

# Arbitration Procedures and Practice in the UAE: Overview

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A Q&A guide to arbitration law and practice in the United Arab Emirates.

The country-specific Q&A guide provides a structured overview of the key practical issues concerning arbitration in this jurisdiction, including any mandatory provisions and default rules applicable under local law, confidentiality, local courts' willingness to assist arbitration, enforcement of awards and the available remedies, both final and interim.

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# Legislative Framework

## Applicable Legislation

1. What legislation applies to arbitration?

## Principal Legislation

**Sources of law.** *Federal Law No. (6) of 2018 on Arbitration* (Arbitration Law) applies to arbitrations seated in any UAE emirate other than a financial free zone. The law was amended in part by Federal Decree Law No. (15) of 2023.

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

Arbitration rules are usually determined by the choice of arbitral institution.

The local UAE courts exercise a supervisory function over disputes governed by the Arbitration Law (that is, arbitrations that are seated in the UAE, except for arbitrations seated in the DIFC or the ADGM), irrespective of the institution or rules agreed by the parties.

**Domestic or international.** Article 3 of the Arbitration Law defines "international" arbitration as being, among others:

- If the parties have a place of business in two different countries or more at the time the agreement to arbitrate was concluded.
- Where the subject matter of the dispute relates to more than one country.

There is no definition of a domestic arbitration. Article 2 of the Arbitration Law provides that it applies to, among others, any arbitration that is conducted in the UAE (unless the parties have agreed on the application of a different arbitration law), and any international arbitration conducted in the UAE.

### UNCITRAL Model Law on International Commercial Arbitration 1985 (UNCITRAL Model Law)

The Arbitration Law is largely based on the UNCITRAL Model Arbitration Law, taking into consideration the amendments adopted in 2006. However, there are some differences, for example:

- The Arbitration Law provides that the signatory of the arbitration agreement must be authorised to enter into the agreement (see *Substantive and Formal Requirements*).
- The date of the commencement of arbitration under the Arbitration Law differs from the UNCITRAL Model Law (see *Question 17*).
- The Arbitration Law contains provisions on the use of technology in arbitration.
- The Arbitration Law expressly protects the confidentiality of arbitration hearings and awards.

### Mandatory Legislative Provisions

2. Are there any mandatory legislative provisions? What is their effect?

There are no mandatory legislative provisions on the arbitration 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.

The following provisions of the Arbitration Law can be considered mandatory:

- Formation of a valid arbitration agreement (Article 7) (see *Substantive and Formal Requirements*).
- Grounds on which a party can apply to invalidate an award (Article 53) (see *Question 27*).
- The requirements to be met by the arbitrator (Article 10) (see *Question 14*).
- An administration of an oath to witnesses. Although this is not specified as a mandatory requirement under the Arbitration Law, the UAE courts on occasion have set aside awards because witnesses who provided material evidence did not take an oath.

3. Does the law prohibit any types of dispute from being resolved through arbitration?

Certain types of disputes are not arbitrable, including:

- Labour disputes.
- Matters relating to public policy.

## Limitation

4. Does the law of limitation apply to arbitration proceedings?

The legal provisions on limitation periods also apply to arbitration proceedings. The general limitation period is 15 years for civil claims (Article 473, *Federal Law No. (5) of 1985 on Civil Transactions* (Civil Code)) and five years for commercial claims (Article 92, *Federal Law No. (50) of 2022 on Commercial Transactions* (Commercial Code)). However, the length of the limitation periods may differ depending on the subject matter.

Limitation periods start to run when the claimant becomes aware of the breach or act causing harm and the identity of the person who caused the harm. Limitation periods are generally interrupted when a formal claim is issued.

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

## Arbitration Institutions

5. Which arbitration institutions are commonly used to resolve large commercial disputes?

The most commonly used organisations to resolve commercial disputes in the UAE are:

- The *Dubai International Arbitration Centre* (DIAC).

