

# ARBITRATION

## United Arab Emirates



# Arbitration

Consulting editors

**Craig Tevendale, Vanessa Naish, Elizabeth Kantor**

*Herbert Smith Freehills LLP*

---

Quick reference guide enabling side-by-side comparison of local insights, including into applicable laws, conventions and treaties, and prominent local arbitral institutions; arbitration agreements; constitution, jurisdiction and competence of arbitral tribunals; arbitral proceedings; interim measures and sanctioning powers; awards; proceedings subsequent to issuance of award; influence of local legal traditions on arbitrators; professional or ethical rules; third-party funding; regulation of activities.

---

Generated 24 February 2022

The information contained in this report is indicative only. Law Business Research is not responsible for any actions (or lack thereof) taken as a result of relying on or in any way using information contained in this report and in no event shall be liable for any damages resulting from reliance on or use of this information. © Copyright 2006 - 2022 Law Business Research

# Table of contents

## **LAWS AND INSTITUTIONS**

**Multilateral conventions relating to arbitration**

**Bilateral investment treaties**

**Domestic arbitration law**

**Domestic arbitration and UNCITRAL**

**Mandatory provisions**

**Substantive law**

**Arbitral institutions**

## **ARBITRATION AGREEMENT**

**Arbitrability**

**Requirements**

**Enforceability**

**Separability**

**Third parties – bound by arbitration agreement**

**Third parties – participation**

**Groups of companies**

**Multiparty arbitration agreements**

**Consolidation**

## **CONSTITUTION OF ARBITRAL TRIBUNAL**

**Eligibility of arbitrators**

**Background of arbitrators**

**Default appointment of arbitrators**

**Challenge and replacement of arbitrators**

**Relationship between parties and arbitrators**

**Duties of arbitrators**

**Immunity of arbitrators from liability**

## **JURISDICTION AND COMPETENCE OF ARBITRAL TRIBUNAL**

**Court proceedings contrary to arbitration agreements**

**Jurisdiction of arbitral tribunal**

## **ARBITRAL PROCEEDINGS**

## **Place and language of arbitration, and choice of law**

**Commencement of arbitration**

**Hearing**

**Evidence**

**Court involvement**

**Confidentiality**

## **INTERIM MEASURES AND SANCTIONING POWERS**

**Interim measures by the courts**

**Interim measures by an emergency arbitrator**

**Interim measures by the arbitral tribunal**

**Sanctioning powers of the arbitral tribunal**

## **AWARDS**

**Decisions by the arbitral tribunal**

**Dissenting opinions**

**Form and content requirements**

**Time limit for award**

**Date of award**

**Types of awards**

**Termination of proceedings**

**Cost allocation and recovery**

**Interest**

## **PROCEEDINGS SUBSEQUENT TO ISSUANCE OF AWARD**

**Interpretation and correction of awards**

**Challenge of awards**

**Levels of appeal**

**Recognition and enforcement**

**Time limits for enforcement of arbitral awards**

**Enforcement of foreign awards**

**Enforcement of orders by emergency arbitrators**

**Cost of enforcement**

## **OTHER**

**Influence of legal traditions on arbitrators**

**Professional or ethical rules**

**Third-party funding**

**Regulation of activities**

**UPDATE AND TRENDS**

**Legislative reform and investment treaty arbitration**

## Contributors

### United Arab Emirates



**Chatura Randeniya**  
crandeniya@afриди-angell.com  
*Afridi & Angell*



**Mevan Bandara**  
mbandara@afриди-angell.com  
*Afridi & Angell*

**Afridi  
&Angell**

## LAWS AND INSTITUTIONS

### Multilateral conventions relating to arbitration

Is your jurisdiction a contracting state to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards? Since when has the Convention been in force? Were any declarations or notifications made under articles I, X and XI of the Convention? What other multilateral conventions relating to international commercial and investment arbitration is your country a party to?

The UAE is a contracting state to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards. The convention was ratified without any amendments in 2006 by Federal Decree No. 43 of 2006.

The UAE is also a signatory to the ICSID Convention, which was ratified in December 1981.

*Law stated - 09 December 2021*

### Bilateral investment treaties

Do bilateral investment treaties exist with other countries?

The UAE is a signatory to 90 bilateral investment treaties .

*Law stated - 09 December 2021*

### Domestic arbitration law

What are the primary domestic sources of law relating to domestic and foreign arbitral proceedings, and recognition and enforcement of awards?

If the arbitration is seated in any emirate in the United Arab Emirates (other than in a financial free zone), the Federal Arbitration Law 6 of 2018 (the Arbitration Law) will apply. The Arbitration Law is largely based on the UNCITRAL Model Arbitration Law.

