

PANORAMIC

# ARBITRATION

United Arab Emirates



LEXOLOGY

# Arbitration

Contributing Editors

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## 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 Convention on the Settlement of Investment Disputes Between States and Nationals of Other States, which was ratified in December 1981 and came into force on 22 January 1982.

Other multilateral treaties to which the UAE is a signatory are:

- the Convention on the Settlement of Investment Disputes between States Hosting Arab Investments and Citizens of Other States, 197, which was ratified by Federal Decree No. 36 of 1977;
- the GCC Convention for the Execution of Judgments, Delegations and Judicial Notifications, 1996; and
- the Riyadh Convention on Judicial Cooperation between States of the Arab League, 1983, which was incorporated into the UAE's domestic legislation by Federal Decree No. 53 of 1999.

Law stated - 2 February 2024

### Bilateral investment treaties

Do bilateral investment treaties exist with other countries?

The UAE is a signatory to [112 bilateral investment treaties](#), out of which 72 have been ratified and are in force.

Law stated - 2 February 2024

### 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 UAE (other than in a financial free zone), [Federal Law No. 6 of 2018](#) on arbitration (as amended by Federal Decree-Law No. 15 of 2023) (the Arbitration Law) will apply. The Arbitration Law is largely based on the UNCITRAL Model Arbitration Law.

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

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

- the places of business of the parties are situated, at the time the arbitration agreement is concluded, in two different countries;
- the subject of the dispute is related to more than one country;
- if the parties expressly agree that the subject of arbitration is related to more than one country; or
- if either of the following places is located outside the country where the place of business of a party is located:
  - the seat of arbitration indicated in the arbitration agreement;
  - the place of performance of a substantial portion of the obligation under the contract; or
  - the place to which the subject matter of the dispute is closely connected.

This chapter covers arbitrations seated in the UAE (onshore) where the Arbitration Law is applicable.

**Law stated - 2 February 2024**

### **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 the following:

- 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 deems the arbitration to have commenced from the day following the formation of the tribunal, and the UNCITRAL Model Law deems proceedings to have been initiated on the date on which notice of arbitration is received by the respondent;
- the Arbitration Law contains provisions regarding the use of technology in arbitration;
- the Arbitration Law expressly protects the confidentiality of arbitration hearings and awards; and
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if a party wishes to file an application to set aside an award, the Arbitration Law requires the party to submit the application to the court within 30 days of the notification of the award.

**Law stated - 2 February 2024**

### **Mandatory provisions**

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

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.

However, there are certain mandatory provisions in relation to evidence given by witnesses in arbitration proceedings. Article 76(1) of [Federal Decree-Law No. 35 of 2022](#) (the UAE Evidence Law) requires witness evidence to be given under oath; therefore, if the arbitration is seated in onshore UAE, a witness must take an oath before giving their testimony. This requirement was upheld in the Dubai Court of Cassation Case Nos. 78/2022 and 96/2022, where it held that parts of an award that relied on the testimony of witnesses who were not sworn in are null and void.

In another recent case, an award was set aside by the Dubai Court of Cassation as the expert appointed by a tribunal had not taken an oath.

**Law stated - 2 February 2024**

### **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?**

Parties are free to agree the law applicable to the merits. 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 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 - 2 February 2024**

### **Arbitral institutions**

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

The UAE hosts a number of arbitral institutions, including:

The Dubai International Arbitration Centre (DIAC)



Dubai Chamber of Commerce and Industry

Baniyas Road, Deira

PO Box 1457

Dubai

United Arab Emirates

[www.diac.com/en/home/](http://www.diac.com/en/home/)

Email: [diac.cases@diac.ae](mailto:diac.cases@diac.ae)

Sharjah International Commercial Arbitration Centre (Tahkeem)

PO Box 1174

Sharjah

United Arab Emirates

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

Email: [info@tahkeem.ae](mailto:info@tahkeem.ae)

Abu Dhabi International Arbitration Centre

Corniche Street

PO Box 3636

Abu Dhabi

United Arab Emirates

[www.arbitratead.ae](http://www.arbitratead.ae)

Email: [info@arbitratead.ae](mailto:info@arbitratead.ae)

In addition, the International Chamber of Commerce (ICC) has a case management office located at the Abu Dhabi Global Market (ADGM). The on-site staff at the ADGM representative office are empowered to accept the registration of arbitration cases under the ICC Rules, which is subsequently administered by one of the ICC Court Secretariat's existing case management teams.

