



**Hogan
Lovells**

UAE Dispute Resolution Guide

February 2019

Contents

This publication is not intended to constitute legal advice, but rather it is a first point of reference for companies and in-house counsel dealing with transactions in the UAE. The publication highlights dispute resolution procedures and trends in the UAE; the following aspects are addressed:

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Introduction

As investment continues to rise in the United Arab Emirates (“UAE”) and the wider Gulf Cooperation Council (“GCC”) region, it is inevitable that this will bring with it a need to resolve disputes – whether through the courts, arbitration or other modes of alternative dispute resolution.

The last decade has been transformative for the dispute resolution landscape in the UAE. The key business centres that are Dubai and Abu Dhabi have made, and continue to make, convincing moves towards their development as robust jurisdictions in which parties can effectively resolve their commercial disputes.

Advising clients on all aspects of investment and risk across the Middle East countries for over 40 years, Hogan Lovells has acquired significant experience across all sectors and industries that are active in the region. We have consistently

provided our clients with expert advice and practical guidance to help steer them through the region’s dispute resolution landscape.

In line with our vision to be bold and distinctive and to create valuable solutions for our clients, we have decided to capture our significant experience and extensive knowledge of the UAE’s approach to dispute resolution. We hope this Guide illustrates our commitment to this vision, our clients and the region.



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About Hogan Lovells

Hogan Lovells is an international law firm with more than 2,500 lawyers in 50 offices worldwide. Globally, Hogan Lovells dispute resolution practice is unmatched in terms of size and scope. The firm is recognised as a leading adviser to some of the world's largest corporations, financial institutions and governmental organisations regularly acting on complex, multi-jurisdictional transactions as well as some of the most high profile commercial disputes.

We have an enviable track record of success at all levels of the judicial and arbitration process - so much so that Global Arbitration Review ranks Hogan Lovells among top ten most active global arbitration practices for the ninth consecutive year. Legal 500 EMEA states *"Hogan Lovells has excellent arbitration law knowledge and is practical, clear, structured and quick"*.

We work as one seamless team, ensuring we serve your best interests across borders and forums. Of the top international corporations, we've advised 50 of the Fortune 100, 34 of the FTSE 100, and 17 of the DAX 30, often on high-stakes, bet-the-company litigation.

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An introduction to the Legal system and court system

The UAE is a federation of seven Emirates. The UAE declared itself an independent sovereign state in 1971 by the Union Declaration, which was supported by a Provisional Constitution. In 1996, the Provisional Constitution was amended and enacted as the Constitution of the UAE.

Legal System

Although the Federal Government retains exclusive jurisdiction over matters such as foreign affairs, education and health, the Constitution expressly provides that each Emirate has absolute power to establish its own legislative body, independent from that of the Federal Government.

There are thus two tiers of law: Federal law and the local law of each Emirate. In the event of any conflict, Federal law will prevail.

In each Emirate a hereditary ruler exercises sovereign power and sits on the Federal Supreme Council. Supreme authority is, however, vested in Abu Dhabi's Ruler, currently Sheikh Khalifa bin Zayed Al Nahyan.

The UAE is a civil law jurisdiction and its legal system is primarily based on a Civil Code that has been greatly influenced by the Egyptian Civil Code. Where the UAE's codified law is silent on a particular issue, the principles of Sharia Law may be applied.

Basic civil and human rights are protected by the Constitution, which provides that all individuals are equal in the eyes of the law and that there is to be no discrimination on the basis of religion, ethnicity, origin or gender.

“Onshore” Court System

Save for Abu Dhabi, Dubai and Ras Al Khaimah, all Emirates have a civil court based on a two-tiered system structure:

- the **Court of First Instance**; and
- the **Court of Appeal**.

In addition to the above, Abu Dhabi, Dubai and Ras Al Khaimah also have a **Court of Cassation** which is the highest court in both Emirates.

Court of Appeal decisions emanating from other Emirates may be referred to the Court of Cassation in Abu Dhabi.

Although previously decided cases are referred to by litigants and relied upon by the courts as guidance or persuasive value, there is no formal binding precedent.

Freedom of contract is recognised by the Civil Code, including choice of law provisions. However, local courts do not generally apply foreign laws and will instead usually apply UAE law.

Court proceedings

With regard to Court proceedings in the UAE, the following features are highlighted:

- judges rely primarily on written submissions, they do not normally hear oral arguments;
- parties attach the evidence they rely on to their pleadings and the court will allow specific disclosure in limited circumstances;
- experts are appointed by the courts and parties are allowed to comment on the expert reports through their written submissions;
- proceedings in all courts are conducted in Arabic and any documents not in Arabic are to be translated; and
- only lawyers who are UAE Nationals or lawyers specially licensed from other Arab countries have rights of audience before the UAE courts. Thus, the instruction of local counsel is necessary to bring or defend an action in the Courts.

It is common for the Courts to appoint technical experts to investigate the issues in dispute and advise the Courts accordingly. The general rule is that these proceedings should be conducted in Arabic with the documentation that the expert requires also being translated into Arabic. Experts play a prominent part in the decision making process before the UAE Courts. The language of the meetings before the expert can often be at the expert's discretion and the expert does not always require documents to be translated into Arabic. Furthermore, the expert may allow oral representations to be made by lawyers who do not have rights of audience before the UAE Courts. We have experience of representing clients in meetings before experts appointed by the UAE Courts.

“Offshore” Court System

A number of free zones have been established in the UAE, many of which have their own rules and procedures. These include, but are not limited to, the Dubai International Financial Centre (“DIFC”), the Sharjah Airport International FZ, the Ras Al-Khaimah FTZ, the Khalifa Industrial Zone and the Abu Dhabi Global Market (“ADGM”). The DIFC and the ADGM are particularly noteworthy as they have their own laws and a separate court system.

The DIFC Courts

Created in 2004, the DIFC is one of the most widely recognised and used financial free zones in the UAE.

The DIFC has its own body of civil and commercial laws (including its own arbitration law) modelled closely on international standards and principles of common law that have been tailored to the region. It has an independent judicial authority with its own English language common law courts, whose procedure is based heavily on English procedural law.

The DIFC Courts will apply any law chosen by the parties or in the absence of an express agreement, such law as the Court determines applicable.

Unlike in the onshore courts, foreign qualified lawyers can obtain rights of audience in the DIFC Courts.

The courts have the jurisdiction to hear and determine civil and commercial disputes when the dispute has a connection to the DIFC or involves a DIFC- established party; or when both parties have expressly agreed in writing to submit to the DIFC courts' jurisdiction.

The DIFC Courts comprise a Court of First Instance, a Court of Appeal and a Small Claim Tribunal ("SCT"). The SCT has jurisdiction to hear and determine "small" claims within the jurisdiction of the DIFC courts i.e. any claim the value of which does not exceed AED500,000 or in cases relating to employment for which all parties elected in writing that it would be heard by the SCT. There is no claim value limit for the SCT's elective jurisdiction in the context of employment claims. Parties can also expressly agree, in writing, to give jurisdiction to the SCT for claims exceeding the aforementioned amount provided this does not exceed AED1,000,000.

At the end of 2016, a tribunal made up of four Judges from the Dubai onshore Courts and three from the DIFC Courts was created by Decree No.19/2016 ("Judicial Tribunal"). The Judicial Tribunal's purpose is to review and resolve "conflicts of jurisdiction" between the DIFC Courts and the Dubai Courts.

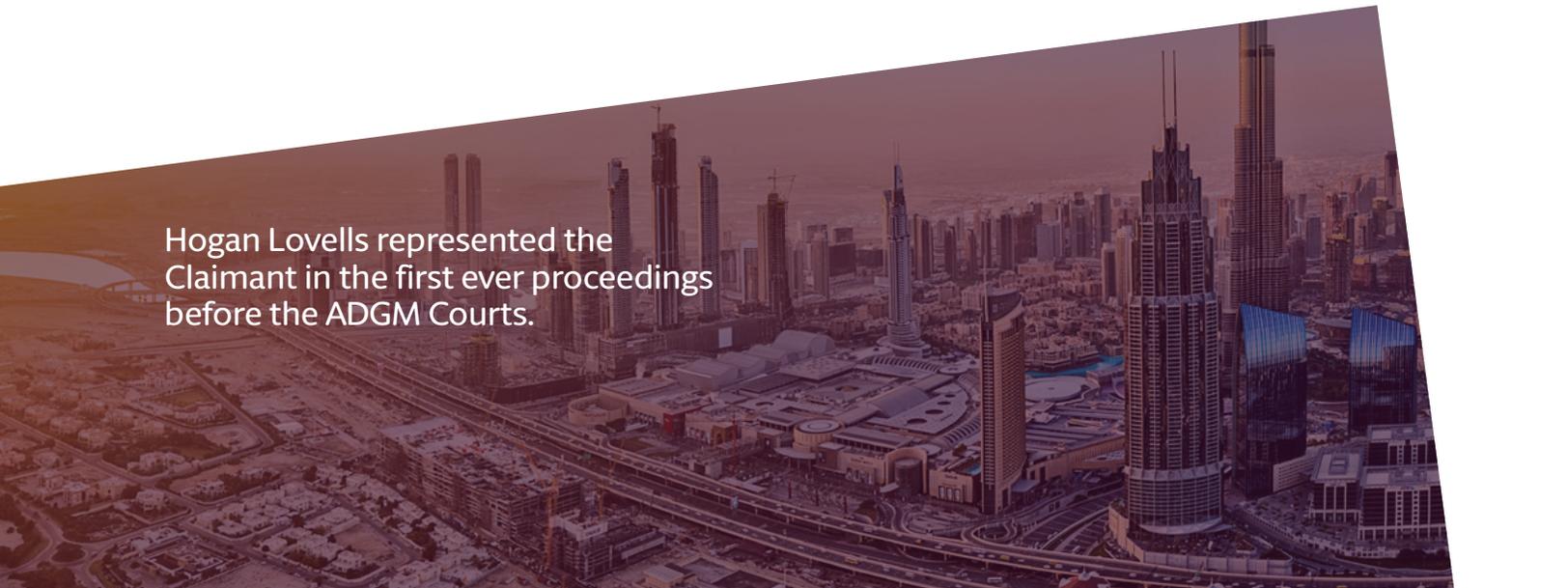
The ADGM Courts

The Abu Dhabi Global Market (the "ADGM") was established in 2013 and has also its own civil and commercial laws (including its own arbitration law) and its own Courts. The ADGM Courts have an independent common law framework to adjudicate civil and commercial disputes in English and the ADGM Courts and its judiciary are broadly modelled on the English judicial system.