There are currently two financial free zones established in the United Arab Emirates that have separate arbitration legislation. The financial free zone in Dubai is under the Dubai International Financial Centre (DIFC) and the financial free zone in Abu Dhabi is under the Abu Dhabi Global Market.

The Arbitration Law considers arbitration to be international, even if conducted in the UAE, in the following circumstances:

- the head offices of the parties are located in two different countries;
- the subject of the dispute is related to more than one country;
- if the parties expressly agree that subject of arbitration is related to more than one country; or
- if either of the following places is located outside the country where the head office of a party is located:
  - the seat of arbitration indicated in the arbitration agreement; or
  - the place of performance of the contract.

This guide covers arbitrations seated in the United Arab Emirates (onshore) where the Arbitration Law is applicable.

*Law stated - 09 December 2021*

## Domestic arbitration and UNCITRAL

Is your domestic arbitration law based on the UNCITRAL Model Law? What are the major differences between your domestic arbitration law and the UNCITRAL Model Law?

The Arbitration Law is largely based on the UNCITRAL Model Law. However, there are some differences between the Arbitration Law and the UNCITRAL Model Law, including, but not limited to:

- the Arbitration Law provides that the signatory of the agreement must be authorised to enter into the arbitration agreement;
- the date of the commencement of arbitration differs between the Arbitration Law and the UNCITRAL Model Law;
- the Arbitration Law contains provisions regarding the use of technology in arbitration; and
- the Arbitration Law expressly protects the confidentiality of arbitration hearings and awards.

*Law stated - 09 December 2021*

## Mandatory provisions

What are the mandatory domestic arbitration law provisions on procedure from which parties may not deviate?

There are no mandatory provisions on procedure. The Arbitration Law gives parties the freedom to agree on the applicable procedural steps, subject to any procedural requirements that may exist in the agreed rules.

*Law stated - 09 December 2021*

## Substantive law

Is there any rule in your domestic arbitration law that provides the arbitral tribunal with guidance as to which substantive law to apply to the merits of the dispute?

If the parties have not agreed on the substantive law governing the dispute, the tribunal is required to apply the law that it deems to be most closely connected to the dispute. In determining this issue, the tribunal should take into consideration the following:

- the terms of the contract;
- the subject matter of the dispute;
- the usages of the trade applicable to the transaction; and
- past practices between the parties.

*Law stated - 09 December 2021*

## Arbitral institutions

What are the most prominent arbitral institutions situated in your jurisdiction?

The UAE hosts a number of arbitral institutions, including:



## Lexology GTDT - Arbitration

The Dubai International Arbitration Centre (DIAC)

Dubai Chamber of Commerce & Industry

Baniyas Road, Deira

PO Box 1457

Dubai

United Arab Emirates

[www.diac.ae/idias/](http://www.diac.ae/idias/)

DIFC-LCIA Arbitration Centre

Dubai International Financial Centre

Al Fattan Currency House, Tower 2, Level 8

PO Box 506870

Dubai

United Arab Emirates

[www.difc-lcia.org](http://www.difc-lcia.org)

This centre is a partnership between the London Court of International Arbitration (LCIA) and the DIFC Arbitration Institute (DAI). The Registrar and case managers of the DIFC-LCIA Arbitration Centre were employed by the DAI; however, by Dubai Decree No. 34 of 2021, the DAI was abolished and all assets and liabilities of the DAI were transferred to the DIAC. Therefore, there is uncertainty as to whether the DIFC-LCIA Arbitration Centre will continue to function. At the time of writing, the DIFC-LCIA Secretariat continues to administer ongoing arbitrations under the DIFC-LCIA Rules. More clarity on this is expected in the near future.

Emirates Maritime Arbitration Centre

Dubai International Financial Centre

Level 3, Precinct Building 5 (South) Dubai

United Arab Emirates

[www.emac.org.ae](http://www.emac.org.ae)

Dubai Decree No. 34 of 2021 abolished EMAC and all assets and liabilities of EMAC were transferred to the DIAC.

Sharjah International Commercial Arbitration Centre (Tahkeem)

Expo Centre Sharjah

Al Khan Area

Al Taawun St

Sharjah

[www.tahkeem.ae/en](http://www.tahkeem.ae/en)

There is no uniformity in how fees are calculated. For example, the DIFC-LCIA operates on the basis of hourly rates, and the DIAC charges its fees and fees of arbitrators based on the value of the dispute.

*Law stated - 09 December 2021*

## ARBITRATION AGREEMENT

### Arbitrability

Are there any types of disputes that are not arbitrable?