[Dubai Decree No. 34 of 2021](#), concerning the DIAC, abolished the Emirates Maritime Arbitration Centre (EMAC) and the Dubai International Financial Centre Arbitration Institute (DAI), and all assets, rights, liabilities and obligations of the EMAC and the DAI were transferred to the DIAC. The Decree also led to the abolishment of the DIFC-LCIA. However, [ongoing DIFC-LCIA arbitration proceedings](#) (cases registered that commenced on or before 20 March 2022) will continue to be administered under the [DIFC-LCIA Rules](#), and procedural adjustments are available to allow an award to be issued as a London Court of International Arbitration award. For those proceedings, the DIAC will be responsible for the payments and financial aspects of case-related administration.

The DIAC, the Abu Dhabi Commercial Conciliation and Arbitration Centre (ADCCAC) and Tahkeem charge their fees and the arbitrators' fees based on the value of the dispute.

The Abu Dhabi Chamber of Commerce and Industry recently launched the Abu Dhabi International Arbitration Centre to replace the ADCCAC. It is expected that there will be a new set of rules that will be introduced and implemented. However, further information on the manner in which the transition will occur is yet to be announced.

Law stated - 2 February 2024

## ARBITRATION AGREEMENT

### Arbitrability

#### Are there any types of disputes that are not arbitrable?

Certain types of disputes are not arbitrable, including labour disputes and matters relating to public policy.

Law stated - 2 February 2024

### 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 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. This authority is usually evidenced by a shareholders' resolution or by the articles of association of a company; however, although there is no express statutory provision in Federal Law No. 6 of 2018 on arbitration (as amended by Federal Decree-Law No. 15 of 2023) (the Arbitration Law) recognising the principle of apparent authority, certain judgments of the UAE courts have recognised the validity of an arbitration agreement signed by a signatory with apparent authority (although the concept of binding precedents is not recognised in the UAE); and
- if the agreement is entered into by a natural person, that person must have the legal capacity to dispose of his or her rights.

Law stated - 2 February 2024

### Enforceability

#### In what circumstances is an arbitration agreement no longer enforceable?

An arbitration agreement will not be enforceable in the following circumstances if it does not fulfil the requirements for an arbitration agreement and 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 - 2 February 2024**

### **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. It also provides that the rescission, termination or nullification of a contract in which an arbitration agreement is incorporated does not affect the validity of the agreement unless the reason for the rescission, termination or nullification is a result of the incapacity of either party.

**Law stated - 2 February 2024**

### **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. However, under article 4(4) of the Arbitration Law, unless the parties have agreed to the contrary, in circumstances where a party to the arbitration agreement dies, the arbitration agreement may be enforced against the party's legal successor.

In a recent Dubai Court of Cassation judgment (Case No. 1603/2022), the Court held that the arbitration agreement was valid and enforceable against the assignee, even though the assignment agreement did not make specific reference to the arbitration clause; the Court held that the arbitration clause had been assigned to the assignee.

In another judgment delivered by the Abu Dhabi Cassation Court, the court ruled that a party representing another party's rights could rely on the arbitration clause under the original contract between the debtor and creditor. In this case, a third-party respondent, who was not party to the arbitration agreement, was representing the first two respondents who were party to the arbitration agreement, under the context of articles 392 and 393 of the [Federal Law No. 5 of 1985](#) on civil transactions.

**Law stated - 2 February 2024**

### **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 the third party is a party to the arbitration agreement.

Provided that the third party is a party to the arbitration agreement and upon a request from a party to the arbitration or the third party, the tribunal may recognise the joinder of a third party under article 22 of the Arbitration Law. However, before making any rulings in relation to the joinder of the third party, the parties to the arbitration proceedings and the third party must be given an opportunity to present their statements and objections. An application for the joinder may be made by the parties to the arbitration proceedings or by the third party (who is required to be a party to the arbitration agreement). The application may be submitted before or after the constitution of the arbitral tribunal.