In terms of substantive law, the foundation is provided by the Application of English Law Regulations 2015. As a result, the ADGM directly adopts English common law (including the principles of equity), as well as a defined list of certain statutes. It is important to note that not all English statutes apply as ADGM law – only those which have been expressly adopted. The direct application of English common law makes the ADGM the first, and so far the only, jurisdiction in the Middle East to adopt such an approach (which is similar to that in Hong Kong and Singapore).

There is no equivalent of the Judicial Tribunal in Abu Dhabi.

The UAE Penal Code applies in all UAE Free zones, regardless of whether they are a separate legal jurisdiction.



Hogan Lovells represented the Claimant in the first ever proceedings before the ADGM Courts.

Recognition and Enforcement of Foreign Judgments

The UAE is a Contracting State to both the 1995 Agreement on the Execution of Rulings, Requests of Legal Assistance and Judicial Notices and the 1983 Inter-Arab Convention on Judicial Cooperation known as the “Riyadh Convention”.

The UAE Courts do not recognise judgments of foreign courts unless:

- there is reciprocity of enforcement of UAE judgments by the country whose judgment is sought to be enforced in the UAE such as the Riyadh and GCC Conventions; or
- a bilateral or multilateral treaty for the recognition and enforcement of judgments exists between the UAE and the country where the judgment was rendered (e.g. France, Egypt, Syria, Sudan and Jordan).

Further, Courts require that the foreign judgment for which enforcement is sought meets the following requirements:

- the subject matter of the dispute is not something which the UAE courts have jurisdiction to determine; and
- the judgment must not be contrary to the UAE’s principles of morality or public order.

If the above requirements cannot be satisfied, a civil claim must be filed in the relevant UAE court, which will re-examine the merits of the case and the foreign judgment can be filed in evidence, but it will not be binding on the court.

The DIFC Courts and the ADGM Courts have jurisdiction to hear applications relating to the recognition and enforcement of foreign judgments in the DIFC and the ADGM respectively.

The UAE Arbitration Landscape

Although the DIFC Courts and the ADGM Courts are becoming increasingly popular as forums for dispute resolution, international arbitration remains the most prevalent form of dispute resolution both in the UAE and the wider region.

On 3 May 2018, the United Arab Emirates (the “UAE”) adopted Federal Arbitration Law No. 6 of 2018, its first standalone Arbitration Law (the “UAE Arbitration Law”). This was a major development which we examine in detail below.

The UAE Arbitration Law supersedes Articles 203 to 218 of the Civil Procedures Code (Law No. 11 of 1992, as amended) (the “Old Law”) and any law which conflicts with the provisions of the UAE Arbitration Law. The UAE Arbitration Law came into force on 15 June 2018, one month after it was published in the Official Gazette. It is based on the UNCITRAL Model Law on International Commercial Arbitration 1985 (the “Model Law”) and in the process, the UAE has become the 81st country to adopt the Model Law as the basis of its arbitration law.

The UAE Arbitration Law does not apply to arbitrations seated in the DIFC or the ADGM. The DIFC and the ADGM have their own arbitration laws also based on the Model Law.

The UAE Arbitration Law is permissive in nature, in that it expressly gives greater freedom and flexibility to parties to determine their arbitral proceedings than has previously been the case.

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We have enclosed an unofficial translation of the UAE Arbitration Law in the Annex to this brochure.

In this section, we set out:

1. the main characteristics of the UAE Arbitration Law; and
2. the impact of the UAE Arbitration Law on the dispute resolution landscape in UAE and the wider GCC region.

Arbitral Institutions

The most prominent Arbitral Institutions in the UAE are the Dubai International Arbitration Centre (“DIAC”) the DIFC London Court of International Arbitration (“DIFC-LCIA”) and the Abu Dhabi Commercial Conciliation and Arbitration Centre (“ADCCAC”). In 2016, an additional Arbitral Institution was launched: the Emirates Maritime Arbitration Centre (“EMAC”) dealing specifically with maritime and shipping disputes. Also worth mentioning is the launch of the International Chamber of Commerce first representative office within the ADGM at the end of 2017.

Other Emirates, such as Sharjah and Ras Al Khaimah, also host arbitral institutions, namely the Sharjah International Commercial Arbitration Centre and the Ras Al-Khaimah Commercial and Arbitration Centre.

Both ad-hoc and institutional arbitrations are conducted in UAE.

UAE Arbitration Law – Scope and Characteristics

The introduction of the UAE Arbitration Law has reformed the arbitration laws in the UAE, most notably by expressly providing for:

- the separability of the arbitration agreement from the other terms of the contract (Article 6);
- the tribunal’s authority to rule on its own jurisdiction (Article 19);
- the award being considered issued at the seat of arbitration even if it was signed by members of an arbitral tribunal outside of the seat and regardless of whether it was physically or electronically signed (Article 41(6));
- the confidentiality of the arbitral proceedings (Article 33);
- the power for arbitrators to grant interim measures and make preliminary orders (Article 21);

- a timeline for the enforcement of an arbitral award (Article 55); and
- rules on the appointment of arbitrators, including a list of accredited arbitrators issued by the UAE Minister of Justice (Article 58).

When and where does it apply?

The UAE Arbitration Law is applicable to the arbitrations which were underway when it came into force (Article 59). It is noteworthy that it applies to arbitrations which were initiated before 15 June 2018.

With regards to the recognition and enforcement procedures before the courts, Articles 59 and 60 (1) of the UAE Arbitration Law specify that any procedures carried out pursuant to the Old Law shall remain valid. This coupled with the prohibition on laws having retrospective effect, which is enshrined in the UAE Constitution, should ensure the UAE Arbitration Law does not apply to such cases.

The UAE Arbitration Law applies to both domestic and international arbitrations seated in UAE (Article 2).

Is there a valid arbitration agreement?

Demonstrating the existence and validity of the arbitration agreement is the starting point in any arbitration, the failure of which could result in the dispute being resolved in courts rather than through arbitration. It is therefore crucial for parties wishing to arbitrate to ensure that the arbitration agreement is valid and enforceable.

The UAE Arbitration Law sets out the requirements for a valid arbitration agreement, namely:

- The natural person executing the agreement must have legal capacity and authority to enter into an arbitration agreement (Article 4(1)). Thus, what has been one of the most common challenges to arbitral awards in the UAE, namely whether the person who executed the contract containing the arbitration agreement in fact had such capacity to bind the company to arbitration appears to remain a live issue.
- The arbitration agreement must be in writing (Article 7(1)). The requirement for the arbitration agreement to be in writing has wide scope. An arbitration agreement can be incorporated through reference, if it is for example, mentioned in another document or the provisions of a model contract, provided that such reference is so clear that it makes the clause a part of the contract (see Articles 5(3) and 7(2)(b) of the UAE Arbitration Law). This could be particularly relevant in the construction industry where reference is often made to standard forms of contracts which contain arbitration clauses.
- The requirement for the arbitration agreement to be in writing may be satisfied if it is mentioned in letters or written correspondence exchanges between the parties. The arbitration agreement may also be made by way of email (see Article 7(2)(a) of the UAE Arbitration Law).

Selection of arbitrators and composition of the Arbitral Tribunal

The default position under the UAE Arbitration Law is that the arbitral tribunal shall be composed of three arbitrators, unless the parties agree to a sole arbitrator or another odd number of arbitrators being appointed (Article 9).

As in the Model Law, there are no requirements as to the nationality of the arbitrators (Article 10(3)).

Article 19 of the UAE Arbitration Law adopts the international legal principle of “Kompetenz-Kompetenz” consistent with the Model Law, whereby the Tribunal has jurisdiction to rule on the extent of its own competence on issues presented before it.

Unlike the Model Law, the UAE Arbitration Law sets conditions as to the selection of arbitrators and it suggests that the arbitrator must be selected from a list of accredited arbitrators entered in the Arbitrators Register with the Ministry of Justice (Article 58). However, no such requirement is set out in Articles 9 to 12 of the UAE Arbitration Law which deal with the formation of the arbitral tribunal and in fact, Article 11(8) envisages the Court asking an arbitral institution for a list of arbitrators from which it can appoint an arbitrator when required to do so.

