sensitive nature of the data being processed. So, without effective protection of such data, trust in smart platforms diminishes, and the purpose of electronic dispute resolution is undermined.

A. Explainable Artificial Intelligence (XAI): This involves promoting research and development in the field of Explainable Artificial Intelligence (XAI), as well as requiring service providers to offer clear and simplified explanations of how the system arrives at its recommendations, in a manner that is accessible to non-technical users.⁵⁰

⁴⁷. General Data Protection Regulation (GDPR) of the European Union.

⁴⁸. Ma’an Nayel Mahmoud Al-Maaytah, Cybersecurity Strategies and Their Role in Enhancing the Protection of Electronic Networks in Municipalities, *Journal of Humanities and Natural Sciences*, 01/04/2024, <https://www.hnjournal.net/ar/5-4-24/>.

⁴⁹. Wafaa Aref Ahmed Ibrahim, Prof. Dr. Al-Samani Abdulmutallab, Text Encryption Using Artificial Neural Networks, Master’s Thesis in Computer Science, Faculty of Computer Science and Information Technology, Al-Neelain University, November 2017, <https://repository.neelain.edu.sd/server/api/core/bitstreams/73056c91-1339-48f6-87d6-06726d167ef2/content>.

⁵⁰. Madeeh Nayer Al-Jadawi, The Mediating Role of Explainable AI in the Relationship Between Data Governance and Organizational Performance, *Arab Journal of Administrative Sciences*, Vol. 30, No. 1, January 2023, <https://journals.ku.edu.kw/ajas/index.php/ajas/article/view/213/875>.

B. Independent Auditing and Certification: Establish independent professional bodies or organizations to evaluate, review, and certify settlement algorithms in terms of their integrity, absence of bias, and transparency, prior to allowing them to be deployed or marketed.⁵¹

C- Ethical Governance: Developing and adopting ethical principles and a governance framework for the use of artificial intelligence in dispute resolution, at both national and international levels, to ensure respect for human rights, justice, and fairness. These principles may be issued by organizations such as UNESCO or the European Commission, but it is important that legislation, laws, and regulations also be issued by national authorities responsible for AI.⁵²

D- Human Oversight Flexibility: Maintaining the role of a human reviewer or supervisor in critical processes, where the human mediator can review AI recommendations and explain them to the parties, while retaining final authority in certain types of highly complex or sensitive disputes.⁵³

In conclusion of this section, we can state that the legal challenges of AI in electronic mediation require an integrated framework combining clear legislation on liability, strict privacy safeguards, and binding transparency standards, in order to achieve a balance between technological innovation and the protection of rights.

CONCLUSION

This research examined the radical transformation that artificial intelligence brings to the mediation process, highlighting the significant opportunities to improve efficiency and expand access to justice, while at the same time presenting profound legal challenges that affect the very essence of traditional legal concepts. The research demonstrated that the legal and binding recognition of AI-generated mediation decisions is still in a formative stage, relying on the ability of legislators and judges to understand these technologies and to establish flexible regulatory frameworks. Moreover, the challenges of liability, privacy, and transparency are not merely technical; at their core, they are legal and ethical challenges that require multidisciplinary cooperation to address. The future of AI-assisted mediation depends on achieving a precise

⁵¹. Ahmed Mohamed "Al-Badawi Al-Rahahleh", The Role of Artificial Intelligence in Enhancing Compliance with Cybersecurity Risk Management, Vol. 6, No. 10, 1/10/2025, pp. 350-376, <https://www.hnjournal.net/ar/6-10-23/>.

⁵². Ikhlas Al-Harasiyah, AI Governance, Journal of Legal and Jurisprudential Studies, No. 24, October 2025, p. 287, <https://jils.hji.edu.om/index.php/jils/article/view/325/190>.

⁵³. Dr. Mohamed Khalaf Bani Salameh, A New Era for Commercial Companies: How Artificial Intelligence Enhances Corporate Governance Efficiency, Journal of Legal and Economic Studies, Vol. 11, No. 4, December 2025. https://jdl.journals.ekb.eg/article/469285_948343aa0e412e7f775c5b6fd47047ff.pdf.

balance between utilizing the power of algorithms and preserving the rule of law, fair trial guarantees, and the fundamental rights of the parties.

THE PROPOSED FINDINGS

1. There is a legislative gap and a lack of legal clarity regarding the full enforceability and binding effect of settlement decisions issued with the assistance or management of artificial intelligence in most countries.

2. The challenge of determining liability for AI errors constitutes a major obstacle that undermines trust in these mechanisms and hinders their widespread adoption.

3. The settlement process via smart platforms exposes large volumes of personal and sensitive data to risks of hacking and misuse, in light of the shortcomings of some existing regulatory frameworks.

4. The "black box" nature of many advanced AI algorithms contradicts the principle of transparency, which is a fundamental pillar in fair settlement procedures and the conclusion of agreements based on full consent.

RECOMMENDATIONS

1. The research study recommends updating national legislation by urging legislators in Arab countries to enact new laws or amend existing ones (such as the Mediation and Arbitration Law and the Electronic Transactions Law) to include explicit provisions regulating AI-assisted settlements, and to define the conditions for their legal validity and enforceability.

2. The research study recommends the creation of specialized units or bodies within judicial authorities or Ministries of Justice, tasked with accrediting and monitoring AI-based conciliation platforms, and setting binding technical and ethical standards for them.

3. The research study recommends enhancing ethical and technical governance by requiring service providers to develop and comply with ethical codes and governance frameworks that emphasize algorithmic fairness, ensure the use of explainable AI (XAI) technologies, and implement the highest standards of data protection.

4. The research study recommends emphasizing the importance of awareness and capacity building by organizing educational programs for judges, lawyers, and legal advisors on the nature and mechanisms of AI in conciliation, and by integrating specialized courses into university law

curricula to cultivate a generation of professionals capable of handling this emerging system.

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