**Law stated - 2 February 2024**

## 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?

The Arbitration Law does not make reference to the inclusion of non-signatories, and the group of companies doctrine [is yet to be tested in the jurisdiction](#). However, the courts appear to be taking a more accepting view of arbitration agreements, and it appears that courts are more agreeable to enforce arbitration clauses against non-signatories, where the facts and the law support such interpretation (see, for example, Dubai Court of Cassation Case No. 1603/2022). In the past, the approach taken by the courts was to enforce arbitration agreements only against signatories, given that the arbitration clause was in writing and entered into by those that had the requisite powers to do so.

**Law stated - 2 February 2024**

## Multiparty arbitration agreements

What are the requirements for a valid multiparty arbitration agreement?

The Arbitration Law does not specifically recognise or prohibit multiparty arbitration agreements. Certain institutional rules, however, recognise multiparty arbitration agreements, which will be applicable if those institutional rules are adopted (eg, the [Dubai International Arbitration Centre \(DIAC\) Arbitration Rules](#) and the International Chamber of Commerce Arbitration Rules).

**Law stated - 2 February 2024**

## 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. Insofar as the relevant institutional rules permit consolidation, consolidation of multiple claims arising from separate arbitration agreements and consolidation of separate arbitral proceedings may be possible. The DIAC Arbitration Rules allow for the consolidation of multiple claims arising from more than one agreement to arbitrate, provided that the conditions allowing consolidation set out in the rules are met.

Although there is no concept of binding precedent in the onshore UAE, several judgments issued by the Dubai Court of Cassation have recognised the consolidation of arbitrations in certain circumstances.

Law stated - 2 February 2024

## 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;
  - incapacitated;
  - under a court interdiction order; or
  - deprived of civil rights owing 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, Federal Law No. 6 of 2018 on arbitration (as amended by Federal Decree-Law No. 15 of 2023) (the Arbitration Law) allows for the parties to agree on the gender and nationality of an arbitrator.

Law stated - 2 February 2024

### Background of arbitrators

#### Who regularly sit as arbitrators in your jurisdiction?

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

Law stated - 2 February 2024

### **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 unless otherwise determined by the respective institute. Each party is required to nominate an arbitrator, and the chair of the tribunal will be nominated by the parties' nominated arbitrators. If the party-nominated arbitrators are unable to agree on the chair, the appointment will be made by the arbitral institution upon the request of a party.

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

Law stated - 2 February 2024

### **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 parties to the arbitration 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. The decision is not subject to appeal.

Separate or different procedures may apply 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 party who appointed the arbitrator is permitted to submit a challenge to the arbitrator's appointment only on grounds that became known to the party after the appointment of the arbitrator.

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 - 2 February 2024**

### **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. In ad hoc arbitrations, the arbitrators' fees are fixed by the arbitrators and, in these cases, the arbitrators may ask the parties for a deposit at the time of their appointment.

**Law stated - 2 February 2024**

### **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 - 2 February 2024**

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

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

Under Federal Decree-Law No. 31 of 2021, arbitrators are subject to criminal liability in relation to the acceptance of or partaking in the commission of a bribe. The Arbitration Law and most institutional rules provide specific provisions exempting arbitrators from liability.

**Law stated - 2 February 2024**

## **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 - 2 February 2024**

### **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 *Kompetenz-Kompetenz* is recognised under Federal Law No. 6 of 2018 on arbitration (as amended by Federal Decree-Law No. 15 of 2023). 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. The Court of Appeal is required to render its decision within 30 days of the date of registration of the request. However, the timeline for rendering the judgment may vary and is at the discretion of the Court of Appeal. The arbitration proceedings will be stayed until the Court of Appeal has rendered its decision, unless otherwise agreed by the parties. In the event a party requests continuance of the arbitration proceedings, and the court finds that the arbitral tribunal did not have jurisdiction, the party seeking continuance is required to bear the arbitration costs.

**Law stated - 2 February 2024**



## **Distinction between admissibility and jurisdiction of tribunal**

**Is there a distinction between challenges as to the admissibility of a claim and as to the jurisdiction of the tribunal?**

The Dubai Court of Cassation in its judgment in Case No. 1514 of 2022 upheld the distinction between jurisdiction and admissibility, and held that a failure to comply with contractual pre-conditions to arbitration go to questions of admissibility, and not jurisdiction. While an award may be annulled for want of jurisdiction of a tribunal, the same remedy does not lie with respect to questions of admissibility.