Members of the Board of Trustees or the administrative staff of the arbitral institution administering arbitration cases cannot be appointed as arbitrators by the said institution (Article 10(2)).

Conduct of arbitral proceedings

A petition to the court in relation to the arbitration agreement or to the challenge of an arbitrator does not suspend the arbitral proceedings (Articles 8 and 15(3)) nor does the introduction of a criminal complaint, except if the arbitral tribunal considers the determination by the criminal court necessary to resolve the dispute in arbitration (Article 43). This is potentially a very significant development as under the Old Law, some recalcitrant respondents would use such complaints or petitions as “guerrilla tactics” to derail or disrupt arbitral proceedings.

Article 26 expressly recognises the principle of equality of arms and it provides that the parties shall be treated equally with equal opportunity to present requests and defences. This was not expressly provided for by the Old Law.

Unlike the Old Law, the UAE Arbitration Law expressly provides for the confidentiality of the arbitration sessions and awards (Articles 33(1) and 48).

Unlike the Model Law, the UAE Arbitration Law provides that the arbitration procedures commence on the day following the one on which the arbitral tribunal is constituted (Article 27(1)). Under the Model Law, the arbitration commences on the date the respondent receives the request for arbitration.

Similar to the Old Law, the UAE Arbitration Law provides for the taking of the meeting minutes of arbitral sessions. A feature of the UAE Arbitration Law is that arbitral sessions and deliberations can be conducted via telephone or through other electronic means such as videoconference, (Articles 28(2)(b) and 33(3)). This removed what was often an area of concern under the Old Law.

Unless agreed by the parties, the tribunal has discretion to decide whether or not an oral hearing is necessary or whether the dispute can be decided based on the documents and evidence provided during the proceedings (Article 33(2)).



Empowerment of Tribunal to grant interim measures

Whilst the Old Law did not cover interim measures, Article 21 of the UAE Arbitration Law mirrors the Model Law by empowering the arbitral tribunal to grant interim or provisional measures as may be required by the nature of the dispute, including orders to:

- maintain key evidence;
- maintain goods that are part of the subject of the dispute;
- maintain assets and funds;
- maintain or restore a condition until the dispute is resolved; and
- take an action or abstain from taking an action that can damage or prejudice the arbitration.

Similar to the Model Law, the UAE Arbitration Law enables an arbitral tribunal to order the requesting party to provide security for any interim or provisional measure or to bear the damage arising out of the execution of such measure (Article 21(2)).

A party obtaining an interim measure can request the UAE Courts to order execution of the interim measure within 15 days of submitting the request (Article 21 (4)). By contrast no such timeline is provided for by the Model Law.

The UAE Arbitration Law is silent as to the requirements of disclosure and grounds upon which recognition and enforcement of interim measures can be refused. Article 21(3) does, however, allow an arbitral tribunal to amend, suspend, or cancel an interim measure in “exceptional circumstances.” Additionally, there is no express requirement on the requesting party to satisfy a test such as demonstrating there is a reasonable possibility that it will succeed on the merits of the claim.

Arbitral Award: form and scope for challenge

Article 39 of the UAE Arbitration Law expressly allows a tribunal to render interim or partial awards. This was a welcome clarification, as under the Old Law some final awards had been nullified due to the existence of prior interim or partial awards. Interim awards are now not only recognised but capable of being enforced in their own right.

Article 42 deals with the date for issuing the final award. Absent an agreed time limit between the parties, the deadline for the tribunal to issue an award is 6 months from the first session, commonly the preliminary meeting, though the tribunal may decide to extend the time limit for a maximum of a further 6 month period, unless the parties agree on a longer period. If the parties do not agree on a longer extension, the 12 month maximum may not be sufficient time in order to determine large or complex arbitrations. If the final award is not rendered within this time period, either party or the arbitral tribunal may request the court to issue an order setting out a new period for rendering the award or to terminate the arbitration.

If an application to terminate the arbitration is successful, the dispute may then be brought before the court for determination. This would render the entire arbitration proceedings to that date obsolete and the courts would ultimately determine the merits of the dispute despite the parties having agreed on arbitration as the method of dispute resolution.

Article 41(4) of the UAE Arbitration Law provides that the award must be supported by reasons unless the parties agree otherwise or unless the *lex arbitri* does not provide for such requirement.

Under Article 50, the timeframe for a party to make a request to correct or amend the award is 30 days from the date of the award.

Article 53 of the UAE Arbitration Law sets out the grounds for nullification of an award; these are, in large part, based on those listed in the Model Law. Article 53 provides that an arbitral award can only be challenged by filing an action for nullification or making an application during the ratification procedures.

The grounds for nullification are limited to the following situations:

- an arbitration agreement does not exist, has expired, is void, or does not refer to a specific law;
- a party to the arbitration agreement did not have legal capacity to enter into the arbitration agreement;
- a party to the arbitration agreement did not have legal capacity to dispose of a right;
- a party to the arbitration agreement was not provided proper notice of the appointment of an arbitrator, of the arbitral proceedings, of the tribunal's breach of an arbitration rule, or of any other reason beyond its control;
- the arbitral award deviated from the application of the governing law agreed to by the parties to govern the merits of the dispute;
- the composition of the arbitral tribunal was not in accordance with the UAE Arbitration Law or the parties' agreement;
- the arbitration procedures are void and this voidness affects the award;
- the arbitral award was issued after the scheduled time limit; or
- the arbitral award deals with matters not covered within the scope of the arbitration agreement or exceeds the limits of the agreement. However, for this ground, if the decisions on matters falling under the scope of arbitration can be separated from those not falling within the scope of arbitration, only the latter parts shall be nullified.

Whilst most of the grounds for nullification are based on the Model Law and/or are broadly similar to the Old Law, the ground set out in Article 53(1)(e) which allows for nullification if application of the governing law has been excluded, or the tribunal has "distanced away from" applying the governing law, opens up the possibility of awards being challenged for arbitral tribunals making mistakes in law. A possible interpretation of Article 53 (1)(e) is that it only applies as a ground for nullification if the governing law has been disregarded altogether rather than being incorrectly applied. But if this is interpreted by the Courts as allowing nullification of an award for a mistake in law, this would be a significant expansion of the ground for nullification as compared to the Old Law.

The courts may support the arbitral process by ordering interim or provisional measures in support of current or potential arbitral proceedings (Article 18).

In conjunction with Article 21, this is a major and radical development under UAE Law. There are now a wide range of interim measures and injunctive relief available in support of arbitration proceedings which are backed by the courts, which are not commonly available, or at least very rarely invoked, in litigation proceedings before the courts.



Arbitral Award: Recognition and Enforcement

In contrast to the Old Law which did not provide a timeline for enforcement and which created a lengthy and uncertain enforcement process, Article 55 of the UAE Arbitration Law requires a court to issue an order for ratification of the award and enforcement within 60 days following the date of which the ratification request was submitted.

With regards to any application for nullification, Article 54(2) provides it must be brought within 30 days following the date the requesting party was notified of the award, albeit an award may also be challenged during the ratification or enforcement procedure. Pursuant to Article 54(1), a nullification judgment is final and can only be set aside through cassation proceedings.

Pursuant to Article 57, a court order, granting, or refusing to grant, enforcement of the arbitral award can be appealed within 30 days of notice of such order, which is considerably shorter than the 3 months' timeline provided for under the Model Law but is as per the deadline for appealing decisions in the UAE Courts.

The introduction of a time limit in which the court must issue a decision in respect of an application for enforcement was a welcome development and has resulted in a quicker process albeit there is no such time limit for the Court of Cassation.

The definition of "Court" in the UAE Arbitration Law provides that applications for ratification/enforcement, and nullification of awards will be considered by the Court of Appeal. By removing the requirement to initiate ratification or annulment proceedings in the Court of First Instance, the overall procedure ought to be much quicker.

One common feature under the Old Law was that parties would often await the outcome of the award and if it was unfavourable, subsequently cite grounds for nullification of the award which they had not previously raised, let alone relied upon, during the course of the arbitration.

Article 25 of the UAE Arbitration Law provides if a party participates in the arbitration proceedings whilst knowing there is an inconsistency with the Arbitration Agreement or a provision of the UAE Arbitration Law, but does not object to such inconsistency within the agreed period (or 7 days from the date on which it knew of the right to objection to such inconsistency), that party is considered having waived its right to object.

Coupled with the above time limits, if applied strictly, Article 25 of the UAE Arbitration Law ought to result in a more streamlined and effective enforcement process, thus addressing the main criticism of arbitration in the UAE under the Old Law, namely the length and uncertainty of enforcement proceedings.

Other ADR

Terms in contracts which provide for a tiered dispute resolution mechanism, including time for amicable settlement, will generally be enforced, as will more formal dispute resolution mechanisms defined in contracts, such as adjudication boards or mediation.

Settlement of disputes is encouraged by the UAE Courts, certain Emirates have established Reconciliation and Settlement Committees for reviewing cases before they are permitted to be submitted to the court for a decision (e.g.: employment disputes should first be referred to the Ministry of Labour for settlement; landlord and tenant disputes in Dubai are to be submitted to a Special Judicial Committee).