Certain types of disputes are not arbitrable, including:

- labour disputes;
- disputes relating to registered commercial agencies; and
- matters relating to public policy.

*Law stated - 09 December 2021*

### Requirements

What formal and other requirements exist for an arbitration agreement?

The following requirements apply to arbitration agreements:

- the arbitration agreement must be in writing, which includes written or electronic correspondence;
- an arbitration agreement can be incorporated by reference to another document containing an arbitration clause, provided that the reference is clear in that the arbitration clause is being incorporated;
- the person agreeing to arbitration on behalf of a body corporate must have specific authority to agree to arbitration. Ordinarily, this authority must be evidenced by a shareholders' resolution or by the articles of association of a company; and
- if the agreement is entered into by a natural person, such person must have the legal capacity to dispose of his or her rights.

*Law stated - 09 December 2021*

### Enforceability

In what circumstances is an arbitration agreement no longer enforceable?

An arbitration agreement will not be enforceable in the following circumstances:

- if the arbitration agreement does not fulfil the requirements for an arbitration agreement; and
- if it relates to a type of dispute that is not arbitrable.

An arbitration agreement does not expire or terminate upon the death of either party unless agreed to by the parties.

*Law stated - 09 December 2021*

## Separability

Are there any provisions on the separability of arbitration agreements from the main agreement?

The Arbitration Law provides that an arbitration agreement must be treated as an agreement independent from the other terms of a contract. The Arbitration Law also provides that the termination or nullification of a contract in which an arbitration agreement is incorporated does not affect the validity of the arbitration agreement.

*Law stated - 09 December 2021*

## Third parties – bound by arbitration agreement

In which instances can third parties or non-signatories be bound by an arbitration agreement?

A third party cannot be bound by an arbitration agreement or an award under UAE law.

*Law stated - 09 December 2021*

## Third parties – participation

Does your domestic arbitration law make any provisions with respect to third-party participation in arbitration, such as joinder or third-party notice?

The arbitral tribunal may permit the intervention of a third party only if such party is a party to the arbitration agreement.

*Law stated - 09 December 2021*

## Groups of companies

Do courts and arbitral tribunals in your jurisdiction extend an arbitration agreement to non-signatory parent or subsidiary companies of a signatory company, provided that the non-signatory was somehow involved in the conclusion, performance or termination of the contract in dispute, under the 'group of companies' doctrine?

No.

*Law stated - 09 December 2021*

## Multiparty arbitration agreements

What are the requirements for a valid multiparty arbitration agreement?

The Arbitration Law does not specifically recognise or disallow multi-party arbitration agreements. Certain institutional rules, however, recognise multi-party arbitration agreements, which will be applicable if such institutional rules are adopted (eg, the Dubai International Arbitration Centre Rules, the Dubai International Finance Centre-London Court of International Arbitration (DIFC-LCIA) Rules and the International Chamber of Commerce (ICC) Arbitration Rules).

*Law stated - 09 December 2021*

## Consolidation

Can an arbitral tribunal in your jurisdiction consolidate separate arbitral proceedings? In which circumstances?

The Arbitration Law does not provide for the consolidation of separate arbitral proceedings. In so far as the relevant institutional rules permit consolidation, consolidation of separate arbitral proceedings may be possible. For example, the DIFC-LCIA Rules and the ICC Arbitration Rules specifically provide for the consolidation of separate arbitral proceedings. Although there is no concept of binding precedent in the onshore UAE, there are a number of judgments issued by the Dubai Court of Cassation recognising consolidation of arbitrations in certain circumstances.

*Law stated - 09 December 2021*

## CONSTITUTION OF ARBITRAL TRIBUNAL

### Eligibility of arbitrators

Are there any restrictions as to who may act as an arbitrator? Would any contractually stipulated requirement for arbitrators based on nationality, religion or gender be recognised by the courts in your jurisdiction?

The following arbitrator restrictions apply:

- an arbitrator must be a natural person who is not:
  - a minor;
  - under a court interdiction order; or
  - deprived of civil rights due to bankruptcy, committing a felony, misdemeanour or conviction for a crime involving moral turpitude or breach of trust; and
- an arbitrator cannot be a member of the trustees or the administrative body of the institution administering the arbitration (the arbitral institution).

In addition, the Arbitration Law allows for the parties to agree on the gender and nationality of an arbitrator.

*Law stated - 09 December 2021*

### Background of arbitrators

Who regularly sit as arbitrators in your jurisdiction?