**Law stated - 2 February 2024**

## **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 Federal Law No. 6 of 2018 on arbitration (as amended by Federal Decree-Law No. 15 of 2023) (the Arbitration Law), the default language for arbitration is Arabic and the place 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 if there is no agreement between the parties. For example, the initial seat under the Dubai International Arbitration Centre (DIAC) Arbitration Rules in cases where the parties have not determined the location or venue is the Dubai International Financial Centre. In circumstances where there is no agreement between the parties, the tribunal is vested with the power to determine the seat of the arbitration.

**Law stated - 2 February 2024**

### **Commencement of arbitration**

**How are arbitral proceedings initiated?**

Arbitration is commenced on the day following the day on which the arbitral tribunal is composed or a request for arbitration has been filed. The requirements for the request are generally contained in the applicable institutional rules. If arbitration is to be commenced by representatives (including 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 - 2 February 2024**

## Hearing

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

Pursuant to the agreement of the parties, the arbitral tribunal may decide whether oral hearings shall be held or to continue on the basis of documentary evidence. If any witness or expert evidence is adduced, a hearing is required to administer an oath, which is a requirement under article 76(4) of Federal Decree-Law No. 35 of 2022.

**Law stated - 2 February 2024**

## 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. Unless otherwise agreed by the parties, the arbitral tribunal has discretion to determine the rules of evidence to be followed.

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, and the tribunal's decision in this regard is binding. Parties are also able to procure their own expert evidence.

**Law stated - 2 February 2024**

## 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 assist in choosing arbitrators if the court is the institution administering arbitration, if the parties have agreed to seek the assistance of the court or if the institution does not appoint the arbitrators according to the procedures specified by the agreement of the parties. The court's decision in these circumstances is not subject to an appeal.

**Law stated - 2 February 2024**

## 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. Any court judgments that relate to or mention the arbitral award do not violate the requirements of confidentiality under the Arbitration Law. The DIAC Arbitration Rules provide that all awards and orders in arbitration and such other documents produced by the parties not already in the public domain are confidential, except to the extent that such disclosure may be required from a party under law by a legal authority to protect or pursue a legal right or to enforce or challenge an award in legal proceedings before the courts.

The DIAC Arbitration Rules also require an expert witness to sign an undertaking to ensure confidentiality.

Law stated - 2 February 2024

## 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 (eg, attachment orders) before or after arbitration proceedings have been initiated. However, under article 21(4) of Federal Law No. 6 of 2018 on arbitration (as amended by Federal Decree-Law No. 15 of 2023) (the Arbitration Law), a party's ability to seek the support of the court after the tribunal has been formed is limited and requires the arbitral tribunal's permission if it has been constituted. Interim measures are granted at the discretion of the court.

The measures below can 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; and
- the taking of action that would prevent, or refrainment from taking action that is likely to cause, imminent harm or prejudice to the arbitration process.

Law stated - 2 February 2024

### 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, the Dubai International Arbitration Centre Arbitration Rules and the International Chamber of Commerce Arbitration Rules provide for a mechanism for the appointment of an emergency arbitrator.

**Law stated - 2 February 2024**

### **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 - 2 February 2024**

### **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?**

While the Arbitration Law does not specify arbitral tribunals' powers in relation to sanctions against parties involved in guerrilla tactics, the courts continue to take a more positive approach towards arbitration and have looked unfavourably at attempts to use guerrilla tactics.

In Dubai Court of Appeal Case No. 1,514 of 2022 (subsequently upheld by the Dubai Court of Cassation), a contractor attempted to bring the dispute within the jurisdiction of the Dubai Court by joining the employer's manager (who was not party to the arbitration agreement) as a co-defendant. The Court dismissed the contractor's attempts to subvert the arbitration agreement and held that the local courts lacked jurisdiction as a result of an arbitration agreement contained in the main contract. However, no sanctions were imposed.

**Law stated - 2 February 2024**

## **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, unless the parties agree otherwise. In the event of a dissent, the majority opinion prevails. It is common for the parties and the tribunal to agree that the chair of the tribunal may issue procedural decisions on his or her own.

