





## AI COMMENTARY: UAE ARBITRATION LAW 2018

Prepared by Galadari Advocates & Legal Consultants with ChatGPT Edited by Abdulla Ziad Galadari, Sergejs Dilevka, and Dimitriy Mednikov

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### About Galadari

Galadari is a full-service Emirati law firm dedicated to providing legal solutions at every stage of the business cycle.

Since 1983, we have supported the development of the United Arab Emirates (UAE) legal framework, while contributing to the industry and driving great commercial impact across the Emirates and supporting our clients to navigate through their challenges.

For four decades, our goal has been to deliver the highest-quality product to solve complication issues. Our team take pride in our uncompromising approach to quality and recognise everything we do, or produce is a measurement of our commitment to quality. We give 100% the first time and every time.

Our legal team consists of over 60 locally qualified Emirati and international lawyers across 3 offices in the UAE who are fluent in 18 different languages. Our Emirati advocates have full rights of audience across all UAE Courts. Our team aims to provide the highest standard of legal service and maintain the same level of quality at every point of contact.

Aligned with our core values, Galadari is committed to being a responsible business. We are actively progressing towards a diverse and inclusive workforce, using our legal capabilities to do good in the community through pro bono work, supporting communities and charities across the UAE, and reducing our environmental impact.

### **Galadari's International Arbitration Practice**

Galadari "are a local law firm with international standards and lawyers, familiar with local UAE laws, DIFC laws, and international laws" (*The Legal 500 EMEA – UAE 2023*).

With over four decades of experience in the UAE, our team possesses extensive expertise gained from their involvement in high-profile, intricate disputes worth millions of dollars across the region. Clients rely on our broad-ranging knowledge to guide them on the most suitable strategy for their business when faced with a dispute, whether as the claimant or respondent.

We represent clients in proceedings governed by a variety of international arbitration bodies, including ICC, LCIA, SCC, SCIA, DIAC, and GCC CAC. Additionally, we also provide representation in ad-hoc arbitration cases, and arbitration-related proceedings before the courts of Dubai, the DIFC, Abu Dhabi, and the ADGM.

With one of the largest teams of Emirati advocates in the country, we offer a one-stop shop from the initiation to the conclusion of any arbitration, eliminating the need for external counsel.

Clients and legal directories continuously praise our forward-thinking approach. The team was shortlisted for Arbitration Law Firm of the Year by Thomson Reuters Asian Legal Business Middle East Law Awards 2023, and Arbitration Team of the Year in Law.com International's Middle East Legal Awards 2023.

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### **Galadari's International Arbitration Team**



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### **Editors' Preface**

Galadari's Artificial Intelligence (AI) Commentary on arbitration rules, laws, and treaties, was composed by Abdulla Ziad Galadari, Sergejs Dilevka, and Dimitriy Mednikov.

The term 'artificial intelligence' (AI) was first suggested by John McCarthy in 1955, defining it as a challenge "of making a machine behave in ways that would be called intelligent if a human were so behaving".

Almost seventy years later, further to multiple waves advancing AI technologies and notwithstanding several so-called 'AI winters' (prolonged periods of time when interest and investment in AI was significantly decreasing), AI has finally arrived as an essential technology for our future development and is here to stay. Today, leading AI platforms are able to maintain logical conversations their users, thus, satisfying Mr McCarthy's problem by making a machine behave intelligently.

The benefits of AI for both individuals and businesses have transitioned from being purely theoretical to practicable and, to a great extent, quantifiable. For legal practitioners, presently, such quantifiable benefits would likely be based on the billable time saved, for example, on document review and textual analysis or production of documents based on standard templates. Further, there is a huge potential to use AI to write simple code automating mundane tasks, such as generation of exhibit lists, (re)numbering of exhibits, bulk-conversion of documents from one file format into another, updating cross-references or footnotes in a document — one can think of plenty of use cases and what is needed is a bit of knowledge on how to make basic changes to that code and run it. However, as of the date of this publication, it seems that the general consensus among legal practitioners is that AI systems cannot be reliably used for legal research and all of the results of such research would still have to be reviewed with great care by human lawyers.

Galadari's AI Commentary on arbitration rules, laws, and treaties, is an experiment focussed on using AI to ascertain the current quality of AI analysis, and to determine whether AI is able to digest large quantities of complex information and produce an accurate and logical analysis of the relevant text in respect of various arbitration rules.

In the development of this AI Commentary, we used ChatGPT (GPT-3.5), an AI-powered language model developed by OpenAI. This AI model is capable of generating human-like text based on context and past conversations. The method used, for consistency, and not due to lack of imagination, implemented the use of the following prompt template to generate commentary on each provision of the relevant text: 'analyse article/section X of arbitration law/rules/treaty'.

Overall, the general outcome of our experiment indicates that, in the majority of situations, ChatGPT was able to successfully dissect provisions, spot important nuances, and generate meaningful commentary on the relevant provisions. Specifically, once ChatGPT was presented with a provision for analysis, it would typically attempt to break down the text into separate aspects into a list or bullet point format, tackling each and summarising the provision at the end of its analysis. This approach is consistently observed by ChatGPT across all the AI Commentary publications. We found this method to be suitable and informative, allowing readers to process the analysis in a systematic manner and benefit from ChatGPT's separation of the provision into smaller bits that the reader may be specifically interested in. It was noted that ChatGPT does not overlook or miss certain aspects of a provision, which is a potential human risk factor. ChatGPT addressed every aspect of provisions without fail, for example:



Article 21.3 of the UAE Federal Law No. 6 of 2018 on Arbitration ("UAE Arbitration Law"): "The Arbitral Tribunal may, at the request of any party or on its own motion, amend, suspend, or cancel an interim measure it has ordered, in exceptional circumstances, by prior notice to be given to the Parties."

**ChatGPT:** "Article 21.3 of the UAE Arbitration Law grants the Arbitral Tribunal the authority to modify, suspend, or revoke interim measures it has previously ordered during the arbitration process. These changes can be made under specific conditions referred to as "exceptional circumstances". Let us analyse this article:

1. Modification: The Tribunal can amend or alter the scope or conditions of an interim measure based on the evolving circumstances of the case.

2. Suspension: The Tribunal can suspend the enforcement of an interim measure temporarily if the circumstances warrant it.

3. Cancellation: The Tribunal can completely cancel or revoke an interim measure previously ordered if it deems it no longer necessary or appropriate.

4. Exceptional Circumstances: The Tribunal's power to amend, suspend, or cancel interim measures is limited to exceptional circumstances, implying that such measures are not subject to routine or arbitrary alterations.

5. Prior Notice: The article requires the Tribunal to provide advance notice to the parties before making any changes to the interim measures. This ensures transparency and allows parties to present their positions on the proposed amendments."

The commentary produced using ChatGPT did display some shortcomings. For example, there were instances when ChatGPT would 'hallucinate', making something up, which is a well-known limitation not only for OpenAI and ChatGPT users but also for other AI systems, for example:

**Extract from ChatGPT's commentary on Article 2.4 of DIAC Arbitration Rules 2022 containing a reference to Article 32**: "This exception indicates that certain specific provisions, such as Article 32, may have limited application to agreements to arbitrate made before the effective date of the Rules. It provides flexibility for parties to agree on different rules or procedures regarding the settlement or termination of proceedings, even if the general principle of the Rules taking precedence over the parties' agreement still applies."

*Human lawyer*: Article 32 of DIAC Arbitration Rules 2022 does not concern 'settlement or termination of proceedings' but sets out provisions pertaining to expedited proceedings.

Occasionally, ChatGPT would not appreciate the important distinction between 'may' or 'should' and the commanding 'shall', which can be crucial, for example:

**Article 4.1(c) of DIAC Arbitration Rules 2022:** "Any party wishing to commence an arbitration under the Rules shall submit to the Centre a Request which shall include: [...] (c) a copy of any relevant agreement between the parties, which contains the agreement to arbitrate, in respect of which the claim arises; [...]."

**ChatGPT:** "Article 4.1 of the DIAC Arbitration Rules outlines the requirements for submitting a Request to commence an arbitration under the Rules. Let us analyse each component of this article: [...] Copy of relevant agreement: The Request should include a copy of any relevant



agreement between the parties that contains the agreement to arbitrate, which is the basis for the claim being made."

Parenthetically, ChatGPT sometimes would simply paraphrase a provision several times within a single answer or alter the format of the responses with a series of prompts within the same commentary. To be fair, most of these provisions were quite nominal and did not contain much substance for analysis, for example:

**Definition of 'Parties' Article 1.1 of UAE Arbitration Law:** "Parties: The Claimant and the Respondent, whatever their number."

**ChatGPT:** "Parties: Refers to the Claimant and the Respondent involved in the arbitration. The parties could be individuals, companies, or any legal entities engaged in a dispute."

It was expected that there would be such limitations, but it was pleasantly surprising that their frequency was much lower than anticipated.

Being cognisant of all the existing issues and scepticism within the legal community, we consider that this experimental AI Commentary could be of assistance to practitioners in at least two ways. First, it allows the reader an opportunity to perform a sense check on their understanding of a provision or its aspect against ChatGPT's analysis. Second, the time required to produce 24 publications comprising the AI Commentary was significantly less than the typical duration needed to produce a single comprehensive commentary text on any of the relevant arbitration laws, rules, or treaties. Thus, should it become necessary, a similar AI commentary could be produced on any arbitration law/rules/treaty at a fraction of time and cost typically associated with such a task.

The purpose of publishing the AI Commentary is to provide arbitration practitioners and academics with a general sense of what is presently possible to achieve in the field of arbitration with the assistance of generative AI software, and encourage the arbitration community to push the boundaries of arbitration as a flexible, efficient, and effective dispute resolution method.