Arbitrators in the UAE come from varying backgrounds and fields of work. Lawyers are frequently appointed while professionals with an engineering or construction industry background are also frequently appointed, particularly in construction disputes.

*Law stated - 09 December 2021*

### Default appointment of arbitrators

## Failing prior agreement of the parties, what is the default mechanism for the appointment of arbitrators?

In the absence of an agreement between the parties, the Arbitration Law provides that an arbitration should be heard by three arbitrators. Each party is required to nominate an arbitrator and the chairperson of the tribunal will be nominated by the parties' nominated arbitrators. If the party-nominated arbitrators are unable to agree on the chairperson, the appointment will be made by the arbitral institution.

In certain institutional rules, the institution is permitted to appoint arbitrators.

*Law stated - 09 December 2021*

## Challenge and replacement of arbitrators

On what grounds and how can an arbitrator be challenged and replaced? Please discuss in particular the grounds for challenge and replacement, and the procedure, including challenge in court. Is there a tendency to apply or seek guidance from the IBA Guidelines on Conflicts of Interest in International Arbitration?

The appointment of an arbitrator can be challenged under the Arbitration Law if:

- circumstances exist that give rise to justifiable doubts about the impartiality or independence of the arbitrator; or
- the arbitrator does not possess the required qualifications agreed on by the parties.

The procedure to challenge an arbitrator is as follows:

- a challenge to the appointment of an arbitrator must be made in writing within 15 days of becoming aware of the appointment of the arbitrator or within 15 days of becoming aware of any circumstances justifying the challenge. The challenge must be addressed to the challenged arbitrator and copies must be sent to the arbitration counterparties and the other members of the tribunal;
- if the challenged arbitrator does not withdraw or if the arbitration parties do not agree with the challenge within 15 days, the challenging party may require the arbitral institution to make a decision; and
- the arbitral institution must provide its decision within 10 days.

In addition to the above, there may be separate or different procedures applicable under the institutional rules.

The Arbitration Law provides that an arbitrator can be removed and replaced:

- following the death or incapacity of an arbitrator;
- following a challenge of appointment; or
- if the arbitral institution finds that the arbitrator:
  - is unable to perform their functions or ceases to perform their functions;
  - acts in a manner that leads to unjustifiable delays in the arbitral proceedings; or
  - deliberately fails to act in accordance with the arbitration agreement.

The IBA Guidelines are also considered and sometimes applied by the tribunal in an arbitration. However, these are not applied or considered by the courts.

*Law stated - 09 December 2021*

### **Relationship between parties and arbitrators**

What is the relationship between parties and arbitrators? Please elaborate on the contractual relationship between parties and arbitrators, neutrality of party-appointed arbitrators, remuneration and expenses of arbitrators.

There is no contractual relationship between parties and arbitrators. The arbitrators are remunerated by the institution administering the arbitration from funds received as arbitration costs from the parties. Arbitrators, whether appointed by parties or otherwise, are expected to be neutral.

*Law stated - 09 December 2021*

### **Duties of arbitrators**

What are arbitrators' duties of disclosure regarding impartiality and independence throughout the arbitral proceedings?

An arbitrator, once notified of his or her nomination, must disclose in writing everything that may raise doubts about their impartiality or independence. This obligation continues throughout the proceedings; therefore, an arbitrator is obliged to notify the parties of any condition that arises throughout the arbitration proceedings that may impact their impartiality and independence.

*Law stated - 09 December 2021*

### **Immunity of arbitrators from liability**

To what extent are arbitrators immune from liability for their conduct in the course of the arbitration?

Previously under the UAE Penal Code, arbitrators and certain others (experts, translators, etc) were criminally liable for decisions, opinions, reports or the presentation of a case or proving an incident in favour of or against a person, in contravention of the requirements of the duty of neutrality and integrity. However, this article was amended in 2018 to exclude arbitrators. The Arbitration Law and most institutional rules provide specific provisions exempting arbitrators from liability.

*Law stated - 09 December 2021*

## **JURISDICTION AND COMPETENCE OF ARBITRAL TRIBUNAL**

### **Court proceedings contrary to arbitration agreements**

What is the procedure for disputes over jurisdiction if court proceedings are initiated despite an existing arbitration agreement, and what time limits exist for jurisdictional objections?

If a dispute in respect of an arbitration agreement is initiated before the courts, the court will decline jurisdiction if the defendant asserts a jurisdictional objection prior to submitting its plea on the merits of the dispute. In practice, the jurisdictional objection is asserted at the first hearing in which the defendant appears.