Law stated - 2 February 2024

## Dissenting opinions

How does your domestic arbitration law deal with dissenting opinions?

Dissenting opinions are permitted and, under Federal Law No. 6 of 2018 on arbitration (as amended by Federal Decree-Law No. 15 of 2023) (the Arbitration Law), form an integral part of the award. However, unless the parties agree otherwise, the majority opinion will prevail.

Law stated - 2 February 2024

## 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. While not expressly required by law, the practice remains that the arbitrators will sign each page of the award;
- 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:
  - the names and addresses of the parties;
  - the names, nationalities and addresses of the arbitrators;
  - the text of the arbitration agreement;
  - a summary of the parties' claims, statements and documents;
  - reasons for the tribunal's decision;
  - dissenting opinions, if any; and
  - the date and place of issue of the award.

Law stated - 2 February 2024

### **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 of 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.

If the award is not rendered within this period, the tribunal or either party may apply to the court to extend the period or terminate the proceedings. The foregoing is the position under the Arbitration Law, which must be read with the provisions on time limits under the applicable set of rules

**Law stated - 2 February 2024**

### **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 an application to set aside the award must be made within 30 days. Additionally, a request for correction of the award must be made within 30 days of the serving of the award unless agreed otherwise. The tribunal is required to correct the award within 30 days (which may be extended by an additional 15 days) of receipt of the application. The decision in relation to corrections are considered supplementary to the arbitral award.

**Law stated - 2 February 2024**

### **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. Final awards are usually awards granting declaratory relief and damages since orders for specific performance are difficult to enforce in the UAE. Partial awards are usually granted if there is a bifurcation of proceedings (eg, merits versus quantum).

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 - 2 February 2024

## Termination of proceedings

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

The Arbitration Law provides that arbitration proceedings may be terminated if:

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

Law stated - 2 February 2024

## Cost allocation and recovery

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

The successful party will usually be able to recover its arbitration in the form of recovery of institutional fees, arbitrators' fees and experts' fees. 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.

While the Arbitration Law states that arbitration costs are recoverable, it does not include express language in relation to legal costs. The previous status quo was that a tribunal would only have the power to award legal costs where an express agreement to that effect exists. The Dubai International Arbitration Centre Arbitration Rules suggest that legal costs are recoverable, but recent cases cast doubt on the recoverability of legal costs in the absence of express agreement; therefore, arbitral tribunals continue to be hesitant to award legal costs in the absence of evidence of express agreement.

A party's management costs are generally not recoverable.

Law stated - 2 February 2024

## Interest

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

Interest may be awarded. If the interest rate has not been agreed between the parties, UAE law permits a maximum rate of 9 per cent under [Federal Decree-Law No. 50/2022](#) issuing the commercial transactions law. In Dubai, the interest rate awarded by the court is 5 per cent, and arbitrations seated in Dubai tend to adopt this rate.

Law stated - 2 February 2024

## 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 of receiving the award.

Law stated - 2 February 2024

### Challenge of awards

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

Arbitral awards issued under Federal Law No. 6 of 2018 on arbitration (as amended by Federal Decree-Law No. 15 of 2023) (the Arbitration Law) can be challenged and set aside on very limited grounds, barring which the arbitral awards are final and binding on the parties. 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 was unable to present its case in the arbitration because it was not given proper notice of the appointment of an arbitrator or 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 or the arbitration agreement; however, if those matters can be separated from those on which the tribunal had the authority to rule, only the portion of the award addressing issues on matters not submitted to arbitration may be set aside;
- the subject matter of the dispute cannot be settled by arbitration; or
- the arbitral award conflicts with the public policy and public morality of the state.

Law stated - 2 February 2024

### 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 is only one level of appeal: from the Court of Appeal to the Court of Cassation. However, the award debtor may make the same arguments (ie, in support of setting aside the award) in defence of an application made to ratify the award.

**Law stated - 2 February 2024**

### **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 must 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 on the Recognition and Enforcement of Foreign Arbitral Awards (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 been introduced in recent years for the recognition and enforcement of foreign arbitral awards that 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 the enforcement of awards.