- The Abu Dhabi International Arbitration Centre (arbitrateAD)
- The *International Chamber of Commerce (ICC) International Court of Arbitration*.
- The London Court of International Arbitration (LCIA)

## Jurisdictional Issues

6. What methods are available for a party to challenge the tribunal's jurisdiction? Does the tribunal or the local court determine issues of jurisdiction?

The principle of kompetenz-kompetenz applies both under the Arbitration Law and various institutional rules. For example, in proceedings before the DIAC the parties can raise any jurisdictional objection as a preliminary issue, and the arbitral tribunal decides on its own jurisdiction (Articles 6.3, 2022 DIAC Rules).

Under the Arbitration Law, a plea to the jurisdiction of the arbitral tribunal must be raised no later than the submission of the respondent's statement of defence or in the reply to a counterclaim. A party can appeal a tribunal's decision on its own jurisdiction and competence to the Court of Appeal within 15 days from the date of being notified of the decision.

## Arbitration Agreements

### Validity Requirements

7. What are the requirements for an arbitration agreement to be valid and enforceable?

### Substantive and Formal Requirements

**Formal requirements.** The following requirements apply to arbitration agreements:

- The arbitration agreement must be in writing, which includes hardcopy and electronic communication.
- 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.

- If the agreement is entered into by a natural person, that person must have the legal capacity to dispose of their rights.

**Substantive requirements.** The wording of the arbitration agreement must be clear and unequivocal. Agreements to arbitrate are construed narrowly by the UAE courts.

### Separate Arbitration Agreement

An arbitration agreement can be concluded before a dispute arises either as a separate agreement or as a clause in a contract. An arbitration agreement can also be incorporated by reference to another document containing an arbitration clause, provided that the reference incorporating the arbitration clause is clear and unequivocal. If an arbitration clause has been incorporated by reference, the courts ordinarily require that the parties must also sign the document containing the arbitration clause, although this is not expressly required by the Arbitration Law. The courts also require that the reference to arbitration is clear. Therefore, it is not unusual to see standard terms annexed to the main contract being initialled by the parties.

An arbitration agreement can also be concluded after a dispute has arisen, even if an action has already been brought before a court.

### Unilateral or Optional Clauses

8. Are unilateral or optional clauses enforceable?

Theoretically, unilateral or optional clauses are enforceable, although the onshore courts have not yet issued any decision on this point. By contrast, the ADGM court recently confirmed the validity of unilateral option clauses and found that a party can exercise the option not only to choose between arbitration and litigation, but also to vary the rules and seat of an arbitration after a dispute has arisen. While the DIFC courts have also upheld unilateral option clauses (or asymmetric clauses), this is far from being an established principle in the onshore courts. While the Dubai Court of Cassation recently upheld a unilateral option clause, there are several other cases where the courts refused to enforce such a clause. The position that the onshore courts will adopt is therefore yet to be seen.

### Third Parties

9. Can a non-signatory to an arbitration agreement be joined to the arbitration proceedings?

Arbitration is often considered to be an exceptional form of dispute resolution by the UAE courts.

An agreement to arbitrate must be in writing and signed by the parties who have the legal capacity to dispose of the disputed right (see [Question 7](#)). In the absence of an agreement in writing, a non-signatory cannot be compelled to arbitrate. However, at least in one case, the UAE courts have held, in the context of assignment of a contract, that an assignee can be bound by an arbitration clause, even though it was not a signatory to the contract containing the arbitration clause.

The arbitral tribunal has the power, on the application of any party or third party, to allow a third party to intervene or be joined in the arbitration, provided it is a party to the arbitration agreement (Arbitration Law). In either case, the tribunal can only exercise this power after giving all parties, including the third party, the opportunity to be heard.

10. Can a non-signatory compel a party to the arbitration agreement to arbitrate disputes under the arbitration agreement?