*Law stated - 09 December 2021*

### **Jurisdiction of arbitral tribunal**

**What is the procedure for disputes over jurisdiction of the arbitral tribunal once arbitral proceedings have been initiated, and what time limits exist for jurisdictional objections?**

A jurisdictional objection should be raised no later than with the submission of the respondent's statement of defence. The fact that the party seeking to assert a jurisdictional objection appointed or was involved in the appointment of an arbitrator will not preclude it from asserting a jurisdictional objection.

The principle of competence-competence is recognised in the United Arab Emirates. A tribunal's decision on its own jurisdiction and competence may be appealed to the Court of Appeal within 15 days of the date of being notified of the decision.

*Law stated - 09 December 2021*

## **ARBITRAL PROCEEDINGS**

### **Place and language of arbitration, and choice of law**

**Failing prior agreement of the parties, what is the default mechanism for the place of arbitration and the language of the arbitral proceedings? How is the substantive law of the dispute determined?**

Under the Arbitration Law, the default language for arbitration is Arabic and the location of the arbitration will be determined by the tribunal having regard to the circumstances of the case, including the convenience of the parties. The institutional rules also provide the default language and the seat of arbitration in the event that there is no agreement between the parties. For example, the default seat under the Dubai International Finance Centre-London Court of International Arbitration Rules and the Dubai International Arbitration Centre Rules is the Dubai International Financial Centre.

*Law stated - 09 December 2021*

### **Commencement of arbitration**

**How are arbitral proceedings initiated?**

Arbitration is commenced following the filing of a request for arbitration. The requirements for the request are generally contained in the applicable institutional rules. If arbitration is to be commenced by lawyers, evidence of authority by way of a power of attorney is usually required.

Other procedures apply in initiating proceedings, depending on the arbitration rules being used.

*Law stated - 09 December 2021*

## Hearing

### Is a hearing required and what rules apply?

The arbitral tribunal may decide whether oral pleadings shall be held or to continue on the basis of producing documents and other material evidence. Generally, if any witness or expert evidence is adduced, a hearing is required to administer the oath, which is a requirement under the UAE Evidence Law.

*Law stated - 09 December 2021*

## Evidence

### By what rules is the arbitral tribunal bound in establishing the facts of the case? What types of evidence are admitted and how is the taking of evidence conducted?

An adversarial approach is generally used in arbitrations where parties are required to adduce their evidence to establish the facts of the case. Depending on the subject matter of the dispute, party-appointed experts are often engaged.

The IBA Rules on the Taking of Evidence in International Arbitrations are the most commonly used rules, and witnesses must be sworn in.

The arbitral tribunal may decide to appoint one or more experts, unless otherwise is agreed by the parties. These experts are not party-appointed; instead, they are appointed by the tribunal. The parties may object to the appointment of an expert, but the tribunal will decide whether to accept the objection.

*Law stated - 09 December 2021*

## Court involvement

### In what instances can the arbitral tribunal request assistance from a court, and in what instances may courts intervene?

Local courts can intervene in limited circumstances, including:

- to assist in the taking of evidence;
- to compel a witness to give evidence; and
- to direct a third party to produce documents.

Local courts can also assist in choosing arbitrators only if the court is the institution administering arbitration or if the parties have agreed to seek the assistance of the court.

*Law stated - 09 December 2021*

## Confidentiality

### Is confidentiality ensured?

Unless the parties agree otherwise, arbitration proceedings are confidential. Information cannot be disclosed in



subsequent proceedings without the consent of the parties.

*Law stated - 09 December 2021*

## **INTERIM MEASURES AND SANCTIONING POWERS**

### **Interim measures by the courts**

What interim measures may be ordered by courts before and after arbitration proceedings have been initiated?

Local courts can issue interim measures (such as attachment orders) before or after arbitration proceedings have been initiated. Interim measures are granted at the discretion of the court.

The measures below can also be granted by a local court through an application to the chief judge of the Court of Appeal:

- preserve evidence;
- preserve goods which constitute part of the subject matter of the dispute;
- preserve assets and funds;
- maintain or restore the status quo; and
- take action that would prevent or refrain from taking action that is likely to cause imminent harm or prejudice to the arbitration process.

*Law stated - 09 December 2021*

### **Interim measures by an emergency arbitrator**

Does your domestic arbitration law or do the rules of the domestic arbitration institutions mentioned above provide for an emergency arbitrator prior to the constitution of the arbitral tribunal?

The Arbitration Law does not provide for an emergency arbitrator. However, certain institutional rules, such as the Dubai International Finance Centre-London Court of International Arbitration Rules and the International Chamber of Commerce Rules, provide for a mechanism for the appointment of an emergency arbitrator.