Notably, all commentary was generated with ChatGPT and was supported by a selective review by the Editors. Accordingly, the commentary may contain inaccurate and/or incomplete information. Readers are strongly advised to exercise caution reading the commentary with some scepticism and to keep a pencil in hand to note any inaccuracies. Needless to say, nothing in this text should be considered and/or relied upon as legal advice. For detailed information, please refer to OpenAl's Terms & Policies.

This project would not be complete without front page illustrations, which were also generated by AI. DALL E, another OpenAI system capable of creating images based on prompts, was used for this purpose. The chosen concept is based on a watercolour painting style, primarily portraying athletic rivalries in locations that correspond to the relevant arbitration law, rules, or treaty. The hope is that the readers will find the illustrations aesthetically appealing.

Should you have any questions, comments, or observations, including any noticed errors, please do not hesitate to contact us directly via email at s.dilevka@galadarilaw.com.

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November 2023

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### **UAE ARBITRATION LAW 2018<sup>1</sup>**

### I. DEFINITIONS AND SCOPE OF APPLICATION

### **ARTICLE (1) DEFINITIONS**

**1.1** In this Law, unless the context dictates otherwise, words and expressions set forth below shall bear the following meanings:

State: United Arab Emirates.

Arbitration: A procedure regulated by law in which a dispute between one or more parties is submitted, by agreement of the parties, to an arbitral tribunal which makes a binding decision on the dispute.

Arbitration Agreement: An agreement between parties to submit to arbitration, made before or after a dispute has arisen.

Arbitral Tribunal: A panel of one or more arbitrators which is convened and sits to resolve a dispute by way of arbitration.

Court: The federal or local Court of Appeals agreed upon by the parties or in whose jurisdiction the arbitration is conducted.

Arbitration Institution: An entity or center set up to administer arbitration.

Authorized Party: A natural or juridical person to whom parties agree to grant any of the powers stipulated by this Law.

Concerned Body: The body authorized to administer arbitration or the Court.

Parties: The Claimant and the Respondent, whatever their number.

Claimant: The party who initiates a request to commence arbitration proceedings.

Respondent: The party against whom the Claimant has commenced arbitration proceedings.

Article 1.1 is an introductory section of the UAE Arbitration Law, outlining the definitions and meanings of various terms used within the law. Let us break down the key definitions:

- 1. State: Refers to the United Arab Emirates itself.
- 2. Arbitration: This is a legal procedure where a dispute between one or more parties is resolved by submitting it to an arbitral tribunal. The parties mutually agree to resolve their disagreement through this process, and the decision made by the arbitral tribunal is binding on the parties.
- 3. Arbitration Agreement: An agreement between parties to resolve their dispute through arbitration. This agreement can be reached either before or after the dispute arises.

<sup>&</sup>lt;sup>1</sup> Source: www.tamimi.com.

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- 4. Arbitral Tribunal: It is a panel of one or more arbitrators convened to hear and decide the dispute. These arbitrators act as a private, neutral third-party decision-making body.
- 5. Court: In the context of arbitration, this refers to the federal or local Court of Appeals, as agreed upon by the parties or the court in whose jurisdiction the arbitration is conducted. Courts may be involved in certain aspects of arbitration, such as appointing arbitrators or enforcing arbitral awards.
- 6. Arbitration Institution: An entity or centre established to administer arbitration proceedings. These institutions may provide procedural support, appoint arbitrators, and maintain rules and guidelines for the conduct of arbitration.
- 7. Authorised Party: A natural or juridical person to whom parties agree to grant specific powers specified by the UAE Arbitration Law. This entity may have certain responsibilities or authorities related to the arbitration process.
- 8. Concerned Body: The body authorised to administer arbitration or the relevant Court involved in the arbitration process.
- 9. Parties: Refers to the Claimant and the Respondent involved in the arbitration. The parties could be individuals, companies, or any legal entities engaged in a dispute.
- 10. Claimant: The party who initiates the request to commence arbitration proceedings. This is the party that has raised the dispute and is seeking resolution through arbitration.
- 11. Respondent: The party against whom the Claimant has initiated arbitration proceedings. The Respondent will participate in the arbitration to defend their position and respond to the claims made by the Claimant.

This introductory section sets the groundwork for understanding the key terms and concepts that will be used throughout the UAE Arbitration Law. It establishes the roles and responsibilities of various parties involved in the arbitration process and provides clarity on the meanings of essential terms, thereby facilitating the interpretation and application of the law in subsequent sections.

### ARTICLE (2) SCOPE OF APPLICATION OF THE LAW

### This Law shall apply to:

## **2.1.** Any Arbitration conducted in the State, unless the Parties have agreed that another law should govern the Arbitration, provided there is no conflict with the public order and morality of the State.

Article 2.1 of the UAE Arbitration Law establishes the general applicability of the UAE Arbitration Law to any arbitration proceedings conducted within the territory of the United Arab Emirates. In other words, by default, the UAE Arbitration Law will govern the arbitration process when it takes place within the UAE unless the parties involved explicitly agree otherwise. Key points to note:

1. Default Applicability: The law applies automatically to arbitrations conducted within the UAE. This means that if the parties do not specify any other law to govern their arbitration in their agreement, the UAE Arbitration Law will be the governing law.

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- 2. Freedom to Choose Another Law: The law allows parties the freedom to agree on another law to govern their arbitration. If the parties wish to have a different set of rules and regulations governing their arbitration, they can explicitly state their choice in their arbitration agreement.
- 3. Public Order and Morality Exception: Even if the parties agree on another law to govern their arbitration, that choice must not conflict with the public order and morality of the UAE. This exception ensures that the fundamental principles and values of the UAE legal system are not compromised or overridden by the choice of a foreign law.

Overall, Article 2.1 of the UAE Arbitration Law provides clarity on the law's applicability to arbitration proceedings conducted within the UAE. It strikes a balance between providing a default governing law and respecting the parties' autonomy to choose a different law, while also safeguarding the UAE's public order and moral values. This provision aims to create a predictable and fair framework for arbitration within the UAE, promoting the efficient resolution of disputes and upholding the country's legal integrity.

## **2.2.** Any international commercial arbitration conducted abroad, if the Parties have chosen this Law to govern such Arbitration.

Article 2.2 of the UAE Arbitration Law expands the scope of the UAE Arbitration Law to cover international commercial arbitrations that take place outside the territory of the United Arab Emirates. The law applies to such international arbitrations if the parties involved have expressly agreed to subject their arbitration proceedings to the UAE Arbitration Law. Key points to note:

- 1. International Commercial Arbitration: This article specifically refers to international commercial arbitration. International arbitration involves disputes between parties that have their places of business in different countries or when the subject matter of the dispute has a connection with more than one country, as defined in Article 3 of the UAE Arbitration Law.
- 2. Choice of Law: The parties have the freedom to choose the governing law for their arbitration. If they decide to apply the UAE Arbitration Law, even though the arbitration is conducted outside the UAE, this law will be the governing legal framework for their proceedings.
- 3. Enforceability of Choice: The parties' choice of the UAE Arbitration Law to govern their arbitration conducted abroad is legally binding. It means that the parties have agreed to abide by the provisions, rules, and procedures stipulated in the UAE Arbitration Law for the resolution of their international commercial dispute.

Overall, Article 2.2 of the UAE Arbitration Law reflects the pro-arbitration approach of the UAE and its commitment to facilitating international commercial dispute resolution. By allowing parties to choose the UAE Arbitration Law as the governing law for their international arbitrations conducted abroad, the UAE promotes legal certainty and offers parties a familiar legal framework for resolving their disputes. This approach enhances the attractiveness of the UAE as a seat for international arbitration and reinforces its position as a leading arbitration-friendly jurisdiction in the region.

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## **2.3.** Any arbitration arising from a dispute in respect of a legal relationship, whether contractual or not, governed by State law, save as excepted by special provision.

Article 2.3 of the UAE Arbitration Law specifies that the UAE Arbitration Law shall apply to any arbitration that arises from a dispute related to a legal relationship governed by the laws of the United Arab Emirates. Key points to note:

- 1. Scope of Applicability: The article covers a wide range of arbitrations that arise from disputes related to legal relationships, whether they are contractual or non-contractual in nature. This means that any dispute arising from a legal relationship, such as business transactions, commercial agreements, or other interactions governed by UAE State law, can be subject to arbitration under the UAE Arbitration Law.
- 2. Contractual and Non-Contractual Disputes: The article explicitly includes both contractual and non-contractual disputes. Contractual disputes refer to disagreements arising from written or oral contracts, while non-contractual disputes pertain to disagreements that are not based on formal agreements but are still governed by UAE law. Non-contractual disputes can arise in various contexts, such as torts or other civil wrongs.
- 3. Special Provisions: The article also includes a caveat "save as excepted by special provision", which means that there might be specific cases or situations where the UAE Arbitration Law's application could be limited or excluded. These special provisions could be found elsewhere in the UAE Arbitration Law or in other relevant laws or regulations.

Overall, Article 2.3 of the UAE Arbitration Law ensures that any arbitration arising from a dispute related to a legal relationship governed by the laws of the United Arab Emirates falls under the purview of the UAE Arbitration Law. By encompassing both contractual and non-contractual disputes, the law provides a comprehensive framework for resolving a broad spectrum of disputes that have a connection to UAE State law. This provision reinforces the UAE's commitment to promoting arbitration as an effective means of resolving disputes, regardless of the nature of the legal relationship giving rise to the conflict.

### ARTICLE (3) THE INTERNATIONAL CHARACTER OF ARBITRATION

An Arbitration is international, even if conducted in the State, if:

3.1. the Parties have, at the time of the conclusion of the Arbitration Agreement, their places of business in two or more different States. If a party has more than one place of business, the place of business is that which has the closest relationship to the subject matter of the Arbitration Agreement. If a party does not have a place of business, reference is to be made to its habitual residence.