A non-signatory can compel a party to the arbitration agreement to arbitrate disputes under the arbitration agreement only in the very limited circumstances described in [Question 9](#).

## Separability

11. Does the arbitration law recognise the separability of arbitration agreements?

UAE law recognises the separability of arbitration agreements:

- An arbitration clause must be treated as an agreement independent from the other terms of a contract.
- The termination or nullification of a contract including an arbitration clause does not affect the validity of the arbitration clause.

(Arbitration Law.)

The Sharjah Court of Appeal has held that a party relying on a contract containing an arbitration clause to assert its claims cannot assert that the arbitration clause is invalid, even though the Arbitration Law recognises the doctrine of separability of an arbitration clause.

The Arbitration Law applies to any arbitration conducted in the onshore UAE, unless the parties agree otherwise (Article 2, Arbitration Law). This provision is commonly understood to be applicable to the question of what law governs the arbitration agreement. There have also been instances where the law governing the contract was deemed to be the law governing the arbitration agreement.

## Breach of Dispute Resolution Clause

12. What remedies are available where a party starts court proceedings in breach of an arbitration agreement or initiates arbitration in breach of a valid court jurisdiction clause?

### Court Proceedings in Breach of an Arbitration Agreement

If court proceedings are commenced in breach of an arbitration clause, the court will decline jurisdiction if the defendant raises a jurisdictional objection before 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. However, courts do not always determine jurisdictional objections as a preliminary issue and on occasion make a determination in the final judgment after having heard the merits.

The Abu Dhabi Court of Cassation has held that where the parties engage in the merits of the dispute before the court, even while asserting a jurisdictional objection, the parties are deemed to have waived their right to resort to arbitration.

However, in October 2021, the Dubai Court of Cassation found that the court can of its own accord reject jurisdiction where an arbitration agreement exists, and that a party can file its jurisdictional challenge for the first time at the appellate or cassation courts (even if not presented before the first-level or appeals courts).

### Arbitration in Breach of a Valid Court Jurisdiction Clause

If the underlying contract does not contain an arbitration clause or provides for dispute resolution in a forum other than arbitration, the arbitral tribunal will not have jurisdiction over the dispute and will refuse to arbitrate the matter. A jurisdictional objection should be raised no later than with the submission of the respondent's statement of defence or the claimant's defence to a counterclaim. The fact that the party seeking to assert a jurisdictional objection nominated or was involved in the nomination of an arbitrator does not preclude it from raising a jurisdictional objection.

13. Will the local courts grant an injunction to restrain proceedings started overseas in breach of an arbitration agreement?

The onshore courts will not grant an injunction to restrain proceedings started overseas in breach of an arbitration agreement, but the DIFC courts have issued this type of order. The onshore courts do not generally grant injunctive relief in any dispute.

## Arbitrators



## Qualifications and Characteristics

14. Are there any legal requirements relating to the qualifications and characteristics of arbitrators?

### Qualifications

There are no requirements regarding arbitrators' qualifications. Arbitrators do not require a licence to serve as an arbitrator in the UAE. However, the parties can include [##specific] requirements in their arbitration agreement.

### Characteristics

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.
- An arbitrator cannot have a direct relationship with any of the parties or be a member of the trustees or the administrative body of the institution administering the arbitration (the arbitral institution), although there are some exceptions to this rule. Parties can appoint an arbitrator from among the members of the board of directors or board of trustees of the arbitration institution administering the proceedings under the following conditions:
  - the regulations of the arbitration institution must not prohibit such an appointment;
  - the arbitration institution must have a special governance system that ensures the separation of duties, maintains impartiality, and prevents conflicts of interest;
  - the arbitrator cannot be a sole arbitrator and cannot be the head of the arbitral tribunal;
  - the parties involved in the arbitration must provide written acknowledgment of their awareness of the arbitrator's membership in the institution and confirm that they have no objections;
  - the arbitration institution must have a mechanism for safely reporting any violations committed by the arbitrator;
  - the arbitrator must not participate in more than five arbitration cases within one year;

- the arbitrator must provide a written undertaking to avoid exploiting their position in a way that creates a conflict of interest or provides a preferential advantage and must refrain from influencing the arbitration proceedings through their institutional role;
- any other conditions or requirements specified by the arbitration institution must be met.