*Law stated - 09 December 2021*

### **Interim measures by the arbitral tribunal**

What interim measures may the arbitral tribunal order after it is constituted? In which instances can security for costs be ordered by an arbitral tribunal?

The Arbitration Law empowers the tribunal to grant interim or conservatory measures that it considers necessary given the subject matter of the dispute, including orders to:

- preserve evidence;
- preserve goods that constitute part of the subject matter of the dispute;
- preserve assets and funds;
- maintain or restore the status quo; and
- take action that would prevent or refrain from taking action that is likely to cause imminent harm or prejudice to

the arbitration process.

*Law stated - 09 December 2021*

### **Sanctioning powers of the arbitral tribunal**

Pursuant to your domestic arbitration law or the rules of the domestic arbitration institutions mentioned above, is the arbitral tribunal competent to order sanctions against parties or their counsel who use 'guerrilla tactics' in arbitration? May counsel be subject to sanctions by the arbitral tribunal or domestic arbitral institutions?

No.

*Law stated - 09 December 2021*

## **AWARDS**

### **Decisions by the arbitral tribunal**

Failing party agreement, is it sufficient if decisions by the arbitral tribunal are made by a majority of all its members or is a unanimous vote required? What are the consequences for the award if an arbitrator dissents?

It is sufficient if the decisions made by the arbitral tribunal are made by a majority of its members. It is common for the parties and the tribunal to agree that the chairman of the tribunal may issue procedural decisions on his or her own.

*Law stated - 09 December 2021*

### **Dissenting opinions**

How does your domestic arbitration law deal with dissenting opinions?

Dissenting opinions are permitted. However, unless the parties agree otherwise, the majority opinion will prevail.

*Law stated - 09 December 2021*

### **Form and content requirements**

What form and content requirements exist for an award?

The following legal requirements apply for the recognition of an award:

- the award must be in writing and signed by the arbitrators. The signatures of the majority of the arbitrators are sufficient, provided that the reason for any omitted signature is stated;
- unless the parties have agreed to the contrary, the award must include the reasons for the decision; and
- the award must include specific information, including:

*Law stated - 09 December 2021*

### Time limit for award

Does the award have to be rendered within a certain time limit under your domestic arbitration law or under the rules of the domestic arbitration institutions mentioned above?

Yes, the final award must be issued within the period agreed by the parties. If there is no such agreement, the final award must be issued within six months from the date of the first hearing of the arbitration (which is generally the preliminary hearing). The tribunal may extend this period by up to six additional months, unless the parties agree to a longer extension.

*Law stated - 09 December 2021*

### Date of award

For what time limits is the date of the award decisive and for what time limits is the date of delivery of the award decisive?

The date of serving the arbitral award is decisive, as any application to set aside the award or a request for correction of the award must be made before the lapse of 30 days following the serving of the award.

*Law stated - 09 December 2021*

### Types of awards

What types of awards are possible and what types of relief may the arbitral tribunal grant?

Tribunals may grant final awards, partial awards, interim awards and consent orders.

*Law stated - 09 December 2021*

### Termination of proceedings

By what other means than an award can proceedings be terminated?

The Arbitration Law provides that arbitration proceedings may be terminated in the following events:

- the parties agree to terminate;
- the claimant discontinues the arbitration proceedings (unless the respondent requests for this to be continued);  
or
- if the tribunal deems the proceedings useless or impossible.

*Law stated - 09 December 2021*

### Cost allocation and recovery

How are the costs of the arbitral proceedings allocated in awards? What costs are recoverable?

The successful party will ordinarily be able to recover its costs in arbitration. The allocation of costs is at the tribunal's discretion. Generally, the percentage of costs recovered is commensurate with the success of the claims asserted. Costs are not recoverable in the municipal courts of the UAE (as opposed to the courts in the financial free zones).

Arbitration costs are recoverable, and legal costs are recoverable subject to there being an agreement between the parties for recovery of legal costs.

A party's management costs are generally not recoverable.

*Law stated - 09 December 2021*

## Interest

May interest be awarded for principal claims and for costs, and at what rate?

Interest may be awarded. If the interest rate is not agreed between the parties, UAE law permits a maximum rate of 12 per cent under the Commercial Transactions Law. The courts generally award interest at a rate of 9 per cent and this is usually adopted in arbitrations. In Dubai, the interest rate awarded by the court was recently revised to 5 per cent, and it is expected that arbitrations seated in Dubai will follow suit.

*Law stated - 09 December 2021*

## PROCEEDINGS SUBSEQUENT TO ISSUANCE OF AWARD

### Interpretation and correction of awards

Does the arbitral tribunal have the power to correct or interpret an award on its own or at the parties' initiative? What time limits apply?