Annex

**Khalifa bin Zayed Al Nahyan
President of the United Arab Emirates**

**Federal Law No. 6 of 2018
On Arbitration**

We, Khalifa bin Zayed Al Nahyan, President of the United Arab Emirates

Having perused:

- The constitution;
- Federal Law No. (1) of 1972 regarding the Competencies of the Ministries and Powers of the Ministers, as amended;
- Federal Law No. (3) of 1983 concerning the Federal Judicial Authority, as amended;
- Federal Law No. (5) of 1985 promulgating the Civil Transactions Law, as amended;
- Federal Law No. (3) of 1987 promulgating the Penal Code, as amended;
- Federal Law No. (23) of 1991 regarding the Regulation of the Legal Profession, as amended;
- Federal Law No. (10) of 1992 promulgating the Law of Evidence in Civil and Commercial Transactions, as amended;
- Federal Law No. (11) of 1992 promulgating the Civil Procedure Code, as amended;
- Federal Law No. (35) of 1992 concerning Issuance of the Penal Procedures Code, as amended;
- Federal Law No. (18) of 1993 promulgating the Commercial Transactions Law;
- Federal Law No. (1) of 2006 on Electronic Commerce and Transactions;
- Federal Law No. (6) of 2012 Regulating the Translation Profession;
- Federal Law No. (7) of 2012 on the Regulation of Expert Profession before Judicial Authorities;
- Federal Law No. (2) of 2015 on Commercial Companies; and
- Pursuant to proposal made by the Minister of Economy and the approval of the Cabinet and the Federal National Council and as ratified by the Federal Supreme Council,

Have promulgated the following Law:

Chapter 1

Definitions and Scope of Application

Definitions

Article (1)

In application of the provisions of this Law, the following terms and expressions shall have the meanings ascribed thereto, unless the context otherwise requires:

UAE	:The United Arab Emirates
Arbitration	:A method regulated by law, through which a dispute arising between two or more Parties is settled by an Arbitral Tribunal through a binding Arbitral Award, as agreed by the Parties.
Arbitration Agreement	:An agreement made by the Parties, under which the Parties shall recourse to Arbitration, whether before or after the dispute arises.
Arbitral Tribunal	:A Tribunal comprising of one or more arbitrators to hear and settle the dispute referred to Arbitration.
Court	:Federal or local Court of Appeal, as may be agreed by the Parties, within whose jurisdiction the Arbitration will take place.
Arbitration Body	:An entity or center established to regulate the Arbitration procedures.
Authorized Entity	:Any natural or legal person to whom the Parties agree to give any of the powers prescribed under this Law.
Competent Authority	:An entity authorized to conduct Arbitration or the Court.
Parties	:The Claimant and the Respondent, irrespective of their numbers.
Claimant	:The Party that initiates Arbitration procedures.
Respondent	:The Party against which the Arbitration procedures are initiated by the Claimant.

Scope of Application

Article (2)

The provisions of this Law shall apply to:

1. Any Arbitration conducted in the UAE, unless the Parties thereto agree to initiate such Arbitration under the provisions of another law, provided that such other law does not contradict the UAE's Public Order or Ethics.
2. Any international commercial Arbitration to be conducted abroad, but the Parties thereto agree to conduct the same under the provisions of this Law.
3. Any Arbitration arising out of a dispute in relation to a legal contractual or non-contractual relation regulated by the laws in force in the UAE, unless a special provision otherwise requires.

International Character of Arbitration

Article (3)

Arbitration may have international character even if it is conducted inside the UAE, if:

1. the head offices of the Parties' businesses are located in two different countries or more at the time of Arbitration Agreement; and if one of the Parties has several head offices, the head office which is more concerned with the subject of Arbitration Agreement shall be the determinant; and if either Party does not have a head office, its domicile shall be the determinant;
2. any of the following places exists outside the UAE at which the head office of either Party is located:
 - a) venue of Arbitration as set forth or referred to in the Arbitration Agreement; or
 - b) the place in which a material part of the obligations arising out of the commercial relations between the Parties is performed, or the place that is closely related to the subject of dispute
3. the subject of dispute, which is related to the Arbitration Agreement, is related to more than one country; or
4. the Parties expressly agree that the subject of Arbitration Agreement is related to more than one country.

Chapter 2

Arbitration Agreement

Competency for Executing an Arbitration Agreement

Article (4)

1. Arbitration Agreement may only be executed by a natural person having the competency to dispose of rights or by the legal person's representative who is authorized to execute the Arbitration Agreement. Otherwise, the Arbitration Agreement shall be invalid.
2. No Arbitration Agreement may be executed in relation to irreconcilable matters.
3. 3As to the cases in which this Law enables the Parties to agree to the procedure to be adopted for resolving a certain issue, every Party may authorize a third Party to select or consider such procedure. For the purpose of this Article, the term "Third Party" shall mean any natural person or Arbitration Body inside or outside the UAE.
4. Arbitration Agreement shall not end or expire, if any of the Parties thereto dies, as the dead's legal successor may perform or be governed by such Agreement, unless the Parties agreed otherwise.

Forms of Arbitration Agreement

Article (5)

1. Arbitration Agreement may be executed before the occurrence of dispute, whether such Agreement is independently made or mentioned in a certain contract, in relation to all or part of the disputes arising between the Parties.
2. Arbitration Agreement may be made after the occurrence of dispute, even if a claim is filed before a court in relation to such dispute. In such case, the Arbitration Agreement shall determine the matters to be considered through Arbitration.

3. Arbitration Agreement may be made through reference that may be mentioned in a contract or any other document that includes the arbitration clause, if such reference is so clear in considering this clause a part of the contract.

Independency of Arbitration Agreement

Article (6)

1. Arbitration Agreement shall be independent from the other terms of contract. If the contract is invalid, revoked or terminated, this invalidity, revocation or termination shall not affect the Arbitration Agreement included in such contract, as long as such Arbitration Agreement is valid, unless the matter is related to incompetency of a contracting Party.
2. If an argument is submitted in relation to the invalidity, revocation or termination of the contract that includes the Arbitration Agreement, this shall not suspend the Arbitration procedures, and the Arbitral Tribunal may determine the validity/invalidity of such contract.

Arbitration Agreement Drafting

Article (7)

1. Arbitration Agreement shall be prepared in writing. Otherwise, it shall be invalid.
2. Arbitration Agreement will meet the drafting requirements, if:
 - a) it is written in a document signed by the Parties; mentioned in the letters or written correspondence exchanged between the Parties; or made under an email as per the rules in force in the UAE in relation to the electronic transactions;
 - b) a written contract refers to the provisions of a model contract, international convention or any other document that includes arbitration clause, and such reference is so clear in considering this clause a part of the contract;
 - c) Arbitration Agreement is made during the consideration of dispute by the court of jurisdiction, and the Court affirms the existence of Arbitration Agreement; enables the litigants to initiate Arbitration procedures at the time and place to be determined by the Parties under the terms of such Arbitration Agreement; and adjudicates that the claim is void ab initio; or
 - d) it is mentioned in the written memos exchanged between the Parties during the Arbitration procedures or an affidavit is given before the court in this regard, whereby a Party requests referring the dispute to Arbitration and the other Party does not object to such referral in its defense.

Adjudicating on a Dispute Covered by an Arbitration Agreement

Article (8)

1. The Court, before which a claim related to an Arbitration Agreement is filed, shall adjudicate that the claim is inadmissible, if the Respondent gives an argument related to the Arbitration Agreement before submitting any demand or argument as to the subject of claim, unless the Court finds that the Arbitration Agreement is invalid or unenforceable.

2. Filing a claim, as mentioned in the previous clause, does not prevent initiating or resuming the Arbitration procedures or issuing an Arbitral Award thereon.

Chapter 3

Arbitral Tribunal

Formation of the Arbitral Tribunal

Article (9)

1. Arbitral Tribunal shall, according to a mutual agreement made between the Parties, comprise of one arbitrator or more. If the Parties fail to agree to the number of arbitrators, the Arbitral Tribunal shall comprise of three arbitrators, unless the Competent Authority otherwise requires.
2. If there are several arbitrators, their number shall be uneven number. Otherwise, the Arbitration shall be invalid.

Arbitrator Requirements

Article (10)

1. In addition to the conditions to be determined by the Parties, an arbitrator shall be an adult natural person, who is not interdicted or deprived of his/her civil rights due to declaration of his bankruptcy, unless he/she is rehabilitated, or due to a judgment convicting him/her in a misdemeanor or a felony involving a breach of trust or honor, even if he is rehabilitated.
2. Arbitrator shall not be a member of the Board of Trustees or the administrative staff of the Arbitration Body that regulates the Arbitral Claim in the UAE.
3. Arbitrator may be a male or a female and may be of any nationality, unless the Parties otherwise agree or the Law otherwise requires.
4. Nominated arbitrator shall, in writing, clarify any doubts regarding his/her neutrality or independence. Accordingly, the nominated arbitrator shall, as of the date on which he/she is appointed and during the Arbitration procedures, without delay, promptly notify the Parties and all arbitrators, in case of any event that raises doubts regarding the neutrality or independence, unless he/she has previously notified them of such event.