Article 3.1 of the UAE Arbitration Law sets out the criteria for determining the international nature of an arbitration, even if the arbitration takes place within the territory of the United Arab Emirates. Key points to note:

1. Parties' Places of Business: The international character of the arbitration is established when the parties to the arbitration agreement have their places of business in two or



more different countries. A place of business is typically the location from which the party carries out its commercial activities or operations.

- 2. Determining Place of Business: If a party has multiple places of business, the place of business that has the closest connection to the subject matter of the arbitration agreement will be considered for the purpose of determining whether the arbitration is international.
- 3. Habitual Residence: If a party does not have a place of business, its habitual residence will be taken into account. Habitual residence refers to the place where the party usually resides or has its primary place of residence.
- 4. International Character: If the above criteria are met, the arbitration is deemed international, even if the arbitration proceedings take place within the United Arab Emirates.

Overall, Article 3.1 of the UAE Arbitration Law provides a clear and objective standard for classifying an arbitration as international. By focusing on the parties' places of business and their connection to more than one country, the law ensures a consistent and transparent approach to determining the international nature of arbitration proceedings. This classification is crucial because international arbitrations may have distinct legal principles and rules, and the UAE Arbitration Law acknowledges and accommodates these unique features when the arbitration involves parties from different countries.

### 3.2. one of the following places is situated outside the State in which a party has its place of business:

### (a) the place of arbitration if determined in, or pursuant to, the Arbitration Agreement;

# (b) any place where a substantial part of the obligations of the commercial relationship is to be performed or the place with which the subject-matter of the dispute is most closely connected.

Article 3.2 of the UAE Arbitration Law introduces additional criteria to determine the international character of an arbitration conducted within the United Arab Emirates. Key points to note:

- 1. Place of Arbitration: If the place of arbitration, as specified in the arbitration agreement, is located outside the UAE, then the arbitration is considered international. The place of arbitration is the geographical location where the arbitration proceedings will be held and where the arbitral tribunal will conduct its hearings and make decisions.
- 2. Place of Performance: An arbitration is also considered international if a substantial part of the contractual obligations arising from the commercial relationship between the parties is to be performed outside the UAE. This refers to the place where a significant portion of the agreed-upon tasks, services, or actions under the contract will be carried out.
- 3. Place Most Closely Connected: Another criterion for determining international arbitration is the place with which the subject matter of the dispute is most closely connected. This refers to the geographical location that has the most significant link or relevance to the

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dispute. It could be the place where the dispute originated, where the parties' main activities are centered, or where the majority of the dispute-related events occurred.

Overall, Article 3.2 of the UAE Arbitration Law provides additional criteria to assess whether an arbitration conducted within the UAE is considered international. By considering factors such as the place of arbitration, place of performance, and the place most closely connected to the dispute, the law aims to ensure a comprehensive approach to determining the international nature of arbitration proceedings. These criteria help in identifying cases where the arbitration has a significant cross-border dimension, justifying the application of rules and principles specific to international arbitration.

## **3.3.** the subject-matter of the dispute addressed by the Arbitration Agreement is connected with more than one country.

Article 3.3 of the UAE Arbitration Law states that an arbitration is considered international if the subject matter of the dispute addressed by the arbitration agreement has a connection with more than one country. Key points to note:

- 1. Cross-Border Connection: The article focuses on the cross-border dimension of the subject matter of the dispute. If the dispute involves aspects that link it to multiple countries, such as contractual obligations spanning different jurisdictions, assets located in various countries, or international trade relationships, the arbitration will be deemed international.
- 2. Complex International Disputes: This criterion is particularly relevant in cases where the dispute has a global or multi-jurisdictional nature, and the parties' rights and obligations under the dispute involve legal aspects that go beyond the borders of a single country.
- 3. Applicability to Domestic Arbitrations: This criterion also applies to arbitrations conducted within the UAE if the subject matter of the dispute has connections to more than one country, even if all parties involved are located within the UAE.

Overall, Article 3.3 of the UAE Arbitration Law recognises the significance of cross-border elements in determining the international nature of an arbitration. By considering the connection of the subject matter to more than one country, the law acknowledges the complexities and challenges posed by disputes that involve multiple jurisdictions. This provision aims to ensure that arbitrations involving such cross-border aspects are treated as international arbitrations, warranting the application of appropriate international arbitration principles and standards.

## **3.4.** the Parties have expressly agreed that the subject-matter of the Arbitration Agreement relates to more than one country.

Article 3.4 of the UAE Arbitration Law states that an arbitration is considered international if the parties involved in the arbitration agreement have explicitly agreed that the subject matter of their dispute relates to more than one country. Key points to note:



- 1. Explicit Agreement: For an arbitration to be classified as international under this criterion, the parties must have a clear and unambiguous agreement that their dispute has connections to multiple countries.
- 2. Party Autonomy: The provision recognises the principle of party autonomy in arbitration. Parties are free to determine the scope of their arbitration agreement, including the identification of the subject matter and its cross-border aspects.
- 3. Broad Application: This criterion covers various scenarios where the parties knowingly enter into an arbitration agreement with the understanding that their dispute involves multiple jurisdictions. It may arise in cases involving international business transactions, cross-border commercial relationships, or disputes involving assets or operations in different countries.
- 4. Flexibility in Classification: Article 3.4 offers flexibility in determining the international character of an arbitration. Even if the arbitration is conducted within the UAE and the parties involved have their places of business in the UAE, the explicit agreement regarding the cross-border nature of the dispute allows the arbitration to be treated as international.

Overall, Article 3.4 of the UAE Arbitration Law acknowledges the importance of party agreement in determining the international nature of an arbitration. By allowing parties to expressly agree on the cross-border connections of their dispute, the law respects party autonomy and provides a straightforward criterion for categorising an arbitration as international. This provision ensures that parties can tailor their arbitration agreements to suit the specific characteristics of their disputes, particularly when their disputes involve multiple countries or complex cross-border elements.



### II. THE ARBITRATION AGREEMENT

### **ARTICLE (4) CAPACITY TO ENTER INTO AN ARBITRATION AGREEMENT**

4.1. An Arbitration Agreement may only be concluded, on pain of nullity, by a natural person having the legal capacity to dispose of his rights or on behalf of a juridical person by a representative with specific authority to arbitrate.

Article 4.1 of the UAE Arbitration Law sets out the conditions that must be met for an arbitration agreement to be valid and enforceable under the UAE Arbitration Law. Key points to note:

- 1. Legal Capacity: For a natural person to enter into an arbitration agreement, they must have the legal capacity to dispose of their rights. In other words, the person must have the legal ability to make decisions and enter into contracts. Individuals lacking the legal capacity, such as minors or persons with mental incapacities, cannot validly conclude an arbitration agreement.
- 2. Authority for Juridical Persons: For a juridical person (a legal entity, such as a company) to enter into an arbitration agreement, it must be represented by a person who has specific authority to arbitrate on behalf of the entity. This authority could be granted through official documentation, such as a resolution by the board of directors or a power of attorney.
- 3. Nullity: The article emphasises that an arbitration agreement that does not meet these requirements will be null and void, meaning it will not be legally enforceable.

Overall, Article 4.1 of the UAE Arbitration Law ensures the validity and enforceability of arbitration agreements by imposing strict conditions on who can enter into such agreements. This provision aims to protect the integrity of the arbitration process and ensure that the parties involved have the legal capacity and authority to commit to resolving their disputes through arbitration. By specifying these requirements, the law aims to minimise the potential for disputes arising from the validity of arbitration agreements and promotes the certainty and effectiveness of the arbitration process in the UAE.

### 4.2. Arbitration is not permitted in matters which do not permit compromise.

Article 4.2 of the UAE Arbitration Law states that certain matters are not eligible for arbitration if they do not allow for compromise. Key points to note:

- 1. Non-Compromisable Matters: The article recognises that there are certain types of disputes or matters that, by their nature, do not permit compromise or settlement between the parties. These matters typically involve fundamental rights, public policy issues, or non-negotiable legal principles.
- 2. Scope of Limitation: The limitation imposed by Article 4.2 applies to matters that are not susceptible to being resolved through a process of compromise, negotiation, or settlement. In such cases, arbitration is not a suitable method for dispute resolution.



- 3. Legal and Public Policy Considerations: The provision reflects the importance of upholding legal principles and public policy considerations in the arbitration process. Certain disputes, especially those concerning matters of significant public interest or involving fundamental rights, may be better suited for adjudication in a court of law.
- 4. Exclusive Jurisdiction: Matters that fall within the scope of Article 4.2 are typically subject to exclusive jurisdiction of courts, where the issues are adjudicated based on the applicable laws and legal principles.

Overall, Article 4.2 of the UAE Arbitration Law sets a limitation on the scope of arbitration by excluding certain matters that do not permit compromise. By doing so, the law aims to ensure that arbitration is used for appropriate cases where compromise and settlement are possible, while also respecting the exclusive jurisdiction of courts for matters that require a definitive legal determination. This provision reinforces the principles of legal integrity and public policy while providing clarity on the types of disputes suitable for arbitration in the UAE.

# 4.3. Where a provision of this Law leaves the Parties free to agree on the procedure to be followed to determine a certain issue, each party may authorize a third party to choose or determine that procedure. A third party in such case includes: any natural person or Arbitration Institution inside or outside the State.