The tribunal may correct any material errors in the award that are clerical or computational on its own initiative or following the request of a party. A request to correct such errors should be made within 30 days from receiving the award.

*Law stated - 09 December 2021*

### Challenge of awards

How and on what grounds can awards be challenged and set aside?

Awards can be set aside on the following grounds:

- there is no arbitration agreement or the agreement is void or has lapsed;
- a party agreeing to arbitration does not have the capacity to agree to arbitration;
- a party fails to present its case in the arbitration because it was not given proper notice of the appointment of an arbitrator, of the arbitral proceedings or for any other reason beyond its control;
- the award excludes the application of the parties' choice of law for the dispute;
- the composition of the tribunal or the appointment of the arbitrator was not in accordance with the law or the agreement between the parties;
- the arbitral proceedings were marred by procedural irregularity or the arbitral award was not issued within the specified time frame;
- the award goes beyond the arbitrator's scope;
- the subject matter of the dispute cannot be settled by arbitration; or
- the arbitral award conflicts with the public order and morality of the state.

*Law stated - 09 December 2021*

## Levels of appeal

How many levels of appeal are there? How long does it generally take until a challenge is decided at each level? Approximately what costs are incurred at each level? How are costs apportioned among the parties?

There are only two levels of appeal when challenging an arbitral award. Note, however, that no appeal is available on the merits of the award, and, an award can be challenged on limited grounds.

An application to set aside an award must be brought before the Court of Appeal within 30 days from receiving notice of the award. Any appeal must be filed before the Court of Cassation.

*Law stated - 09 December 2021*

## Recognition and enforcement

What requirements exist for recognition and enforcement of domestic and foreign awards, what grounds exist for refusing recognition and enforcement, and what is the procedure?

A party seeking ratification and enforcement of a domestic award is required to file suit in the Court of Appeal to ratify the award. On ratification, it can be enforced through the local enforcement courts. Since the UAE has ratified the New York Convention, a foreign award may be enforceable in the country provided that the award was rendered in a country that has ratified the New York Convention. The UAE courts generally apply the provisions of the New York Convention in the enforcement of a foreign arbitral award. New regulations have recently been introduced for the recognition and enforcement of foreign arbitral awards, which make the enforcement of foreign arbitral awards faster and easier than the enforcement of local arbitral awards. The UAE courts, and in particular the Dubai courts, tend to look favourably on enforcement of awards.

*Law stated - 09 December 2021*

## Time limits for enforcement of arbitral awards

Is there a limitation period for the enforcement of arbitral awards?

No.

*Law stated - 09 December 2021*

## Enforcement of foreign awards

What is the attitude of domestic courts to the enforcement of foreign awards set aside by the courts at the place of arbitration?

It is unlikely that a local court will enforce an award if it has been set aside by the courts in the seat of arbitration. Article V(e) of the New York Conventions states that the recognition or enforcement of an award can be refused if the award has been set aside.

*Law stated - 09 December 2021*

## **Enforcement of orders by emergency arbitrators**

Does your domestic arbitration legislation, case law or the rules of domestic arbitration institutions provide for the enforcement of orders by emergency arbitrators?

The Arbitration Law does not specifically provide for such a mechanism. In theory, however, the enforcement of an order by an emergency arbitrator is possible under the same procedure to enforce interim orders.

*Law stated - 09 December 2021*

## **Cost of enforcement**

What costs are incurred in enforcing awards?

The costs involved in enforcing awards depend on the court where enforcement proceedings are initiated. Such costs are not recoverable (other than the court fees).

*Law stated - 09 December 2021*

## **OTHER**

### **Influence of legal traditions on arbitrators**

What dominant features of your judicial system might exert an influence on an arbitrator from your jurisdiction?

With the exception of the laws and regulations that govern the Dubai International Financial Centre and Abu Dhabi Global Market free zones, there is no process of discovery and inspection of documents in the UAE judicial system. Each party is expected to produce the documents that it wishes to rely on for its case. There is no obligation on a party to file a document that is damaging to its case, and thus discovery is limited. Therefore, the IBA Rules on the taking of evidence are often used in the UAE for matters concerning production of documents. It is common to have expert and witness evidence.

*Law stated - 09 December 2021*

## **Professional or ethical rules**

Are specific professional or ethical rules applicable to counsel and arbitrators in international arbitration in your jurisdiction? Does best practice in your jurisdiction reflect (or contradict) the IBA Guidelines on Party Representation in International Arbitration?