(Article 10 (bis), Arbitration Law.)

Failure to adhere to these conditions may result in the invalidity of the arbitration award and can give the parties the right to claim civil compensation from the competent arbitration institution and the violating arbitrator.

The arbitrator should also not have a direct relationship with any of the parties to the arbitration that may prejudice the arbitrator's ability to be impartial, independent, or to act with integrity.

The Arbitration Law allows the parties to agree on the gender and nationality of an arbitrator. An arbitrator need not be an Emirati national.

## Independence and Impartiality

15. Are there any requirements relating to arbitrators' independence or impartiality?

Once notified of their nomination, an arbitrator must disclose in writing anything that may raise doubts about their impartiality or independence. This obligation continues throughout the proceedings. Therefore, an arbitrator must notify the parties of any circumstances that arise during the arbitration that can have an impact on their impartiality and independence (Article 10(3), Arbitration Law).

Most of the institutional arbitration rules have express provisions requiring arbitrators' independence or impartiality (for example, Article 14, 2022 DIAC Rules).

## Appointment and Removal

16. Does the law contain default provisions relating to the appointment and removal of arbitrators?

## Appointment of Arbitrators

In the absence of an agreement between the parties, an arbitration must be heard by three arbitrators, unless otherwise determined by the institution administering the arbitration (Arbitration Law). Each party must nominate an arbitrator and the chairperson of the tribunal is nominated by the parties' nominated arbitrators. If the party-nominated arbitrators are unable to agree on the chairperson, the appointment is made by the arbitral institution, on request by a party. In the event the institution does not appoint an arbitrator, an application can be made to the relevant court to make the appointment.

The parties can agree on the procedures, time, and method for appointing arbitrators (Arbitration Law). In the absence of agreement, if the parties are unable to agree on a sole arbitrator within 15 days, the relevant authority (ordinarily the arbitration institution) appoints one on request. The decision of the relevant authority is not subject to appeal. For a three-arbitrator tribunal, each party nominates an arbitrator, and these nominees nominate the chair. If a party fails to nominate an arbitrator within 15 days, or if the nominated arbitrators cannot agree on the chair within 15 days, the relevant authority makes the necessary appointments. The decision is not subject to appeal.

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

## Removal of Arbitrators

**[Note to contributor. Are there mandatory or default provisions relating to the removal of arbitrators?]**

An arbitrator can be removed and replaced:

- Following the death or incapacity of an arbitrator.
- Following a challenge to their appointment.
- 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.

(Arbitration Law.)

These are mandatory provisions.

## Procedure

### Commencement of Arbitral Proceedings

17. Does the law provide default rules governing the commencement of arbitral proceedings?

Proceedings commence on the day following the day the tribunal is constituted, unless otherwise agreed between the parties (Arbitration Law). Arbitration is commenced by filing a request for arbitration. The requirements applicable to the request for arbitration are generally listed in the applicable institutional rules.

The institutional rules agreed between the parties can provide differently. For example, under the DIAC Rules, arbitrations are deemed to have commenced on the date on which the complete Request for Arbitration is received by the DIAC.

If arbitration is to be commenced by lawyers, evidence of authority by way of a power of attorney is usually required.

Other procedures apply to start proceedings depending on the arbitration rules being used.

## Applicable Rules and Powers

18. What procedural rules are arbitrators bound by? Can the parties determine the procedure that applies? Does the law provide any default rules governing procedure?