To enforce an award, the following documents are to be submitted to the courts:

- the original award or a certified copy of the award;
- a copy of the arbitration agreement;
- a translation into Arabic of the arbitral award prepared by a translator certified by the UAE Ministry of Justice if the award is delivered in a language other than Arabic; and
- a document evidencing the filing of the arbitral award with the court.

**Law stated - 2 February 2024**

### **Time limits for enforcement of arbitral awards**

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

No.

**Law stated - 2 February 2024**

## **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(1)(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 - 2 February 2024**

## **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.

Article 2(13) of Appendix II of the Dubai International Arbitration Centre Arbitration Rules provides that an order issued by an emergency arbitrator shall cease to be binding if:

- the tribunal discharges the preliminary order upon the application by a party or on the tribunal's own initiative in accordance with article 1(6) of Appendix II;
- the underlying arbitration proceeding is terminated before the issuance of the final award; or
- the final award does not include or give effect to the preliminary order granted by the emergency arbitrator.

However, since the orders issued by emergency arbitrators are not strictly awards and may be varied or discarded by the tribunal in the final award, parties may face certain challenges at the enforcement stage.

**Law stated - 2 February 2024**

## **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. The costs are not recoverable in the onshore UAE courts (other than the court fees), but court fees and legal fees are recoverable in Dubai International Financial Centre proceedings.

**Law stated - 2 February 2024**

## **OTHER**

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

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

Under article 5 of Federal Decree-Law 35 of 2022 (the UAE Evidence Law), the parties can agree to the applicable rules of evidence in writing as long as it is not contrary to public policy.

Under articles 33 to 35 of the UAE Evidence Law, the court has the power to order a party to produce a specified document upon the request of a party. If the party fails to produce the document (and there is no copy of the document), the court may accept a statement from the party requesting production in relation to the content contained in the document. Further, the court is entitled to draw adverse inferences if a party refuses to produce a document. However, it is difficult to ascertain the practical application of these provisions.

The IBA Rules on the Taking of Evidence are also often used in the UAE for matters concerning production of documents.

It is common to have expert and witness evidence.

**Law stated - 2 February 2024**

### **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?**

Federal Law No. 6 of 2018 on arbitration (as amended by Federal Decree-Law No. 15 of 2023) 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.

Articles 275 to 280 of Federal Decree-Law No. 31 of 2021 state that any arbitrator accepting or partaking in an act of bribery is subject to criminal penalties.

**Law stated - 2 February 2024**

### **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. 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.

DIAC has addressed third-party funding arrangements in article 22 of the DIAC Arbitration Rules, which expressly recognises and sets out the provisions regarding third-party funding in arbitrations conducted under these rules. Any party that has entered into a third-party funding arrangement must disclose the third-party funder, information regarding the arrangement to other parties and to DIAC, and whether the funder has undertaken liability in the event of an adverse costs order.

**Law stated - 2 February 2024**

### **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.

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 a 5 per cent VAT.

In the event a foreign legal practitioner intends to represent a party in an arbitration hearing seated in the Emirate of Dubai, the foreign legal practitioner would be required to submit an application to the Dubai Legal Affairs Department and obtain a no objection certificate.

**Law stated - 2 February 2024**

## **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?**

On 15 December 2022, [Federal Law No. 3 of 2022](#) on commercial agencies was issued (effective from 16 June 2023), which allowed parties to a commercial agency to refer any dispute to arbitration. Before the enactment of this legislation, disputes in relation to commercial agencies were not arbitrable. As such, the effect of this legislation is likely to lead to the growth of arbitration in commercial agency disputes in the UAE. However, the practical application of this law is yet to be ascertained.

Federal Decree-Law No. 15 of 2023 amended various provisions of Federal Law No. 6 of 2018 on arbitration (the Arbitration Law), including provisions relating to hearings being conducted in person or remotely, in line with the integration of technology in arbitration in response to the covid-19 pandemic. It further expanded the powers of the arbitral tribunal to decide on the mode and place of arbitration and determine the procedures and rules of evidence if agreement is not reached by the parties.

Following the amendment, the Arbitration Law also now makes provision for the appointment of arbitrators from among members of the supervisory or controlling bodies of the arbitral institutions (subject to certain controls), which was previously not permitted.

**Law stated - 2 February 2024**