Arbitral Tribunal Selection Method

Article (11)

1. The Parties shall agree to the procedures to be adopted upon appointing the arbitrator(s) and determining the time and method of appointment.
2. If the Arbitral Tribunal comprises of a sole arbitrator and the Parties fail to agree to the arbitrator within (15) fifteen days from the date on which either Party provides the other Party with a written request to do so, the Competent Authority shall appoint such sole arbitrator upon the request of either Party. Decision of the Competent Authority to be taken as to such appointment may not be challenged, notwithstanding the provisions of Article (14) hereof.
3. If the Arbitral Tribunal comprises of three arbitrators, each Party shall select one arbitrator. Afterwards, the two appointed arbitrators shall select the third arbitrator. If either Party fails to select its arbitrator within (15)

fifteen days from the date on which it receives a request to do so from the other Party or the two appointed arbitrators fail to select the third arbitrator within (15) fifteen days from the date on which the last one of them is appointed, the Competent Authority shall urgently appoint the arbitrator upon request of either Party, and such appointment shall not be challenged in any way, subject to the provisions of Article (14) hereof.

4. The Competent Authority shall, upon appointing the relevant arbitrator, take into account the requirements prescribed herein and agreed upon by the Parties, to the extent that the appointed arbitrator shall be independent and impartial.
5. If the Authorized Entity fails to appoint an arbitrator as per the procedures determined by the Parties or, in the absence of Arbitration Agreement, according to the provisions of this Law, any Party may ask the Court to take the actions required to complete formation of and appoint the members of the Arbitral Tribunal, and the Court's decision to be taken in this regard shall not be challenged in any way.
6. If an arbitrator appointment request is submitted to the Competent Authority, the requester shall concurrently provide copies thereof to all the other Parties and to any arbitrator who was previously appointed for the same dispute; and shall briefly clarify the subject of dispute and any arbitrator requirements set forth in the Arbitration Agreement and all the steps to be taken for appointing any remaining member of the Arbitral Tribunal.
7. The third arbitrator to be appointed under the provisions of this Article shall chair the Arbitral Tribunal. This provision shall apply, if the Arbitral Tribunal comprises of more than three arbitrators.
8. The Court may, upon the request of either Party, ask any Arbitration Body in the UAE to provide a list of experts specialized in the field of Arbitration, so that the Court can appoint one of them, provided that the set fees of the Arbitration Body shall be paid by the Party that submitted the request, and such fees shall constitute a part of the Arbitration charges.

Decisions on Arbitration procedures

(Article 12)

Any decision to be taken in an Arbitration conducted by more than one arbitrator shall be unanimously issued by the Arbitral Tribunal, unless the Parties agree otherwise.

However, decisions related to procedural matters may be issued by the Arbitral Tribunal Chairperson, if the Parties or other members of the Arbitration Tribunal authorize him/her to do so.

Breach of Arbitral Tribunal Selection Procedures

Article (13)

If any Party breaches the arbitrator selection procedures on which the Parties agreed, if the Parties don't agree to such procedures or the appointed arbitrators do not agree to any required matter or third Parties – including the Authorized Entity – fail to perform the duties assigned to them in this regard, the Court shall, upon request of either Party, take the required procedure, unless the agreement provides for another method to complete such procedure; and such decision shall not be challenged in any way.

Recusal of the Arbitrator

Article (14)

1. Arbitrator may not be recused, unless there are serious doubts regarding his/her impartiality or independence, or it is established that the requirements agreed upon by the Parties or stipulated in this Law are not met.
2. No recusal application may be accepted from either Party against the arbitrator it has appointed or has taken part in his/her appointment, unless such Party finds a reasonable justification of recusal after such appointment.
3. No recusal application may be accepted from a Party who previously submitted a recusal application vis-à-vis the same arbitrator in the same Arbitration for the same reason.

Arbitrator Recusal Procedures

Article (15)

The Parties may agree to the arbitrator recusal procedures. Otherwise, the following procedures shall be adopted:

1. The Party that wants to recuse an arbitrator shall notify the arbitrator to be recused, in writing, of the recusal application, clarifying the reasons for the recusal application; and shall send a copy of such application to the other appointed members of the Arbitral Tribunal and to the other Parties within (15) fifteen days from the date on which the recusal applicant becomes aware of the appointment of such arbitrator or the circumstances that require recusal.
2. If the arbitrator to be recused does not step down or the other Party does not accept the recusal application within (15) fifteen days from the date on which the arbitrator is notified of the recusal application as per the provisions of Article (24) of this Law, the recusal applicant may refer its application to the Competent Authority within (15) fifteen days from the last day of the said period of fifteen days. The Competent Authority shall decide on the recusal application within (10) ten days and its decision may not be challenged in any way.
3. Notifying the arbitrator of the recusal application or referring the application to the Competent Authority shall not suspend the Arbitration procedures. Arbitral Tribunal, including the arbitrator whose recusal is requested, may proceed with the Arbitration procedures and issue the Arbitral Award, even if the application is not decided by the Competent Authority.
4. If the arbitrator steps down or the Parties agree to his/her dismissal, this shall not affirm the validity of any of recusal reasons.
5. If the Competent Authority decides to recuse the arbitrator, it may determine the fees and expenses due and payable to such arbitrator or decides that any fees or expenses paid to such arbitrator shall be refunded. Such decision may not be challenged in any way.

Arbitrator Termination

Article (16)

1. If the arbitrator fails or ceases to perform his/her task in a manner causing unjustifiable delay in the Arbitration procedures or intentionally ignores the Arbitration Agreement despite being notified of the same through all the means of notification and communication adopted in the UAE, and does not step down or the Parties do not agree to dismiss him/her, the Competent Authority may, upon a request of either Party and after hearing the statements and defense of the arbitrator, terminate the arbitrator. The Competent Authority's decision to be taken in this regard shall be unchallengeable.

2. Arbitrator's power shall be personal and shall expire upon his/her death, incompetency or losing any appointment requirements. Death of the person who appointed the arbitrator shall not revoke the arbitrator's power, unless the Parties agree otherwise.

Appointment of Alternative Arbitrator

Article (17)

1. If the arbitrator is terminated for recusal, dismissal, step-down or any other reason, an alternative arbitrator shall be appointed as per the procedures to be adopted in selecting the terminated arbitrator.
2. After the appointment of an alternative arbitrator, the Parties may agree to retain any of the previously taken procedures and determine the scope of the same. If the Parties fail to reach an agreement in this regard, the reconstituted Arbitral Tribunal shall decide whether or not any of the previous procedures is valid and determine the scope of the same. Any decision to be made by the reconstituted Arbitral Tribunal shall not affect the right of any Party to challenge the procedures taken before reconstitution of the Arbitral Tribunal based on any reason arises before the appointment of the alternative arbitrator.

Jurisdiction to Consider Arbitration Measures

Article (18)

1. Jurisdiction to hear the arbitral matters set forth herein shall be instituted for the court of jurisdiction as per the procedural laws in force in the UAE. Such court shall have such jurisdiction until all the Arbitration procedures are completed.
2. The Chief Judge may, upon the request of a Party or Arbitral Tribunal, take temporary or provisional measures – as may be required – in relation to the existing or potential Arbitration procedures, whether before or during such Arbitration procedures.
3. Taking the measures mentioned in the previous item of this Article shall neither suspend the Arbitration procedures nor constitute a waiver of the Arbitration Agreement.
4. If the Chief Judge issues an order as per Article (18) 2, the effect of such order shall not wholly or partially end, unless a decision is made by the Chief Judge to end this effect.

Arbitral Tribunal's Competency to determine its Jurisdiction

Article (19)

1. Arbitral Tribunal may make decision on any plea to its jurisdiction, including the plea based on the absence, invalidity, or failure of the Arbitration Agreement to cover the subject of dispute. The Arbitral Tribunal may make its decision in this regard either in an interlocutory award or the final Arbitral Award issued on the subject of dispute.
2. If the Arbitral Tribunal, under an interlocutory award, decides that it has the jurisdiction, any Party may, within (15) fifteen days from the date on which it is notified of such award, request the Court to consider such matter, and the Court shall consider the request within (30) thirty days from the date on which the request is registered with the Court and the Court's decision shall be unchallengeable but the Arbitration procedures shall be suspended until this request is definitively considered, unless the Arbitral Tribunal decides to resume the Arbitration procedures upon either Party's request.
3. The Party that requests resumption of the Arbitration procedures shall pay the Arbitration charges, if the Court adjudicates that the Arbitral Tribunal has no jurisdiction.

Time of Adherence to Plea to the Tribunal Jurisdiction

Article (20)

1. The plea to the Arbitral Tribunal jurisdiction shall be adhered to no later than the date on which the Respondent's defense mentioned in Article (30) of this Law is submitted. If the plea is that the Arbitration Agreement does not include the matters raised by the other Party during the consideration of the dispute, the plea shall be adhered to no later than the hearing following the one at which the plea is submitted. Otherwise, the right to adhere to such plea shall be invalid. In all cases, the Arbitral Tribunal may accept late plea, if it believes that the delay was due to an acceptable excuse.
2. If any Party appoints, or takes part in the appointment of, an arbitrator, this shall not prevent him from submitting any of the pleas set forth in Article (20) 1.