Article 4.3 of the UAE Arbitration Law recognises that the UAE Arbitration Law allows parties to have flexibility in agreeing on the procedure to be followed for resolving specific issues in the arbitration. If the law leaves the parties free to determine the procedure for addressing a particular matter, each party has the option to authorise a third party to make that choice or determination. Key points to note:

- 1. Procedure Flexibility: The UAE Arbitration Law provides a level of procedural flexibility, allowing the parties to agree on how certain issues in the arbitration will be resolved. This flexibility ensures that the parties have autonomy in shaping the arbitration process to suit their particular needs and preferences.
- 2. Authorisation of Third Party: If the law permits the parties to agree on the procedure, each party has the right to delegate the decision-making power to a third party. This means that a neutral third party, who is not directly involved in the dispute, can be entrusted with making the decision on how the specific issue should be handled.
- 3. Third Party Definition: In this context, a third party is broadly defined to include any natural person or Arbitration Institution, whether located within or outside the UAE. This allows the parties to select an individual or an established arbitration body to make the relevant procedural determination.
- 4. Issue-Specific Authorisation: The authorisation of a third party is limited to the specific issue for which the parties are free to agree on the procedure. It does not extend to other aspects of the arbitration unless the law specifically permits such delegation.

Overall, Article 4.3 of the UAE Arbitration Law promotes party autonomy and procedural flexibility in arbitration. It allows the parties to authorise a third party to decide on the procedure to be followed for specific issues, providing a mechanism for efficient and tailored dispute resolution. By enabling the



involvement of neutral third parties or recognised arbitration institutions, the provision contributes to the fair and effective conduct of the arbitration process in the UAE.

# 4.4. Unless otherwise agreed by the Parties, the Arbitration Agreement shall not be terminated or discharged by the death of any party thereto but in such event is enforceable by or against the legal successor of the deceased.

Article 4.4 of the UAE Arbitration Law establishes the principle that an arbitration agreement is not automatically terminated or discharged by the death of any party involved in the agreement. Instead, the agreement remains valid and enforceable, and the rights and obligations under the agreement transfer to the legal successor of the deceased party. Key points to note:

- 1. Continuity of the Arbitration Agreement: The article ensures the continuity of the arbitration agreement despite the death of a party. This means that the agreement to resolve disputes through arbitration remains in force and unaffected by the death of any of the parties involved.
- 2. Legal Successor: In case of a party's death, the rights and obligations under the arbitration agreement pass on to the legal successor of the deceased. The legal successor could be an heir, beneficiary, or any person or entity designated as the recipient of the deceased party's rights and liabilities.
- 3. Exceptional Termination: The article explicitly states that the continuity of the arbitration agreement is subject to any contrary agreement between the parties. If the parties have expressly agreed in their arbitration agreement that the death of a party will terminate the agreement, that specific provision will prevail.
- 4. Enforceability: The arbitration agreement remains enforceable by or against the legal successor of the deceased party. This ensures that the legal successor can take part in the arbitration proceedings and enforce the terms of the agreement.

Overall, Article 4.4 of the UAE Arbitration Law provides legal certainty and continuity to arbitration agreements, even in the event of a party's death. By ensuring that the agreement remains valid and enforceable with the involvement of the legal successor, the law supports the efficient resolution of disputes and upholds the parties' original intention to resolve their disagreements through arbitration. This provision enhances the stability and predictability of the arbitration process in the UAE, contributing to the overall effectiveness of arbitration as a dispute resolution mechanism.

### **ARTICLE (5) FORM OF ARBITRATION AGREEMENT**

5.1. The Arbitration Agreement may be concluded before a dispute arises, either in the form of a separate agreement or as a clause within a contract, in relation to all or certain disputes which may arise between the Parties.

Article 5.1 of the UAE Arbitration Law establishes the flexibility of the UAE Arbitration Law regarding the timing and form of the arbitration agreement. Key points to note:



- 1. Pre-Dispute Agreement: The article allows parties to conclude an arbitration agreement before any actual dispute arises between them. This means that the parties can agree to resolve their potential future disputes through arbitration even when there is no actual ongoing disagreement at the time of the agreement.
- 2. Separate Agreement or Clause within a Contract: The arbitration agreement can take two forms: as a standalone or separate agreement independent of any other contract, or as a clause incorporated within an existing contract between the parties. In the latter case, the arbitration clause becomes an integral part of the underlying contract, and any disputes arising from that contract would be subject to arbitration as specified in the clause.
- 3. Scope of Disputes: The arbitration agreement may cover all disputes that may arise between the parties, providing a comprehensive mechanism for resolving any future disagreements. Alternatively, the agreement can be limited to specific types of disputes or certain issues, depending on the parties' preferences and needs.
- 4. Advantages of Pre-Dispute Agreements: Pre-dispute arbitration agreements offer parties the advantage of choosing arbitration as their preferred method of dispute resolution, even before any conflict occurs. This provides parties with a proactive approach to resolving potential future disputes in a manner they find mutually acceptable.

Overall, Article 5.1 of the UAE Arbitration Law acknowledges the importance of party autonomy and provides flexibility in the form and timing of arbitration agreements. By allowing parties to agree on arbitration before a dispute arises, either as a separate agreement or as part of a contract, the law promotes the use of arbitration as an efficient and effective means of resolving disputes in the UAE. This provision encourages parties to proactively address potential disputes and facilitates the smooth and expedited resolution of disagreements through arbitration when they occur.

# 5.2. The Arbitration Agreement may also be concluded after a dispute has arisen, even if an action in this respect has already been brought before a court. In such case, the agreement must determine matters included in the Arbitration.

Article 5.2 of the UAE Arbitration Law recognises the option for parties to enter into an arbitration agreement after a dispute has already arisen between them, even if legal proceedings have already been initiated before a court. However, in such a scenario, the arbitration agreement must specify the matters that will be subject to arbitration. Key points to note:

- 1. Post-Dispute Agreement: The article allows parties to agree to arbitration after a dispute has arisen, which means they can decide to pursue an alternative method of dispute resolution even if the matter has already reached the court.
- 2. Ongoing Court Proceedings: It is worth noting that the possibility of concluding an arbitration agreement after court proceedings have commenced indicates the UAE's proarbitration approach. This approach encourages parties to consider arbitration as an efficient and potentially more cost-effective alternative to litigation.
- 3. Determination of Matters: If the parties wish to conclude an arbitration agreement after a dispute has arisen, the agreement must clearly define the matters that will be subject



to arbitration. This means that the arbitration agreement must specify which particular issues or disputes will be resolved through arbitration.

4. Scope of Arbitration: The arbitration agreement can be limited to certain matters related to the dispute, or it can encompass the entire dispute, depending on the parties' agreement. The scope of the arbitration should be clearly stated in the agreement.

Overall, Article 5.2 of the UAE Arbitration Law provides parties with the option to agree to arbitration even after a dispute has arisen and court proceedings have commenced. By allowing for post-dispute arbitration agreements, the law promotes the use of arbitration as a flexible and accessible method of resolving disputes. This provision supports the parties' autonomy in choosing the dispute resolution mechanism that best suits their needs and preferences, providing a valuable alternative to traditional court litigation.

## 5.3. A reference in a contract or any other document containing an arbitration clause constitutes an Arbitration Agreement, if the reference is such as to make that clause part of the contract.

Article 5.3 of the UAE Arbitration Law clarifies that when a contract or any other document contains an arbitration clause and refers to that clause in a manner that incorporates it into the contract, that reference itself constitutes an arbitration agreement. Key points to note:

- 1. Reference to Arbitration Clause: When a contract or any other document contains an arbitration clause specifying that any disputes arising from the contract will be resolved through arbitration, the inclusion of that arbitration clause can be done through direct reference or incorporation by reference.
- 2. Validity of Reference: For the reference to the arbitration clause to constitute a valid arbitration agreement, it must be clear and unambiguous that the reference is intended to make the arbitration clause a part of the contract or document.
- 3. Incorporation by Reference: Incorporation by reference is a legal principle where a document (such as an arbitration clause) is referred to in another document (such as a contract) with the intention of making the referenced document a part of the main document. In this context, when the arbitration clause is incorporated by reference into the contract, it becomes a binding part of the contract.
- 4. Autonomy of the Arbitration Agreement: By recognising that a mere reference to an arbitration clause in a contract or document constitutes an arbitration agreement, the UAE Arbitration Law upholds the autonomy of the parties' agreement to resolve their disputes through arbitration.

Overall, Article 5.3 of the UAE Arbitration Law ensures the enforceability of arbitration clauses that are incorporated into contracts or documents by reference. This provision reflects the intention to give effect to the parties' agreement to arbitrate, even if the arbitration clause is not explicitly restated within the contract itself but is instead referred to in a manner that makes it a part of the contract. By recognising the validity of such references, the law facilitates the use of arbitration as a preferred method of dispute resolution and reinforces the importance of honouring the parties' intentions as expressed in their agreements.



### **ARTICLE (6) AUTONOMY OF THE ARBITRATION AGREEMENT**

6.1. An arbitration clause shall be treated as an agreement independent from the other terms of contract. The nullity, rescission or termination of the contract shall not affect the arbitration clause if it is valid per se, unless the matter relates to an incapacity among the Parties.

Article 6.1 of the UAE Arbitration Law establishes the principle that an arbitration clause is considered a separate and independent agreement from the other terms of the contract in which it is included. The nullity, rescission, or termination of the main contract does not affect the validity and enforceability of the arbitration clause, as long as the arbitration clause is valid on its own terms, unless the matter relates to the capacity of the parties to enter into the arbitration agreement. Key points to note:

- 1. Independence of Arbitration Clause: The article recognises that an arbitration clause has its own independent legal status within a contract. Even if the main contract is found to be null and void, terminated, or rescinded, the arbitration clause remains unaffected, provided it is valid in its own right.
- 2. Severability: This principle is commonly known as the doctrine of severability or separability of the arbitration clause. It means that the arbitration clause is severable from the rest of the contract, and its validity is not dependent on the validity of the main contract.
- 3. Effect of Nullity or Termination: If the main contract is declared null and void, terminated, or rescinded due to reasons unrelated to the arbitration clause itself, the arbitration clause will still be enforceable. This ensures that disputes related to the contract can be resolved through arbitration as originally intended by the parties.
- 4. Incapacity Exception: The only circumstance under which the nullity or termination of the contract may impact the arbitration clause is if the matter relates to an incapacity among the parties. For example, if one of the parties lacked the legal capacity to enter into the arbitration agreement, the clause may be affected.