## Applicable Procedural Rules

**[Note to contributor. Please include mandatory rules that arbitrators must follow and any procedural powers.]**

The Arbitration Law gives parties the freedom to agree on the applicable procedural steps, subject to any procedural requirements in the agreed rules. Where there is no agreement, the tribunal can adopt the procedures as it sees appropriate, subject to the mandatory provisions of the Arbitration Law (see [Question 2](#)) and any applicable international treaties.

In institutional arbitration proceedings, the procedural rules of the institution apply.

## Default Rules

**[Note to contributor. Please include default rules that arbitrators must follow and any procedural powers.]**

If the parties cannot agree on the procedural rules, the arbitrator(s) must decide on the applicable rules.

## Evidence and Disclosure of Documents

19. Are there any mandatory or default rules governing disclosure or production of evidence? Can the parties set the rules on disclosure of documents and production of evidence by agreement?

Except in the DIFC and ADGM free zones, there is no process of discovery and inspection of documents in the UAE judicial system. However, the Arbitration Law permits an arbitration tribunal to request a court to order a party or a third party to give oral testimony or produce any document that is in its possession, provided the document is essential for deciding the dispute.

As a general rule, 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, so discovery is limited. However, the Arbitration Law provides guidance in relation to disclosure, production, and preservation of evidence.

In terms of the powers of an arbitrator, the Arbitration Law provides that:

- An arbitrator can order the production of original documents, copies of which have already been produced by a party.
- A tribunal, on its own initiative or on a party's request, can seek an order from the Court of Appeal to:
  - order sanctions against a witness who fails to appear or answer questions;
  - direct a third party to produce documents in its possession that are essential to determine the dispute in arbitration;
  - order the preservation of evidence material to the dispute;
  - take measures to preserve goods where they form the subject-matter of the dispute or to sell perishable goods;

The parties can determine the rules on disclosure. However, the Arbitration Law states that tribunals have discretionary authority to determine the rules of evidence, unless the parties agree otherwise. Increasingly, the parties agree to apply the IBA Rules on the Taking of Evidence in International Arbitration (IBA Rules).

Arbitrators can also draw on the applicable institutional rules to make orders. Under the 2022 DIAC Rules, the tribunal can decide on the rules of evidence to be applied during the proceedings (Article 25.2, 2022 DIAC Rules). Additionally, while Article 31 of the Arbitration Law makes provision for parties to submit any documents or evidence they intend to rely on, it does not require parties to submit documents that have an adverse effect on their case (Article 31, Arbitration Law).

For example, under the DIAC Rules, the arbitrator(s) can order, at any time during an arbitration:

- Disclosure of documents and taking of evidence.
- Attendance of experts.
- Witness testimony and hearings.

20. How, in practice, does the scope of disclosure in arbitrations compare with disclosure in domestic court litigation?

The scope of disclosure is often very limited in the UAE, both in litigation and arbitration. However, the scope of disclosure tends to be broader in arbitration, as most parties and tribunals have a preference for adopting the IBA Rules as a guide in proceedings. A party is generally not obliged to disclose any document that is detrimental to its case, unless ordered by the court to do so. See also [Question 19](#).

The UAE recently overhauled its evidence law, enacting Federal Decree Law No. 35/2022, which came into effect on 2 January 2023. Article 33 of this law significantly expanded the scope of document disclosure in litigation in the onshore UAE courts. For the first time, parties can seek orders for disclosure and the court can draw adverse inferences if orders are not complied with, in addition to imposing fines. The application of this provision is yet to be fully tested.

## Confidentiality

21. Is arbitration confidential? If so, what is the scope of that confidentiality and who is subject to the obligation?

The Arbitration Law expressly protects the confidentiality of arbitration hearings and awards. The scope of confidentiality relates to the existence of the arbitration, the arbitration hearings, and the awards. The parties, the arbitrators, and the institutions are all bound by the confidentiality provisions set out in the Arbitration Law.