Interim or Provisional Measures

Article (21)

1. Notwithstanding the provisions of Article (18) hereof, unless the Parties otherwise agree, the Arbitral Tribunal may, upon the request of either Party or automatically, oblige any Party to take interim or provisional measures as may be required for the nature of dispute; particularly:
 - a) Give orders to maintain evidence that may be key to the dispute settlement.
 - b) Take the required measures to maintain the goods that constitute a part of the subject of dispute, e.g. giving order to store the goods with a third Party or sell damageable goods.
 - c) Maintain assets and funds by which a subsequent decision can be executed.
 - d) Maintain or restore the condition until the dispute is resolved.
 - e) Take an action to prevent any existing or imminent damage or prejudice to the Arbitration; or abstain from taking an action which may prejudice the Arbitration.
2. Arbitral Tribunal may order the requester of interim or provisional measures to submit a sufficient guarantee to cover the expenses of such measures; and may also oblige such requester to bear all the damage arising out of the execution of these measures, if the Arbitral Tribunal subsequently decides that the requester is not entitled to such orders.
3. Arbitral Tribunal may amend, suspend or cancel an interim measure ordered under a request submitted by either Party or under an initiative made by the Arbitral Tribunal in exceptional cases and the same shall be made by virtue of a prior notice to be served to the Parties.
4. The Party for which an interim measure order is issued may, after obtaining a written permission from the Arbitral Tribunal, request the Court to order execution of the decision issued by the Arbitral Tribunal or any part thereof, within (15) fifteen days from the date on which the request is submitted; and may send copies of any request of permission or execution under this Article to all the other Parties at the same time.

Chapter 4
Arbitration procedures
Intervention or Joinder of New Parties

Article (22)

Arbitral Tribunal may allow for joining or intervention of a third Party in the Arbitration dispute, whether upon the request of either Party or the Intervener, provided that that third Party shall be a Party to the Arbitration Agreement, and after giving an opportunity to all the Parties, including the third Party to give their statements.

Determination of Applicable Procedures

Article (23)

1. Notwithstanding the provisions of Article (10/2) of this Law, the Parties may agree to the procedures to be adopted by the Arbitral Tribunal upon conducting the Arbitration; and may subject these procedures to the applicable rules in any Arbitration Body or Establishment inside or outside the UAE.
2. If there is no agreement to adopt certain procedures, the Arbitration Tribunal may determine such procedures as it may deem appropriate, taking into account the provisions of this Law, without contradicting the basic principles of litigation and the international conventions to which the UAE is a Party.

Notices

Article (24)

1. The provisions set forth in this clause shall apply, unless the Parties otherwise agree:
 - a) Any written correspondence will be deemed to have been received by the recipient, if delivered in person, delivered to the recipient at his workplace, domicile or postal address known to the Parties or determined in the Arbitration Agreement or the document that regulates the relation considered under the Arbitration. If any of such addresses could not be known after conducting the required investigation, the written correspondence will be deemed to have been received, if sent to the recipient's last known workplace, or usual domicile or postal address by a registered letter or through courier or any other means providing a written proof of its attempted delivery. The term "Postal Address" includes any fax number or email previously used by the Parties in their transactions or any fax number or email that is notified by a Party to the other Party in its correspondence.
 - b) The correspondence will be deemed received on the day on which it is delivered as set forth herein. The correspondence to be sent via facsimile or email will be deemed to have been received on the date mentioned in the details thereof, provided that there shall be no evidence of dispatch error. In all cases, receipt will be deemed to have been made if the correspondence is received or sent before 6 pm in the country at which the correspondence is received. Otherwise, the receipt will be deemed to have occurred on the next day.
2. To calculate the periods under this Law, the period shall commence as of the day that follows the day on which the letter or other correspondence is received. However, if the next day is an official holiday or a day off in the recipient's workplace, the period shall be extended to the first next working day. The holidays or day offs that occur during this period shall be included therein.
3. The provisions of this Article shall not be applied to the correspondences made as part of court proceedings.

Waiver of Objection Right

Article (25)

If either Party proceeds with the Arbitration procedures, while knowing that there is inconsistency with the Arbitration Agreement or a provision of this Law that can be permissible by mutual agreement, and does not object to such inconsistency within the agreed period or within (7) seven days from the date on which it knows of the inconsistency, this shall constitute a waiver of the right to objection to such inconsistency.

Equality between the Parties

Article (26)

Parties to Arbitration shall be equally treated. Each Party shall have the complete opportunity to submit its requests and defence.

Arbitration procedures Commencement

Article (27)

1. Arbitration procedures commence on the day that follows the one on which the formation of Arbitral Tribunal is completed, unless the Parties agree otherwise.
2. Notice of Arbitration shall be deemed to be a claim filed for the purposes of sequestration.

Venue of Arbitration

Article (28)

1. The Parties may agree on the venue of Arbitration. If there is no agreement, the Arbitral Tribunal will determine the Venue of Arbitration, taking into account the circumstances of claim and that the Venue of Arbitration shall be suitable for the Parties to Arbitration.
2. Unless the Parties otherwise agree, the Arbitral Tribunal may:
 - a) convene Arbitration sessions at any place it deems appropriate to carry out any of the Arbitration procedures; and serve the Parties with a notice of session a sufficient time prior to the date of session; and
 - b) convene Arbitration sessions with the Parties or deliberate via means of communication and latest electronic technologies; and deliver or serve the minutes of session to the Parties.

Language of the Arbitration

Article (29)

1. Arbitration procedures shall be carried out in Arabic, unless the Parties agree otherwise.
2. The language to be agreed upon or determined shall be applied to the Arbitration procedures and to any written memo to be submitted by the Parties, any verbal pleading, any Arbitral Award, decision or any other notice to be issued by the Arbitral Tribunal, unless otherwise agreed.
3. Subject to the provisions of the Federal Law No. (6) of 2012 regulating the Translation Profession, the Arbitral Tribunal may decide that all or part of the written documents to be submitted in the Claim shall be accompanied by a translation into the language(s) used in Arbitration. If there are multiple languages, translation may be limited to some of them.

Statement of Claim & Defense

Article (30)

1. Unless otherwise agreed by the Parties or decided by the Arbitral Tribunal, the Claimant shall send within fourteen (14) days as of the date on which the Tribunal is formed to the Respondent and to every Arbitrator a written statement of claim stating therein its name and address and the Respondent's name and address; explaining the facts of the case; the disputed issues and its requests and any other matters that shall be included in this statement according to the Parties Agreement.
2. Unless otherwise agreed by the Parties or decided by the Arbitral Tribunal, the Respondent shall send to the Claimant and to every arbitrator, within fourteen (14) days as of the day following its receipt of the statement of claim mentioned in the preceding item of this Article sent thereto by the Claimant, a written memorandum of defense in reply to that statement of claim. It may include in this memorandum any interlocutory or counter applications relating to the dispute subject matter, adhere to a right created thereby with a view to plea for a set-off and shall be entitled to the same even in a later stage of the proceedings if the Tribunal sees that the circumstances allow such delay.
3. Unless otherwise agreed by the Parties, each Party shall have the right to amend their demands or defenses, add thereto or file a counterclaim during the Arbitration procedures unless the Tribunal decides not to allow the same to avoid any delay in resolving the dispute or because that falls outside its jurisdiction provided that the Tribunal shall – in so doing – comply with the litigation principles and rights of defense.

Documents Supporting the Statement of Claim and Defenses

Article (31)

Each Party shall have the right to attach to its statements of claim or defense photocopies of the supporting documents or refer to all or some of the documents and evidence that it intends to submit and shall respect the other Party's right to have access to them. This shall not prejudice the Tribunal's right to request in any stage of litigation the original supporting documents or papers of any Party and other Parties' right to access such documents and papers.

Parties Breach of Obligations

Article (32)

Subject to the provisions of Article (30) of this Law and unless otherwise agreed by the Parties:

1. If the Claimant fails to submit the statement of claim without a reasonable excuse in accordance with the provisions of this Law and the procedures the Parties agreed to follow, the Tribunal may decide to end the proceedings if the Tribunal is convinced that there is an excessive and unjustifiable delay by the Claimant and such delay will make it impossible to reach a fair and just solution or will prejudice the Respondent's right.
2. If the Respondent fails to submit its statement of defense, the Tribunal shall proceed with the Arbitration procedures without considering that as an acceptance from the Respondent of the claim. The same shall apply to the Claimant's failure to submit its defense in reply to a counterclaim.
3. If a Party fails to attend a session, to submit any documents required therefrom or to complete a formality without a reasonable excuse, the Tribunal may continue with the Arbitration procedures, conclude whatever it deems appropriate in the light of the actions and defaults of such Party and as dictated by the circumstances of the Arbitration procedures and render an award on the dispute in the light of the elements of evidence available thereto.

Sessions & Evidence

Article (33)

1. Unless otherwise agreed by the Parties, arbitration sessions shall be held privately.
2. Unless otherwise agreed by the Parties, the Tribunal shall have the right to decide whether to hold oral pleading session for submitting evidence or oral pleas or continue with the proceedings and decide that the documents and material evidence received are sufficient. The Tribunal shall also have the right to decide to hold any of these sessions in any appropriate stage of the proceedings if a Party so requests.
3. Sessions may be held through state of the art modes of communications that do not require the attendance of the Parties in person.
4. The Tribunal shall notify the Parties of the date of the sessions to be held well before the session appointed date as the case may be.
5. At their own expenses, the Parties shall have the right to seek the assistance of experts and legal representatives, attorneys and others, to represent them before the Tribunal which shall have the right to request any Party to submit a proof of the power given to its representative in the manner to be decided by the Tribunal.
6. The summary of the facts of each session held by the Tribunal shall be recorded in a minutes; and a photocopy of such minutes shall be given to each Party.
7. Unless otherwise agreed by the Parties, hearing witnesses and experts shall be governed by the laws applicable in the UAE.
8. The Tribunal shall have a discretionary power that enables it to determine the evidence rules to be adopted; determine whether the evidence submitted by a Party about a fact or the expert's opinion is acceptable and relevant or not and determine the date, mechanism and format for exchanging such evidence between the Parties and how to submit them to the Tribunal.