Overall, Article 6.1 of the UAE Arbitration Law upholds the autonomy and enforceability of arbitration clauses within contracts. By treating the arbitration clause as a separate agreement, the law ensures that parties' intent to resolve disputes through arbitration remains valid and effective, even if the underlying contract is rendered null and void or terminated. The provision reinforces the importance of respecting the parties' choice of dispute resolution mechanism and contributes to the efficiency and certainty of the arbitration process in the UAE.

# 6.2. A plea that a contract containing an arbitration clause is null or has been rescinded or terminated shall not stay the arbitration proceedings and the Arbitral Tribunal may rule on the validity of such contract.

Article 6.2 of the UAE Arbitration Law establishes that if a party raises an argument or plea that the contract containing the arbitration clause is null, rescinded, or terminated, it will not automatically halt

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the ongoing arbitration proceedings. The arbitral tribunal has the authority to continue the arbitration proceedings and also has the power to rule on the validity of the contract itself. Key points to note:

- 1. Continuation of Arbitration Proceedings: The article emphasises the principle of continuity in arbitration proceedings. Even if one of the parties claims that the underlying contract (which includes the arbitration clause) is null, rescinded, or terminated, the arbitration process will continue, and the arbitral tribunal will proceed with the case.
- 2. Separation of Issues: The law distinguishes between the validity of the main contract and the arbitration clause within it. The nullity or termination of the contract does not automatically impact the enforceability of the arbitration clause.
- 3. Arbitral Tribunal's Authority: The arbitral tribunal is empowered to decide on the validity of the contract containing the arbitration clause. This means that the arbitral tribunal can examine the validity of the contract and determine whether it is indeed null, rescinded, or terminated.
- 4. Efficiency of Proceedings: By allowing the arbitration proceedings to continue despite the plea regarding the contract's validity, the law promotes efficiency in dispute resolution. Parties can address the issue of the contract's validity within the ongoing arbitration proceedings, avoiding the need for separate court proceedings to decide on the matter.

Overall, Article 6.2 of the UAE Arbitration Law ensures the continuity and efficiency of arbitration proceedings when a plea is raised regarding the validity of the underlying contract containing the arbitration clause. By allowing the arbitral tribunal to determine the validity of the contract and proceeding with the arbitration, the law upholds the principle of party autonomy and preserves the enforceability of arbitration clauses, even in situations where the contract itself may be subject to challenge or dispute. This provision contributes to the effectiveness and attractiveness of arbitration as a preferred method of dispute resolution in the UAE.

### **ARTICLE (7) A WRITTEN ARBITRATION AGREEMENT**

### 7.1. An Arbitration Agreement shall be in writing; otherwise it shall be void.

Article 7.1 of the UAE Arbitration Law establishes a fundamental requirement for the validity of an arbitration agreement in the UAE. To be legally enforceable, an arbitration agreement must be in writing. Key points to note:

- 1. Written Form Requirement: The UAE Arbitration Law explicitly requires that the arbitration agreement must be in writing. This means that the agreement must be documented in a physical or electronic form, such as a written contract, an exchange of emails, or any other written communication between the parties.
- 2. Validity Condition: The law makes it clear that if the arbitration agreement is not in writing, it will be considered void. In other words, a verbal agreement or an agreement concluded through other means that do not meet the writing requirement will not be legally recognised as an arbitration agreement under the UAE Arbitration Law.



- 3. Importance of Clarity: The writing requirement emphasises the significance of clearly expressing the parties' intention to resolve their disputes through arbitration. The written form ensures that there is a clear and unambiguous record of the parties' agreement to arbitrate, minimising the risk of misunderstandings or disputes over the existence and terms of the agreement.
- 4. Consistency with International Standards: The requirement for a written arbitration agreement aligns with the international practice and standards in arbitration. Many countries and international conventions, such as the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, also emphasise the importance of a written agreement for arbitration.

Overall, Article 7.1 of the UAE Arbitration Law underscores the essential requirement for an arbitration agreement to be in writing. By imposing this condition, the law seeks to ensure legal certainty and enforceability of arbitration agreements. A written arbitration agreement provides a clear and reliable basis for initiating and conducting arbitration proceedings, while also contributing to the promotion of arbitration as an effective and efficient method of dispute resolution in the UAE.

### 7.2. An Arbitration Agreement shall be deemed to be in writing if:

(a) it is contained in a document signed by the Parties or in an exchange of correspondence or other written means of communication or in the form of an electronic message in accordance with the applicable rules of the State concerning electronic transactions.

(b) there is reference in a written contract to any model contract, international agreement, or any other document containing an arbitration clause and the reference is such as to make that clause part of the contract.

(c) It was made during the hearing of the dispute by the court competent to entertain it, in which case the court shall issue a decision confirming the Arbitration Agreement, leaving the Parties to commence the Arbitration at such place and time as shall be specified, under the rules governing its proceedings, while ruling the action void.

(d) It is included in written statements exchanged between the Parties during the arbitration proceedings or is acknowledged before the courts, where either party requests referral of the dispute to Arbitration and the other party does not challenge the request in its response.

Article 7.2 of the UAE Arbitration Law provides different scenarios and forms in which an arbitration agreement is considered to be in writing, ensuring its validity and enforceability. Key points to note:

- 1. Versatile Forms of Writing: The law recognises multiple forms of writing as evidence of an arbitration agreement. These include a signed document, written correspondence, electronic messages (in accordance with applicable rules on electronic transactions), and references to other written contracts or documents containing an arbitration clause.
- 2. Model Contracts and International Agreements: The reference to model contracts, international agreements, or any other documents containing an arbitration clause allows parties to incorporate arbitration clauses from such sources into their contracts, making them part of the agreement between the parties.



- 3. Court-Made Arbitration Agreements: In certain situations, a court competent to hear a dispute may make an arbitration agreement during the hearing. The court will then issue a decision confirming the arbitration agreement, allowing the parties to proceed with arbitration.
- 4. Written Statements during Arbitration: The law recognises that an arbitration agreement can be included in written statements exchanged by the parties during the course of arbitration proceedings. Additionally, if one party requests referral of the dispute to arbitration before the courts, and the other party does not challenge the request in its response, the arbitration agreement is considered valid.

Overall, Article 7.2 of the UAE Arbitration Law provides a comprehensive list of scenarios in which an arbitration agreement can be deemed to be in writing. By recognising various forms of writing and reference, the law promotes flexibility and ensures that parties' intentions to resolve their disputes through arbitration are appropriately documented and enforceable. These provisions contribute to the certainty and effectiveness of arbitration as a dispute resolution mechanism in the UAE.

### ARTICLE (8) RESOLUTION OF A DISPUTE THAT IS SUBJECT TO AN ARBITRATION AGREEMENT

8.1. The court before which a dispute is brought that is subject to an Arbitration Agreement shall decline to entertain the action if the defendant has so pleaded before submitting any request or plea on the merits, unless the court is satisfied that the Arbitration Agreement is void or incapable of being performed.

Article 8.1 of the UAE Arbitration Law establishes the principle that when a dispute subject to an arbitration agreement is brought before a court, the court must decline jurisdiction in favour of arbitration, provided that the defendant raises the existence of the arbitration agreement as a defence before submitting any arguments on the merits of the case. However, the court retains the discretion to examine the validity and enforceability of the arbitration agreement before declining jurisdiction. Key points to note:

- 1. Kompetenz-Kompetenz Principle: The term "kompetenz-kompetenz" refers to the principle that an arbitral tribunal has the authority to decide on its own jurisdiction. In this context, Article 8.1 of the UAE Arbitration Law is in line with this principle by requiring the court to decline jurisdiction in favour of arbitration if a valid arbitration agreement exists, subject to certain conditions.
- 2. Defendant's Plea: The defendant, when faced with a lawsuit brought before the court, can raise the existence of the arbitration agreement as a defence to challenge the court's jurisdiction. By doing so, the defendant asserts that the dispute should be resolved through arbitration, as agreed upon in the arbitration agreement.
- 3. Prior to Merits: The defendant must raise the plea regarding the arbitration agreement before submitting any substantive arguments on the merits of the case. This ensures that the issue of jurisdiction is addressed early in the proceedings, promoting efficiency in resolving the dispute through arbitration if appropriate.
- 4. Court's Discretion: Although the court must ordinarily decline jurisdiction in the presence of a valid arbitration agreement, the law allows the court to examine the validity and



enforceability of the arbitration agreement before doing so. If the court finds the arbitration agreement to be void or incapable of being performed, it may retain jurisdiction over the case.

Overall, Article 8.1 of the UAE Arbitration Law upholds the principle of party autonomy and supports the enforceability of arbitration agreements. By requiring the court to decline jurisdiction in favour of arbitration when a valid arbitration agreement exists and has been timely pleaded by the defendant, the law promotes the use of arbitration as a preferred method of resolving disputes. This provision also ensures that arbitration agreements are respected and that the arbitral tribunal has the authority to determine its own jurisdiction in accordance with the kompetenz-kompetenz principle.

## 8.2. The filing of the action referred to in the preceding section shall not preclude the commencement or continuance of arbitration proceedings or the issuance of an arbitral award.