The Arbitration Law provides that a code of conduct for arbitrators will be issued by the Ministry of Economy, although this has not yet been issued. Counsel will be subject to the relevant codes of conduct that apply in the jurisdictions in which they are licensed to practise. The Dubai Legal Affairs Department has a draft charter for the conduct of advocates and legal consultants.

*Law stated - 09 December 2021*

## Third-party funding

### Is third-party funding of arbitral claims in your jurisdiction subject to regulatory restrictions?

There are no rules on third-party funders in onshore United Arab Emirates. Both the Dubai International Finance Centre and the Abu Dhabi Global Market have specific rules on third-party funding. The recently issued Dubai Decree No. 34 of 2021 contains a new statute of the Dubai International Arbitration Centre (DIAC), which refers to the board of directors of the DIAC being empowered to issue rules regarding arbitration funding.

*Law stated - 09 December 2021*

## Regulation of activities

### What particularities exist in your jurisdiction that a foreign practitioner should be aware of?

The UAE is an Islamic country and adheres to the teaching of Islam. Expatriates are reminded to be respectful to the religion when visiting, working and living in the UAE.

An arbitrator must hold a valid work visa to work in the UAE. In the event that the arbitrator maintains another profession, a no objection certificate must be provided by their employer to work as an arbitrator.

Arbitrators must follow the rules applicable to the specific arbitration proceedings they are involved in, and remain impartial and independent.

On 1 January 2018, the UAE introduced 5 per cent VAT.

*Law stated - 09 December 2021*

## UPDATE AND TRENDS

### Legislative reform and investment treaty arbitration

Are there any emerging trends or hot topics in arbitration in your country? Is the arbitration law of your jurisdiction currently the subject of legislative reform? Are the rules of the domestic arbitration institutions mentioned above currently being revised? Have any bilateral investment treaties recently been terminated? If so, which ones? Is there any intention to terminate any of these bilateral investment treaties? If so, which ones? What are the main recent decisions in the field of international investment arbitration to which your country was a party? Are there any pending investment arbitration cases in which the country you are reporting about is a party?










The sweeping changes introduced by Dubai Decree No. 34 of 2021 and the resulting uncertainty regarding arbitrations conducted under the Dubai International Finance Centre-London Court of International Arbitration Rules, in particular, has dominated recent discussions in arbitration. There are still issues of uncertainty, and clarifications are expected. Dubai Decree No. 34 of 2021 also provides that the Dubai International Arbitration Centre will publish new rules, which is expected in the near future.

*Law stated - 09 December 2021*

## Jurisdictions

	<b>Australia</b>	DLA Piper
	<b>Austria</b>	OBLIN Attorneys at Law
	<b>Bulgaria</b>	Kambourov & Partners, Attorneys at Law
	<b>Canada</b>	Singleton Urquhart Reynolds Vogel LLP
	<b>China</b>	Jingtian & Gongcheng
	<b>Croatia</b>	Gugić, Kovačić & Krivić
	<b>Ecuador</b>	TADIR Dispute Resolution
	<b>France</b>	Aramis Law Firm
	<b>Germany</b>	rothorn legal
	<b>Ghana</b>	Kimathi & Partners Corporate Attorneys
	<b>Hong Kong</b>	RPC
	<b>Hungary</b>	Bán, S.Szabó, Rausch & Partners
	<b>India</b>	Aarna Law
	<b>Japan</b>	Anderson Mori and Tomotsune
	<b>Liechtenstein</b>	Gasser Partner
	<b>Luxembourg</b>	Baker McKenzie
	<b>Macau</b>	JNV - Lawyers and Notaries
	<b>Mexico</b>	Ruiz-Silva Abogados S.C
	<b>New Zealand</b>	Arbitra International
	<b>Norway</b>	Arntzen de Besche Advokatfirma AS
	<b>Pakistan</b>	Axis Law Chambers
	<b>Romania</b>	STOICA & Asociații
	<b>Russia</b>	Morgan, Lewis & Bockius LLP
	<b>Singapore</b>	Braddell Brothers LLP
	<b>Slovakia</b>	Barger Prekop sro



	<b>Spain</b>	King & Wood Mallesons
	<b>Sri Lanka</b>	FJ & G de Saram
	<b>Sweden</b>	Advokatfirman Delphi
	<b>Switzerland</b>	Bär & Karrer
	<b>Turkey</b>	CETINKAYA
	<b>United Arab Emirates</b>	Afridi & Angell
	<b>United Kingdom</b>	Herbert Smith Freehills LLP
	<b>USA</b>	Draper & Draper LLC
	<b>Zambia</b>	Corpus Legal Practitioners