Seeking the Assistance of Experts

Article (34)

1. Unless otherwise agreed by the Parties, the Tribunal shall have the right to appoint one or more experts to produce a report; and shall determine its assignment and the duration thereof and send a copy of its decision on the same to the Parties.
2. Each Party shall provide the expert with any information relevant to the dispute and enable it to inspect and examine any documents, goods, properties, movable or immovable assets relating to the dispute if the expert so requests. The Tribunal shall decide on each dispute arising between the expert and any Party in this regard.
3. Before accepting the assignment, the expert shall submit to the Tribunal and to the Parties a list of its qualifications and a declaration of neutrality and independence. If either Party objects to the appointment of the expert, such Party shall notify the Tribunal of such objection within the period determined by the Tribunal in its decision. The Tribunal shall decide on any objection to the appointment of such expert and its decision shall be final in this regard.
4. No Party may object to the expert's qualifications, neutrality or independence unless such objection is based on reasons that came to the knowledge of such Party after such expert is already appointed.

5. The Tribunal shall send to each Party a copy of the expert's report as soon as it is produced and shall give them the opportunity to comment on and reply to such report within the period of time determined thereby.
6. After the expert submits its report, the Tribunal shall have the right on its own or at the request of a Party to decide to hold a session to hear the expert's statements and to give the Parties the opportunity to hear the expert, discuss its report and have access to any document it has relied on. Unless otherwise agreed by the Parties, each Party shall have the right to hire one or more experts to be appointed by that Party to give his opinion on the issues covered by the expert appointed by the Tribunal. The provisions set out in Article (33) of this Law shall apply to these procedures.
7. The Parties shall pay the fees and expenses of the expert appointed by the Tribunal pursuant to this Article and as determined by the Tribunal.

Witness Testimony

Article (35)

The Tribunal shall have the right to hear witnesses including experts' testimonies through modern means of communications that do not require their attendance to the session in person.

Court's Power to Order the Submission of Evidence

Article (36)

1. The Tribunal may on its own or at the request of either Party request the assistance of the Court in obtaining any evidence and the court shall have the right within its competence to order that such request shall be fulfilled, to order witnesses to appear before the Tribunal, submit or give their oral testimony, or produce documents or any piece of evidence.
2. The request shall be submitted to the Court's chief judge who shall have the right to:
 - A. Impose the legally prescribed penalties as per the UAE's applicable laws on any witness who fails or refuse to attend without a legal excuse;
 - B. Direct a third Party to produce any documents held thereby as may be necessary to decide on the dispute;
or
 - C. Issue rogatory letters.

Chapter 5

Arbitral Award

Applicability of the Law of Will to the Dispute

Article (37)

1. The Tribunal shall apply the rules agreed by the Parties on the dispute subject matter. If they agree to apply the law of a certain country, then the substantive rules shall apply to the dispute not the rules on the conflict of laws unless otherwise agreed by the Parties provided that law of such country does not violate the public order and ethics of the UAE.
2. If the Parties agree that the legal relationship between them shall be governed by a standard contract or international agreement or any other document, the provisions of such contract, agreement or document and any arbitration provisions set out therein shall apply provided that they do not violate the public order and ethics of the UAE.

Tribunal's Power to Determine The Law Applicable to the Dispute

Article (38)

1. If the Parties fail to agree on the legal rules applicable to the dispute subject matter, the Tribunal shall apply the substantive rules of the law it decides that it is the most relevant to the subject matter of the dispute.
2. When deciding on the subject matter of the dispute, the Tribunal shall consider the terms and conditions of the disputed contract, practices in force regarding the type of relevant transaction and the current norms governing the type of the transaction and the usual dealing between the Parties in their mutual transactions.
3. Unless otherwise expressly agreed or authorized by the Parties to achieve reconciliation, the Tribunal may not decide on the subject matter of the dispute based on the rules of equity without complying with the provisions of this Law.

Interim and Partial Judgments

Article (39)

1. The Tribunal may render interim or partial judgments on requests before rendering the final award on the dispute.
2. The interim judgments rendered by the Tribunal shall be enforceable before courts under an order on petition to be issued by the court chief judge or his representative.

Agreed Arbitration Award

Article (40)

If the Parties agree before the issuance of a final award on the dispute to amicably settle the dispute, they may request that the settlement terms and conditions shall be confirmed and established before the Tribunal. In this case, the Tribunal shall render an agreed arbitration award setting out the settlement terms and conditions and putting an end to the proceedings and this award shall have the same effect the arbitrators' awards have.

Award Form and Contents

Article (41)

1. The award shall be made in writing.
2. In arbitral proceedings with more than one arbitrator, the award shall be issued with the majority of all members of the Arbitral Tribunal. In case of dissenting opinions in a way that makes reaching the majority impossible, the Chairman of the Arbitral Tribunal shall issue the award, unless the Parties agree otherwise. In this case, the dissenting opinions shall be written or annexed and shall be considered an integral part of the award.
3. The award shall be signed by the arbitrators. If any arbitrator fails to sign the award, the reason for such failure shall be stated. The award shall be deemed valid if signed by the majority of arbitrators.
4. The award shall state the reasons upon which it is based, unless otherwise agreed by the Parties or unless the law applicable to the arbitral procedures does not require the mentioning of such reasons.
5. The arbitral award shall include the names and addresses of the Parties to the dispute; the names, addresses and nationalities of the arbitrators; the wording of the Arbitration Agreement; summary of the Parties' claims, statements and documents, and the wording of the award, the reasons on which the award is based when the citing of such reasons is mandatory, as well as the date and place where it was rendered.

6. The arbitral award shall be considered to be issued at the venue of arbitration according to the provision of Article (28) of this law, even if it was signed by the members of the Arbitral Tribunal outside the venue, regardless of how it was signed, and whether signed by the members of the Arbitral Tribunal in their presence or it was sent to be signed by each member individually or electronically, unless otherwise agreed by the Parties.
7. Unless otherwise agreed by the Parties, the date of the award shall be the date on which the arbitrator, in case of individual arbitrator, signs the award, or the date on which the last arbitrator signs in case of more than one arbitrator.

Date of Issuance of the Final Award

Article (42)

1. The Arbitral Tribunal shall render the final award ending the entire dispute within the time limit as agreed upon by the Parties. Should the Parties fail to agree on a time limit or if there is no way to agree on such time limit, the award shall be rendered within six months as of the date of the first session of the Arbitration procedures. The Arbitral Tribunal may decide to extend the time limit, provided that the period of extension shall not exceed six (6) months, unless the Parties agree on a longer period.
2. If the arbitral award is not rendered after the lapse of the time limit referred to above in this Article, the Arbitral Tribunal or either Party may request the Court to issue an order setting another period for rendering the award or terminating the Arbitration procedures, as appropriate. The Court may extend this period according to the conditions it deems appropriate and its decision in this regard shall be deemed final, unless the Parties otherwise agree.
3. Should the Court issue an order terminating the Arbitration procedures, either Party, then, may bring the dispute to the court having initial jurisdiction to adjudicate the case.

Adjudication on Preliminary Matters

Article (43)

If, during the course of the arbitral procedures, a matter falling outside the scope of the Arbitral Tribunal's jurisdiction is raised, or if a document submitted to it is challenged on forgery basis, or penal procedures are taken on forgery thereof or any other crime, the Arbitral Tribunal may decide to continue to review the subject of the dispute if it deems that the adjudication on this matter, or on the forgery of the document or on the other criminal act has no effect on determining the subject of the dispute. Otherwise, the Arbitral Tribunal shall suspend the proceedings until a final judgment is issued in this respect. Such measure shall cause suspension of the time limit for issuing the arbitral award. The time limit shall be recalculated as of the day following the date on which the Arbitral Tribunal is informed of the termination of the reason for suspension.

Notification of the Arbitral Award

Article (44)

Subject to the provisions of Article (47) of this Law, the Arbitral Tribunal shall inform all Parties to the arbitration of the award by giving each of them an original copy of the award, or a copy thereof signed by the Arbitral Tribunal, within fifteen (15) days as of the date of the award.

Termination of Arbitration procedures

Article (45)

1. The arbitral proceedings shall be terminated by the issuance of the final award ending the dispute by the Arbitral Tribunal.
2. The Arbitral Tribunal shall terminate the Arbitration procedures in the following cases:
 - a) If the Parties agree on the termination of the proceedings according to the provisions of this Law.
 - b) If the Claimant withdraws his claim, unless the Arbitral Tribunal decides, upon a request from the Respondent, that the latter has a legitimate interest to continuing the arbitral proceedings until the dispute is determined.
 - c) If, for any other reason, the Arbitral Tribunal finds that it is unfeasible or impossible to continue the proceedings.

Arbitration Expenses

Article (46)

1. Unless otherwise agreed by the Parties, the Arbitral Tribunal shall estimate the expenses of arbitration, including the fees and expenses incurred by any member of the Arbitral Tribunal for the performance of his/her functions and the expenses of appointing experts by the Arbitral Tribunal.
2. The Arbitral Tribunal may decide the Party who should be liable to pay the expenses stipulated above in this Article, wholly or partially. At the request of either Party, the Court may decide to adjust the arbitrators' assessment of their fees or expenses in proportion to the exerted effort, the nature of the dispute and the expertise of arbitrators.
3. No requests may be submitted before the Court to reconsider the amount of expenses if there is an agreement between the Parties thereon.