Article 8.2 of the UAE Arbitration Law clarifies that the initiation of court proceedings by a party in a dispute subject to an arbitration agreement does not prevent or hinder the commencement or continuation of arbitration proceedings. Additionally, it also confirms that the arbitral tribunal has the authority to issue an arbitral award even if court proceedings are ongoing. Key points to note:

- 1. Coexistence of Proceedings: Article 8.2 recognises that court proceedings and arbitration proceedings can coexist in situations where a dispute is subject to an arbitration agreement. The mere filing of a court action does not automatically halt the arbitration process.
- 2. Autonomy of Arbitration: The provision underscores the principle of party autonomy in arbitration. Even if one party has initiated court proceedings, the other party can still proceed with arbitration if they have raised the existence of the arbitration agreement as a defence, and the court agrees to decline jurisdiction.
- 3. Continuation of Arbitration: The law ensures that arbitration proceedings can continue despite the existence of concurrent court proceedings. Parties who have agreed to resolve their disputes through arbitration should be able to proceed with the arbitration process without being unduly hindered by the court proceedings.
- 4. Issuance of Arbitral Award: The provision explicitly confirms that the arbitral tribunal retains its authority to issue an arbitral award during the pendency of court proceedings. The arbitral award can be rendered regardless of the ongoing court case.

Overall, Article 8.2 of the UAE Arbitration Law supports the autonomy of arbitration and the enforceability of arbitration agreements. It ensures that parties are not prevented from pursuing arbitration proceedings merely because a court case has been filed. This provision promotes efficiency and certainty in the dispute resolution process, allowing the parties to avail themselves of the benefits of arbitration, even if there are parallel court proceedings. It also highlights the independence of arbitration proceedings from court actions and reinforces the importance of adhering to arbitration agreements as chosen by the parties.



### III. THE ARBITRAL TRIBUNAL

### **ARTICLE (9) COMPOSITION OF THE ARBITRAL TRIBUNAL**

9.1. The Arbitral Tribunal consists, by agreement of the Parties, of one or more arbitrators. Where the Parties have not agreed on the number of arbitrators, their number shall be three, unless otherwise decided by the Concerned Body.

Article 9.1 of the UAE Arbitration Law outlines the rules for determining the number of arbitrators in an arbitral tribunal when the parties involved in the arbitration have not explicitly agreed on the number. Key points to note:

- 1. Flexibility in Arbitrator Numbers: The UAE Arbitration Law allows the parties to determine the number of arbitrators in the arbitral tribunal by mutual agreement. This provides flexibility and allows the parties to choose the most suitable number of arbitrators based on the complexity and specific requirements of their dispute.
- 2. Default Number: In cases where the parties have not agreed on the number of arbitrators, the default number is three. This means that, absent an agreement between the parties, the arbitral tribunal will consist of three arbitrators.
- 3. Concerned Body: The "Concerned Body" referred to in the article is likely the arbitral institution or authority designated to administer the arbitration proceedings. The Concerned Body may have the authority to decide on the number of arbitrators if the parties have not agreed on the number themselves.
- 4. Variation from Default Number: The law allows for variations from the default number of three arbitrators if the Concerned Body makes such a decision. This provision ensures that, even in the absence of an agreement between the parties, the Concerned Body can tailor the composition of the arbitral tribunal to suit the specific circumstances of the dispute.

Overall, Article 9.1 of the UAE Arbitration Law offers parties the autonomy to decide on the number of arbitrators in the arbitral tribunal through mutual agreement. The provision also provides a default option of three arbitrators in the absence of such an agreement. By allowing for flexibility in the composition of the arbitral tribunal, the law accommodates the parties' preferences and contributes to the efficient and effective resolution of disputes through arbitration in the UAE.

### 9.2. The number of arbitrators, if several, shall be uneven, otherwise the Arbitration is void.

Article 9.2 of the UAE Arbitration Law establishes the rule that in a multi-arbitrator tribunal, the number of arbitrators must be odd (uneven). If the number of arbitrators is even, the arbitration will be considered void. Key points to note:

1. Odd Number of Arbitrators: The provision emphasises the importance of having an odd number of arbitrators in a multi-arbitrator tribunal. An odd number ensures that there is no possibility of a tie when voting on a decision, thereby avoiding a deadlock in the arbitration proceedings.



- 2. Avoiding Deadlock: In multi-arbitrator tribunals, decisions are typically made by a majority vote. Having an odd number of arbitrators ensures that there will always be a clear majority in favour of a decision, preventing a situation where there is an equal number of votes for and against a particular issue.
- 3. Void Arbitration: If the number of arbitrators is even (e.g., two arbitrators), the arbitration proceedings will be considered void. This means that the arbitration agreement would not be enforceable, and the dispute would not be resolved through arbitration.
- 4. Party Autonomy: The rule regarding an odd number of arbitrators is in line with the principle of party autonomy, allowing parties to choose the composition of the arbitral tribunal in a manner that ensures a fair and efficient resolution of their dispute.

Overall, Article 9.2 of the UAE Arbitration Law highlights the significance of an odd number of arbitrators in a multi-arbitrator tribunal. By requiring an odd number, the law aims to prevent potential deadlocks in decision-making, ensuring that arbitration proceedings can progress smoothly and efficiently. This provision promotes the integrity and efficacy of arbitration as a dispute resolution mechanism in the UAE, encouraging parties to consider the appropriate number of arbitrators when agreeing to arbitration and preserving the enforceability of their arbitration agreements.

### **ARTICLE (10) REQUIRED QUALIFICATIONS OF ARBITRATORS**<sup>2</sup>

10.1 In addition to the qualifications agreed upon by the Parties, an Arbitrator must:

a. be a natural person who is not a minor, under court's interdiction order or deprived of civil rights by reason of bankruptcy, unless he has been discharged, or due to a felony or misdemeanour conviction for an offence involving moral turpitude or dishonesty, even if he has been rehabilitated.

b. not be a member of a board of trustees, executive management or administrative apparatus of the concerned Arbitration Institution administering the arbitration case in the State.

c. not have a direct relationship with any of the Parties to the arbitration case that would prejudice his impartiality, integrity, or independence.

Article 10.1 of the UAE Arbitration Law outlines the necessary qualifications and conditions an individual must meet to serve as an arbitrator. Key points to note:

- 1. General Qualifications: The article sets a baseline for arbitrator qualifications. However, it also emphasises that these are in addition to any other qualifications the parties involved might have agreed upon. This means that the parties in the arbitration can set additional or specific criteria for an arbitrator, as long as those criteria do not contradict the law.
- 2. Point (a): Personal and Legal Qualifications:

<sup>&</sup>lt;sup>2</sup> Source: https://www.galadarilaw.com/wp-content/uploads/2023/10/UAE-Introduces-Changes-to-the-UAE-Arbitration-Law.pdf.

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- a. Natural person: The arbitrator must be a real individual, not a legal entity or corporation.
- b. Age and legal competence: The arbitrator should not be a minor, highlighting the need for legal capacity and maturity.
- c. Legal standing: An arbitrator should not be under a court's interdiction order or have their civil rights stripped due to bankruptcy or certain criminal convictions. This is significant as it ensures that the arbitrator has a clean legal record and is in good standing with the law.
- d. There are exceptions, such as if someone has been discharged from bankruptcy or has been rehabilitated after a conviction. This offers a pathway for individuals who have made amends or corrected their past mistakes to serve as arbitrators.
- 3. Point (b): Independence from Arbitration Institution: The arbitrator should not hold certain positions (like being part of the board of trustees, executive management, or administrative apparatus) within the arbitration institution handling the case. This ensures that there's no conflict of interest or undue influence, maintaining the neutrality and fairness of the arbitration process.
- 4. Point (c): Impartiality: An arbitrator must not have a direct relationship with any parties involved in the arbitration. The goal is to prevent any biases, ensuring that the arbitrator can make decisions impartially. This emphasises the fundamental principle of arbitration, which is to provide a neutral, unbiased resolution to disputes.

In summary, Article 10.1 is designed to ensure the credibility, impartiality, and integrity of arbitrators in the UAE. By setting clear qualifications and restrictions, it aims to foster trust in the arbitration process and ensure that decisions are made without bias or undue influence.

## 2. An Arbitrator is not required to be of a specific gender or certain nationality, unless otherwise agreed by the Parties or provided by Law.

Article 10.2 of the UAE Arbitration Law addresses the issues of gender and nationality in relation to the qualifications of an arbitrator. Key points to note:

- 1. No Gender or Nationality Bias: At its core, this provision emphasises neutrality and nondiscrimination in the appointment of arbitrators. The law clearly states that an arbitrator's qualifications are not contingent upon their gender or nationality. This aligns with international best practices, ensuring that arbitration remains a process driven by merit and capability rather than biased factors.
- 2. Party Autonomy: The article allows for exceptions in instances where the parties involved in the arbitration mutually decide to specify certain criteria related to gender or nationality. This reflects the principle of party autonomy in arbitration, where parties have significant freedom to determine the terms of their arbitration agreement.
- 3. Legal Provisions: The article mentions another exception, which is if there is a provision in the law that requires a specific gender or nationality for the arbitrator. While the



general principle is non-discrimination, there might be certain legal contexts or specific types of disputes where such provisions are deemed necessary for cultural, political, or other reasons.

In summary, Article 10.2 champions the principles of equality, non-discrimination, and meritocracy in the arbitration process. However, it also respects the autonomy of the parties to decide on their arbitrator's qualifications and acknowledges that there might be specific legal contexts requiring particular gender or nationality considerations.

10.3. Whoever is notified of his possible appointment as an Arbitrator shall declare, in writing, all circumstances that are likely to give rise to doubts as to his impartiality or independence, and he, as from the date of his appointment and throughout the arbitration proceedings, shall, without delay, disclose to the Parties and other Arbitrators any such circumstances that may arise and which may give rise to doubts as to his impartiality or independence, unless he has already informed them of such circumstance.