## Courts and Arbitration

22. What are the court's powers to intervene to assist arbitration proceedings seated in their jurisdiction?

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 Court of Appeal of the relevant Emirate has jurisdiction over arbitration-related applications. The following measures can also be granted by a local court through an application to the chief judge of the Court of Appeal:

- Preservation of evidence.

- Preservation of goods that constitute part of the subject matter of the dispute.
- Preservation of assets and funds.
- Maintenance or restoration of the status quo.
- Prevention or restraint of an action that is likely to cause imminent harm or prejudice to the arbitration process.
- Direction of a third party to give oral testimony or produce a document in its possession, or both.
- Appointment of arbitrators where the relevant institution fails to do so.
- Challenging an arbitral tribunal's ruling as to its own jurisdiction
- Interim orders issued by tribunals are enforceable.

23. In what circumstances might a local court interfere to frustrate an arbitration seated in its jurisdiction?

The enactment of the Arbitration Law has minimised the risk of court intervention in arbitration proceedings. However, a party can still approach the court in certain circumstances. For example, a party can appeal a decision of the tribunal regarding its own jurisdiction within 15 days of the decision being issued. The arbitration is stayed during the appeal, but a party that wishes for the arbitration to continue while the appeal is pending, can request the tribunal to continue (Arbitration Law). A party can also approach the court for interim or conservatory orders, but this must not result in the stay of ongoing arbitration proceedings

## Insolvency

24. What is the effect on the arbitration of pending insolvency of one or more of the parties to the arbitration?

The Arbitration Law does not address the effect of pending insolvency of any of the parties to the arbitration. *Federal Decree-Law No. 51 of 2023 on Bankruptcy* provides a claims moratorium for a period of up to three months in the event a company enters into a preventive composition or settlement procedure.

## Remedies

### Interim Remedies

25. What interim remedies are available from the tribunal?

## Interim Remedies

The Arbitration Law empowers tribunals 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.
- Prevent or restrain action that is likely to cause imminent harm or prejudice to the arbitration process.

Institutional rules also address interim measures. For example, Article 1 of Appendix II of the 2022 DIAC Rules provides that a tribunal can grant interim measure on terms that it considers appropriate in the circumstances.

## Without Notice Applications

The Arbitration Law does not specify whether the tribunal has power to grant interim relief on a without notice basis. However, where a party approaches the Court of Appeal (the competent court under the Arbitration Law), interim relief is usually granted on a without notice basis.

The DIAC Rules provide that parties applying for emergency interim relief must send a copy of the application to all other parties, unless doing so may jeopardise the efficacy of the application for emergency interim relief, provided that the procedural laws applicable permit applications without notice.

## Security

A tribunal can require security from a party seeking interim or conservatory measures (Article 21(2), Arbitration Law).

The position is similar under the DIAC Rules. The tribunal can order a party to provide or procure security for the costs of the arbitration (including the fees of the legal representatives and any expenses incurred by those representatives), together with any other party's costs, in an amount and in a manner determined by the tribunal having regard to the relevant circumstances (Article 1.2(e), Appendix II, 2022 DIAC Rules).

## Final Remedies



26. What final remedies are available from the tribunal?

The tribunal can award:

- Damages.
- Injunctions.
- Costs (see [Question 29](#) and [Question 30](#)).
- Interest.
- Declarations.

## Appeals

27. Can an arbitral award be appealed or challenged in the local courts? What are the grounds and procedure?  
Can the parties waive any rights of appeal or challenge to an award by agreement before the dispute arises?

### Rights of Appeal or Challenge

The merits of an award are not subject to challenge or appeal. However, an award can be set aside.

### Grounds and Procedure

The setting aside proceedings must be initiated before the Court of Appeal of the seat of the arbitration, within 30 days of the award's notification.

An arbitral award can be set aside if:

- 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 or the arbitral proceedings, or for any other reason beyond its control.