Withholding award in case of non-payment

Article (47)

1. Without prejudice to the arbitrators' right of charging the Parties in respect of their fees and expenses, the Arbitral Tribunal may refuse to deliver the final arbitration award to the Parties in case of non-payment of the full costs of the arbitration.
2. Should the Arbitral Tribunal refuse to deliver the award according to the provisions of item 1 of this Article, either Party may submit a request to the Court after serving a notice to the other Parties and the Arbitral Tribunal to issue an order obligating the Tribunal to deliver the award to the Parties. This shall be effected after proving the payment of all fees and expenses demanded by the Arbitral Tribunal or such other fees and expenses as the Court may determine according to Article (46) of this Law.

Confidentiality of arbitral awards

Article (48)

The arbitral awards shall be confidential and may not be published, wholly or partially, without the written consent of the Parties. The publication of court judgments dealing with such award shall not constitute a breach of this principle.

Interpretation of arbitral award

Article (49)

1. Once the arbitral award is rendered, the Arbitral Tribunal shall have no power to adjudicate on any of the matters it has been dealt with in the arbitral award. However, either Party may, within thirty (30) days of receipt of the award, request the Arbitral Tribunal to give an interpretation of ambiguity found in the award, unless the Parties otherwise agree on other procedures or periods. The Party requesting interpretation shall notify the other Party of the request before submitting it to the Arbitral Tribunal.
2. If the Arbitral Tribunal finds that the request for interpretation is justified, it shall issue the interpretation decision in writing within thirty days following the date on which the request for interpretation is submitted to the Arbitral Tribunal. The Tribunal may extend this period for further (15) days if it deems such extension is necessary.
3. The interpretation decision shall form a part of the respective award and it shall be subject to the same rules applicable thereto.

Correction of material errors in the award

Article (50)

1. The Arbitral Tribunal shall, by a decision on its own initiative or at the request of either Party after notifying the other Parties, correct any material error in the award, whether in typography or computation. The request for correction shall be submitted within thirty (30) days as of the date of receiving the award, unless the Parties agree on other procedures or extensions. The Tribunal shall correct the award within thirty (30) days as of the date of the award or the date of submitting the request for correction, as the case may be. The Tribunal may extend this time limit to another fifteen (15) days as it may deem necessary.
2. The decision of correction shall be made in writing by the Arbitral Tribunal and be notified to the Parties within fifteen (15) days as of the date of issuance thereof.
3. The correction decision shall form a part of the respective award and it shall be subject to the same rules applicable thereto.

Additional Award

Article (51)

1. Either Party may request from the Arbitral Tribunal, within the thirty (30) days following the receipt of the arbitral award, to make an additional award as to requests presented in the arbitral proceedings but were not dealt with in the final award. The requesting Party shall notify all other Parties of the request.
2. If the Arbitral Tribunal finds that the request referred to in item 1 of this Article is justified, it shall issue its decision within sixty (60) days following the date on which the request is submitted. The Tribunal may extend this period for further thirty (30) days.
3. The additional award shall form a part of the respective award and it shall be subject to the same rules applicable thereto.
4. If the Arbitral Tribunal fails to render its award according to this Article and Articles (49) and (50) of this Law, the concerned Party shall file a request before the Court to that effect.

Binding power of arbitral award

Article (52)

Arbitral awards rendered in accordance with the provisions of this Law shall be binding upon all Parties, deemed to have the authority of res judicata and have enforceability as if it is a court judgment. However, the award enforcement requires a court decision for ratification.

Challenging arbitral award

Article (53)

1. Arbitral awards may only be challenged either by filing an action for nullifying the award or during consideration of the request for ratification of the award. Provided, however, that the Party seeking the award to be nullified shall prove any of the following reasons:
 - a) No Arbitration Agreement exists, the Arbitration Agreement was void or has expired according to the law the Parties made applicable to such agreement or according to this Law, or if there is no reference to a specific law in the agreement.
 - b) At the time of concluding the Arbitration Agreement, either Party was fully or partially interdicted according to the law governing its legal capacity.
 - c) Either Party to the arbitration was unable to act on the disputed right according to the law governing its legal capacity as stated in Article (4) of this Law.
 - d) Either Party to the arbitration was unable to make its case as a result of not being given proper notice of appointment of an arbitrator or the arbitral proceedings, of the Arbitral Tribunal breach of the litigation rules, or of any other reason beyond its control.
 - e) If the arbitral award excluded the application of the law agreed upon by the Parties to govern the merits of the dispute.
 - f) If the composition of the Arbitral Tribunal or the appointment of an arbitrator was not in accordance with the provisions of this Law or the Parties' agreement.
 - g) If the Arbitration procedures are void in a way that affected the award, or if the arbitral award is issued after the scheduled time limit.
 - h) If the arbitral award deals with matters not covered within the scope of the Arbitration Agreement or exceeds the limits of such agreement. However, if parts of the award relating to matters falling within the scope of the arbitration can be separated from those which contain matters not falling within the scope of the arbitration, the nullity shall affect the latter parts only.
2. The Court shall, *suasoponte*, annul the arbitral award if it finds that:
 - a) The subject matter of the dispute falls under matters in which the arbitration is impermissible, or
 - b) It is against the public order and morals of the UAE.

Action for award nullification

Article (54)

1. The judgment issued by the Court in an action to set aside the arbitral award shall be final and may be challenged only through cassation.
2. An action to nullify the award may not be brought to court after the lapse of thirty (30) days following the date on which the arbitral award was notified to the Party seeking nullification thereof.
3. The judgment rendered to nullify the arbitral award shall result in the cancellation of such award, entirely or partially, depending on whether such judgment has set aside the entire award or a part thereof. In cases where an interpretation decision is issued as to the nullified part, such part shall be revoked accordingly.
4. Unless otherwise agreed by the Parties, the Arbitration Agreement shall remain in force pursuant to the provisions of this Law after nullifying the arbitral award, unless the nullification is not based on the absence, expiry, nullity or inapplicability of the agreement.
5. This action to nullify shall not be inadmissible if the applicant waives its right to request the nullification before the issuance of the arbitral award.
6. The Court sought to nullify the arbitral award may, at the request of one of the Parties, stay the nullification procedures for a period not exceeding sixty (60) days if it deems appropriate. This would give the Arbitral Tribunal the chance to take any action or make any amendment to the form of the award in a way that removes the grounds for nullity without affecting the content of the award.

Enforcement of arbitral award

Article (55)

1. The Party wishing to enforce the arbitral award shall apply to the Court Chief Judge for ratification and enforcement of the award. The application for enforcing an arbitral award shall be accompanied by:
 - a) The original award or a certified copy thereof.
 - b) Copy of the Arbitration Agreement.
 - c) Arabic translation of the award, authenticated by an accredited authority if the award was not made in Arabic.
 - d) Copy of the record of lodging the award with the Court.
2. The Court Chief Judge or one of its members who has been delegated by the said Chief Judge shall issue an order for ratification of the award and enforcement thereof within sixty (60) days following the date on which the ratification request is submitted. The award shall be enforceable if they do not find one or more reasons justifying the award to be set aside based on any of those cases stated in item 1 of Article (53) of this Law.

Suspension of enforcement of the award

Article (56)

1. Submitting an action for setting an arbitral award aside does not suspend the enforcement of the award. However, the Court may suspend the enforcement at the request of one of the Parties if such request is based on serious grounds.
2. The Court shall decide on the request for suspension of the enforcement within fifteen (15) days as of the date of the first hearing set in relation thereto.
3. If suspension is ordered, the Court may require the applicant to provide a given security or monetary guarantee. When the court orders a suspension of enforcement, it must rule on the action for nullity within sixty (60) days as of the date when the suspension order was rendered.

Appeal against enforcement of the award

Article (57)

The court order granting, or refusing to grant, enforcement of the arbitral award may be subject to appeal before the competent court of appeal within thirty (30) days as of the day following the date of notice of such order.

Chapter 6

Final Provisions

Code of Ethics and Lists of Arbitrators

Charter and Lists of Arbitrators

Article (58)

1. The Minister of Economy shall issue the charter of the arbitrators in coordination with the arbitration institutions operating in the State.
2. Pursuant to the provision of Article (11) of this Law, the Minister of Justice, or the head of the competent judicial authority, shall issue the lists of arbitrators from whom arbitrators would be selected.

Effective Period of the Law

Article (59)

The provisions of this law shall apply to every Arbitration proceeding existing at the time it enters into force, even if such proceeding is based on an Arbitration Agreement preceding this Law. However, any procedures carried pursuant to the provisions of any previous legislation shall remain valid.

Revocation of arbitration articles stipulated in the Civil Procedure Law

Article (60)

1. Articles (203) to (218) of the said Federal Law No. (11) of 1992 shall be revoked. However, the procedures carried pursuant to the said articles shall remain valid.
2. Any provision contrary to the provisions of this Law shall be revoked.

Publication and Enforcement of Law

Article (61)

This Law shall be published in the Official Gazette and shall come into force one month after the publishing date.

Khalifa bin Zayed Al Nahyan

President of the United Arab Emirates

Issued at the Presidential Palace in Abu Dhabi

Date: 17th of Shaban 1439 A.H.

3rd of May 2018 G

Notes



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