Article 10.3 of the UAE Arbitration Law delves into the transparency and disclosure requirements for a potential or appointed arbitrator. Key points to note:

- 1. Proactive Transparency: Before formal appointment, anyone being considered as a potential arbitrator must proactively disclose, in writing, any situations or circumstances that could raise questions about their impartiality or independence. This preemptive measure ensures that parties are well-informed and can make decisions based on full knowledge.
- 2. Ongoing Obligation:
  - a. The arbitrator's duty to disclose does not end upon their appointment. Throughout the arbitration proceedings, they are obligated to continually disclose any new circumstances that arise which could lead to potential doubts about their impartiality or independence.
  - b. This ongoing requirement ensures that the arbitrator remains transparent and trustworthy during the entire arbitration process.
- 3. Direct Communication: The article emphasises that the arbitrator should promptly communicate any such disclosures to both the parties and the other arbitrators. This collective communication ensures all stakeholders are equally informed, promoting a transparent and fair process.
- 4. No Redundancy: The last part of the article provides that if the arbitrator has already informed the parties and other arbitrators of certain circumstances, there's no need to repeatedly disclose the same information. This avoids unnecessary redundancy and ensures that the focus remains on relevant, new information.

In summary, Article 10.3 underscores the paramount importance of transparency, integrity, and trustworthiness in the arbitration process. By obligating potential and appointed arbitrators to disclose any conflicts or potential conflicts, the article seeks to ensure that the arbitration process remains unbiased, fair, and respected by all parties involved.



ARTICLE (10) BIS CONDITIONS FOR APPOINTING AN ARBITRATOR FROM THE MEMBERS OF THE SUPERVISORY OR CONTROLLING BODIES OF THE CONCERNED ARBITRATION INSTITUTION<sup>3</sup>

**1.** Notwithstanding the provisions of paragraph **1(b)** of Article **10** of the present Decree- Law, the Parties may appoint an Arbitrator from among the board of directors, the board of trustees, or those in similar positions in the supervisory or controlling bodies of the concerned Arbitration Institution administering the arbitration case in the State, if the following conditions are present:

a. The regulations of the Arbitration Institution administering the arbitration case do not prohibit this.

b. The Arbitration Institution administering the arbitration case has a special governance system for regulating the work of the aforementioned Arbitrator in a way that achieves separation of duties and impartiality, and in a way that prevents the occurrence of a conflict of interest or the emergence of any case of preferential advantage for that member compared to his other counterparts, and in a way that regulates the mechanism of appointment, dismissal and recusal of the Arbitrator if any of the specified cases in this regard occurred.

c. The Arbitrator is neither sole Arbitrator nor head of the Arbitral Tribunal.

d. The Parties to the arbitration case declare in writing their knowledge of the Arbitrator's membership in the board of directors, the board of trustees, or any such supervisory or controlling body of the Arbitration Institution administering the arbitration case in the State, and that there is no objection or reservation on their part to that appointment.

e. The concerned Arbitration Institution has a special mechanism for secure reporting of any violations committed by Arbitrators.

f. The number of arbitration cases in which the Arbitrator is a member does not exceed (5) five cases per year.

g. The Arbitrator submits a written undertaking that:

1) To not use his position in a way that may create a conflict of interest, or cause him to obtain or enjoy a preferential advantage or interest compared to his other counterpart Arbitrators.

2) To not participate, deliberate, review, vote, attend meetings, or in any way influence the conduct of the arbitration case procedures, by virtue of his membership in the board of directors, the board of trustees, or similar supervisory or controlling bodies of the

<sup>&</sup>lt;sup>3</sup> Source: https://www.galadarilaw.com/wp-content/uploads/2023/10/UAE-Introduces-Changes-to-the-UAE-Arbitration-Law.pdf.

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concerned Arbitration Institution administering the arbitration case during the period of his appointment as an Arbitrator.

### h. Any other conditions or requirements determined by the concerned Arbitration Institution.

Article 10-bis(1) of the UAE Arbitration Law provides an exception to the general rule mentioned in Article 10(1)(b), allowing the parties to appoint an Arbitrator who holds a position within the supervisory or controlling bodies of the concerned Arbitration Institution. This provision ensures that such appointments are made transparently and without compromising the integrity of the arbitration process. Key points to note:

- 1. Exception to the General Rule: While Article 10(1)(b) generally restricts members of supervisory or controlling bodies of the Arbitration Institution from being appointed as arbitrators, Article 10 bis 1 allows for exceptions if certain conditions are met.
- 2. Conditions for the Exception:
  - a. Regulations of the Arbitration Institution: The institution's own regulations should not prohibit such appointments. This means that the primary governing body of the arbitration institution allows for such exceptions.
  - b. Governance System: The Arbitration Institution should have a distinct governance system to ensure that duties of the arbitrator are separated from their role in the supervisory body. This is pivotal to ensure impartiality and avoid conflicts of interest.
  - c. Role of the Arbitrator: The arbitrator cannot be the sole arbitrator or head of the Arbitral Tribunal, reducing potential influence and power concentration.
  - d. Knowledge and Consent: Parties must be fully aware of the arbitrator's affiliation with the supervisory body and should provide written consent, indicating their informed choice without any reservations.
  - e. Mechanism for Reporting Violations: The Arbitration Institution should have a system in place to report any misconduct by arbitrators, ensuring accountability and transparency.
  - f. Case Limit: To prevent over-representation or undue influence, an arbitrator from such bodies cannot be a member of more than five arbitration cases in a year.
  - g. Written Undertaking by the Arbitrator:
    - i. The arbitrator commits not to use their position to create conflicts of interest or gain preferential treatment.
    - ii. They also pledge not to influence the arbitration proceedings due to their membership in the institution's supervisory body.
  - h. Additional Conditions: The Arbitration Institution can impose other conditions as it sees fit to maintain the integrity of the arbitration process.



In summary, while Article 10 bis 1 provides an exception, it does so with stringent checks and balances to maintain the sanctity of the arbitration process. It underscores the importance of impartiality, transparency, and informed consent in the appointment of arbitrators, especially when potential conflicts of interest may arise.

2. Violation of the conditions referred to in this Article shall result in the invalidity of the Arbitral Award issued in the arbitration case, and the Parties shall have the right to demand any civil compensation from the concerned Arbitration Institution and the violating Arbitrator in accordance with the legislations in force in the State.

Article 10-bis(2) deals with the consequences of not adhering to the conditions mentioned previously for appointing an Arbitrator from within the supervisory or controlling bodies of the Arbitration Institution. The focus of this provision is on ensuring the integrity and legitimacy of the arbitration process. Key points to note:

- 1. Consequence of Violation: The primary ramification of not following the stipulated conditions is the invalidation of the Arbitral Award. This is a significant consequence, emphasizing the criticality of maintaining impartiality and the prescribed standards in the arbitration process. The award, being the culmination of the arbitration proceedings, is rendered void if any of the conditions are not met, leading to a potential restart of the arbitration or recourse to other legal avenues.
- 2. Right to Civil Compensation: Beyond the invalidity of the award, the article provides parties with the right to claim civil compensation. This right extends towards: a. The Concerned Arbitration Institution: Holding the institution accountable highlights the responsibility they have in ensuring the proper appointment of arbitrators and adherence to the conditions. It places an onus on the institution to maintain rigorous standards. b. The Violating Arbitrator: The arbitrator, if found in violation, is also directly liable. This serves as a deterrent for arbitrators to ensure they adhere strictly to the conditions and maintain the integrity of their role.
- 3. Legislation in Force in the State: The basis for seeking compensation and the framework for it would be determined by the existing legislations in the UAE. This emphasises the need for parties and arbitrators to be well-acquainted with the local laws and regulations governing arbitration.

In conclusion, this part of Article 10-bis(1) underscores the importance of the previously mentioned conditions by setting clear consequences for their violation. The article strengthens the credibility of the arbitration process in the UAE by ensuring accountability both at the institutional and individual arbitrator levels. It is a strong safeguard for parties, ensuring they receive a fair and unbiased arbitration process.

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### **ARTICLE (11) COMPOSITION OF ARBITRAL TRIBUNAL**

## **11.1.** The Parties are free to agree on a procedure of appointing the arbitrator or arbitrators and the time and method of appointment.

Article 11.1 of the UAE Arbitration Law affirms the principle of party autonomy in the arbitration process. It grants the parties the freedom to determine the procedure for appointing arbitrators, as well as the timing and method of the appointment. Key points to note:

- 1. Party Autonomy: The UAE Arbitration Law recognises the principle of party autonomy as a cornerstone of arbitration. This means that the parties involved in an arbitration have the freedom to make their own decisions and agreements concerning various aspects of the arbitration proceedings, including the appointment of arbitrators.
- 2. Flexibility in Procedure: By allowing the parties to agree on the procedure for appointing arbitrators, the law provides flexibility to accommodate the specific needs and preferences of the parties. This flexibility enables the parties to tailor the arbitration process to their particular dispute and circumstances.
- 3. Timing and Method of Appointment: The provision also permits the parties to decide on the timing of the arbitrator's appointment and the method through which the appointment will take place. This may involve specific timelines for appointment or the adoption of certain procedures for selection.
- 4. Institutional Rules: In some cases, the parties may choose to adopt institutional rules for the appointment of arbitrators. These rules are typically provided by recognised arbitral institutions and can offer a structured and well-established process for the appointment of arbitrators.

Overall, Article 11.1 of the UAE Arbitration Law empowers the parties with considerable freedom and control over the appointment of arbitrators in their disputes. This provision reflects the pro-arbitration stance of the UAE and the commitment to facilitating a fair and efficient arbitration process tailored to the parties' specific needs. The principle of party autonomy ensures that the parties have a meaningful say in the arbitration proceedings, contributing to the overall effectiveness and legitimacy of arbitration as a method of dispute resolution in the UAE.

