

litigation lawflash

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Dubai Establishes New Dispute Settlement Authority

The new authority is intended as a "one-stop shop" for litigation and arbitration in the region.

On 28 May, His Highness Sheikh Mohammed bin Rashid Al Maktoum announced the amendment of Dubai Law No. 9 2004 (which established the Dubai International Financial Centre [DIFC]) by issuing the new Dubai Law No. 7 of 2014, which establishes a new Dispute Settlement Authority (DSA).

The DSA will be headed by the president of the DIFC courts and will encompass three major bodies: the DIFC courts, an arbitration body, and other institutions and subcommittees founded under DIFC laws and regulations. The DSA will aim to provide businesses with greater choice between arbitration and litigation as a method of resolving commercial disputes in the DIFC.

According to Chief Justice Michael Hwang, the president of the DIFC courts, "The amendments to Law No. 9 build on the achievements of the DIFC Courts and Dubai World Tribunal, and create a trusted one-stop shop for litigation and arbitration, with the capacity for additional expansion over time. By allowing all those operating in the Emirate to choose how best to resolve their disputes, through litigation or arbitration, the authority will increase confidence and promote growth, representing another important step in the journey to make the UAE one of the best places in the world to do business."¹

Although the precise effect of the amendment is currently unclear, the DSA will be set up as an independent body with its own financial budget, its own autonomous legal status, and the scope to exercise its own powers. Provided that the DSA adheres to DIFC internal laws and regulations, other DIFC bodies will have no authority over the DSA's functions and decisions. It is also unclear how the DSA's establishment will affect the DIFC's arrangements with international judicial and arbitral bodies, including the existing partnership with the London Court of International Arbitration.

The development represents a significant milestone in the DIFC's efforts to build a flexible and desirable forum in which to determine disputes in line with the United Arab Emirates' continuing goal of enhancing the country's reputation as a centre for international commerce.

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1. Read Chief Justice Hwang's statement at <http://www.thenational.ae/business/industry-insights/finance/difc-unites-litigation-and-arbitration-bodies>.

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