- The award does not apply the parties' choice of law for the dispute.
- The composition of the tribunal or the appointment of the arbitrator does not comply with the law or the parties' agreement.
- The arbitral proceedings involved procedural irregularities or the arbitral award was not issued within the specified time frame.
- The award goes beyond the scope of the arbitration agreement.
- The subject matter of the dispute cannot be settled by arbitration.
- The arbitral award conflicts with the public order and morality of the state.

(Article 53, Arbitration Law.)

The decision of the Court of Appeal can be appealed to the Court of Cassation. A party can also seek to contest an award during ratification and enforcement proceedings. Ratification proceedings are brought before the Court of Appeal and must be determined within 60 days of filing the request for ratification and enforcement. An appeal is available by way of a petition to Court of Appeal to be filed within 30 days.

### **Waiving Rights of Appeal**

The Arbitration Law provides that a party can seek to set aside an award including where it has waived the right to challenge the award before the award was issued.

28. What is the time limit to challenge or appeal an arbitration award rendered inside your jurisdiction?

The setting aside proceedings must be initiated within 30 days of the award's notification.

The applicable legislation does not set a time limit to challenge foreign awards in the UAE.

### **Costs**

29. What legal fee structures can be used? Are fees fixed by law?

### **Fee Structures**

Legal fees are not fixed by law. Hourly rates and fixed fee arrangements are commonly used. Contingency fees are permissible in the UAE under specific conditions as stipulated by Federal Decree Law No. (34/2022) Regulating the Advocacy and Legal Consultancy Professions.

## Third Party Funding

There is no legislation or rules prohibiting or regulating third party funding in arbitrations in the UAE.

However, the 2022 DIAC Rules make provision for third party funding (Article 22). A number of third party funders are active in the UAE market, such as Omnibridgeway, Burford, and LCM. A party who enters into a third party funding arrangement must disclose that arrangement to the parties and the DIAC (2022 DIAC Rules).

30. Are there any mandatory or default rules governing the allocation of costs?

## Cost Allocation

An unsuccessful party is not obliged under UAE law, to pay the successful party's costs.

Under the Arbitration Law, a tribunal can assess costs unless otherwise agreed by the parties, and costs include arbitrators' fees and expenses (Article 46, Arbitration Law).

There are conflicting decisions in the UAE courts in relation to whether an express agreement between the parties is required to empower tribunals to award costs.

In a recent Dubai Court of Appeal (DCA) judgment, however, the DCA held that the DIAC Rules, where agreed, were sufficient to empower tribunals to award costs.

Costs incurred in relation to the arbitration are recoverable. Legal costs are recoverable only if there is agreement to that effect between the parties, and parties can request the arbitrator to award legal costs provided there is no contrary intention expressed in the arbitration agreement.

## Cost Calculation

In addition to arbitrators' fees, institutional fees and experts' fees are also included in assessments (Article 34(7), Arbitration Law). Legal fees are excluded unless there is an agreement between the parties (*see above, Cost Allocation*).

## Factors Considered

Costs are generally awarded on the basis of:

- The parties' submissions.
- The complexity and nature of the dispute.

- Time spent.
- The arbitral tribunal's discretion.

It is advisable to include an express provision on the allocation of costs in the arbitration agreement from the outset.

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#### Publications

- *Arbitration*, Lexology Panoramic (co-author of UAE chapter).
- *Arrest of Vessels*, Maritime Law Handbook Kluwer Law International (co-author of UAE chapter).
- *Litigation and Enforcement in the United Arab Emirates: Overview*, Practical Law Global Guide (co-author of UAE chapter).
- *Attachment of Assets*, Juris Publishing (co-author of UAE chapter).

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**Publications**

- *Arbitration*, Lexology Panoramic (co-author of UAE chapter).
- *Arrest of Vessels*, Maritime Law Handbook Kluwer Law International (co-author of UAE chapter).
- *Litigation and Enforcement in the United Arab Emirates: Overview*, Practical Law Global Guide (co-author of UAE chapter).
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