11.2. In an Arbitration with a sole Arbitrator, if the Parties are unable to agree on the Arbitrator within fifteen days after either party submits a written request to the other party requesting such appointment, he shall be appointed, upon request of a party, by the Concerned Body. The decision on the matter shall be subject to no appeal, without prejudice to the provisions of Article 14 of this Law.

Article 11.2 of the UAE Arbitration Law establishes the process for appointing a sole arbitrator when the parties cannot reach an agreement on the arbitrator within a defined period. It also outlines the authority of the Concerned Body to make the appointment upon request by a party, and the finality of the decision without the possibility of appeal, subject to certain exceptions. Key points to note:

1. Appointment Procedure: The provision applies specifically to cases where the arbitration involves a sole arbitrator, meaning there is only one arbitrator to be appointed. If the



parties cannot agree on the arbitrator within fifteen days after one party submits a written request to the other party for the appointment, the default appointment procedure comes into effect.

- 2. Concerned Body: The "Concerned Body" referred to in the article is likely the arbitral institution or authority designated to administer the arbitration proceedings. This body has the authority to appoint the sole arbitrator when the parties fail to agree.
- 3. Request for Appointment: To trigger the appointment process, one of the parties must submit a written request to the other party for the appointment of the sole arbitrator. If no agreement is reached within fifteen days of such a request, a party can then request the Concerned Body to make the appointment.
- 4. Finality of Decision: The decision of the Concerned Body in appointing the sole arbitrator is considered final and not subject to appeal. This means that the parties must abide by the appointment made by the Concerned Body, and there is no recourse for challenging or appealing that decision.
- 5. Exception in Article 14: The article mentions Article 14 of the UAE Arbitration Law, which likely contains provisions regarding the challenge and removal of arbitrators. While the appointment decision is not appealable, there may be provisions in Article 14 that allow for challenges to the arbitrator's appointment based on specific grounds.

Overall, Article 11.2 of the UAE Arbitration Law ensures that the arbitration process can move forward smoothly even if the parties cannot agree on the appointment of a sole arbitrator. By providing a clear default procedure for appointment and vesting authority in the Concerned Body, the law promotes efficiency and certainty in the arbitration proceedings. The finality of the appointment decision helps prevent unnecessary delays and ensures that the dispute resolution process remains effective and timely.

11.3. In an Arbitration with three arbitrators, each party shall appoint one arbitrator, and the two arbitrators thus appointed shall appoint the third arbitrator; if a party fails to appoint the arbitrator within fifteen days of receipt of a request to do so from the other party, or if the two arbitrators fail to agree on the third arbitrator within fifteen days of appointment of the last Arbitrator, the appointment shall be promptly made, upon request of a party, by the Concerned Body. The decision on the matter shall be subject to no appeal, without prejudice to the provisions of Article 14 of this Law.

Article 11.3 of the UAE Arbitration Law outlines the specific procedure for appointing arbitrators in an arbitration with three arbitrators. It describes the roles and responsibilities of the parties in appointing the arbitrators and the involvement of the Concerned Body if there are delays or disagreements in the appointment process. Key points to note:

1. Three-Arbitrator Tribunal: The article applies to arbitrations where the arbitral tribunal consists of three arbitrators. In such cases, each party has the right to appoint one arbitrator, and the two party-appointed arbitrators are tasked with appointing the third arbitrator, who typically serves as the presiding arbitrator.

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- 2. Party Appointments: The parties have the responsibility to appoint their respective arbitrators. The appointment process begins with each party selecting one arbitrator.
- 3. Third Arbitrator: After the two party-appointed arbitrators are in place, they collaborate to select the third arbitrator. This appointment is crucial as the third arbitrator, often referred to as the presiding arbitrator or chairman, can have a significant impact on the direction and conduct of the arbitration proceedings.
- 4. Concerned Body Intervention: If a party fails to appoint its arbitrator within fifteen days of receiving a request from the other party, or if the two party-appointed arbitrators cannot agree on the third arbitrator within fifteen days of the last arbitrator's appointment, the Concerned Body steps in to make the appointment promptly upon request from a party.
- 5. Finality of Decision: Similar to Article 11.2, the decision made by the Concerned Body regarding the appointment of the third arbitrator is considered final and not subject to appeal, except for any provisions related to the challenge and removal of arbitrators in Article 14 of the UAE Arbitration Law.

Overall, Article 11.3 of the UAE Arbitration Law establishes a clear and structured procedure for appointing arbitrators in a three-arbitrator tribunal. By providing this mechanism, the law ensures that the appointment process moves forward effectively, even in situations where the parties encounter difficulties in making appointments or reaching agreements. The finality of the appointment decision by the Concerned Body helps maintain the efficiency and integrity of the arbitration process in the UAE.

# 11.4. The Concerned Body in appointing an Arbitrator, shall have due regard to any qualifications required of the arbitrator by this Law or the agreement of the Parties as to secure the appointment of an independent and impartial Arbitrator.

Article 11.4 of the UAE Arbitration Law sets out the guiding principles for the Concerned Body when it is required to appoint an arbitrator in the arbitration proceedings. The appointment aims to ensure that the selected arbitrator possesses the necessary qualifications and exhibits qualities of independence and impartiality. Key points to note:

- Appointment by the Concerned Body: As described in Article 11.2 and 11.3, there may be situations where the parties are unable to agree on the appointment of an arbitrator, or there are delays or disputes in the appointment process. In such cases, the Concerned Body, which is likely the arbitral institution or authority designated to administer the arbitration proceedings, takes on the responsibility of appointing the arbitrator.
- 2. Qualifications Required: The Concerned Body is obligated to consider any qualifications that are required by the UAE Arbitration Law or agreed upon by the parties in their arbitration agreement. These qualifications may pertain to the expertise, experience, or professional background of the potential arbitrator. By taking into account these qualifications, the Concerned Body ensures that the appointed arbitrator is competent to handle the specific dispute.



- 3. Independence and Impartiality: An essential aspect of arbitration is the impartiality and independence of arbitrators. The Concerned Body must ensure that the appointed arbitrator is free from any bias, conflicts of interest, or external influences that could compromise their objectivity in the arbitration proceedings.
- 4. Fulfilling Party Autonomy: While the Concerned Body has the responsibility to appoint an arbitrator, it must do so while respecting the principle of party autonomy. This means that the Concerned Body must aim to appoint an arbitrator who aligns with the preferences and agreements of the parties, as far as possible.

Overall, Article 11.4 of the UAE Arbitration Law underscores the significance of selecting an arbitrator who possesses the required qualifications and maintains the qualities of independence and impartiality. The Concerned Body plays a crucial role in ensuring a fair and effective arbitration process by carefully considering these factors during the appointment process. By appointing competent and unbiased arbitrators, the UAE Arbitration Law promotes confidence in arbitration as a reliable means of dispute resolution in the country.

11.5. Where the Authorized Party does not appoint an Arbitrator in accordance with the procedures specified in the Parties' agreement or, in the absence of an agreement, this Law, either party may request the Court to take the necessary measure to appoint the complete Arbitral Tribunal. The Court's decision in this regard is subject to no appeal.

Article 11.5 of the UAE Arbitration Law addresses the remedy available to parties when the Authorised Party, responsible for appointing an arbitrator, fails to do so according to the agreed-upon procedures or the provisions of the UAE Arbitration Law. The article allows either party to request the court to intervene and appoint the complete arbitral tribunal. Key points to note:

- 1. Role of the Authorised Party: In arbitrations with multiple arbitrators, there is typically an Authorised Party, often specified in the arbitration agreement, responsible for appointing an arbitrator on behalf of one of the parties. The Authorised Party could be an arbitral institution, a designated authority, or a specific individual or entity agreed upon by the parties.
- 2. Failure to Appoint an Arbitrator: If the Authorised Party fails to appoint an arbitrator within the stipulated timeframe or in accordance with the agreed-upon procedures, either party involved in the arbitration has the right to seek intervention from the court.
- 3. Court Intervention: To address the situation of the Authorised Party's failure to appoint an arbitrator, either party can request the court to take the necessary measures to complete the composition of the arbitral tribunal. This means that the court will step in and appoint the arbitrator(s) that are missing.
- 4. Finality of Court Decision: The decision of the court to appoint the arbitrator(s) is considered final and not subject to appeal. This means that once the court has made the appointment, there is no recourse for challenging or appealing that decision.

Overall, Article 11.5 of the UAE Arbitration Law provides a mechanism for resolving situations where the Authorised Party does not fulfil its obligation to appoint an arbitrator in a timely and proper manner. By allowing either party to request court intervention, the article ensures that the arbitration



process can move forward even if there are delays or challenges in the appointment process. The finality of the court's decision reinforces the efficiency and integrity of the arbitration proceedings in the UAE.

11.6. If a request is submitted to the Concerned Body to appoint an Arbitrator, the Party submitting the request shall simultaneously forward a copy of the request to all the other Parties and any Arbitrator previously appointed in the same dispute. The request shall briefly state the subject matter of the dispute and any qualifications required of the proposed Arbitrator by the Arbitration Agreement as well as all the steps taken to appoint any remaining member of the Arbitral Tribunal.

Article 11.6 of the UAE Arbitration Law outlines the procedural requirements that must be followed when a party submits a request to the Concerned Body for the appointment of an arbitrator. The article emphasises transparency and communication among the parties and any previously appointed arbitrators in the same dispute. Key points to note:

- Request and Simultaneous Notification: When a party submits a request to the Concerned Body for the appointment of an arbitrator, the party must simultaneously provide a copy of the request to all the other parties involved in the arbitration and to any arbitrator(s) who have been previously appointed in the same dispute. This requirement ensures that all relevant parties are promptly informed of the appointment request and the ongoing developments in the arbitration proceedings.
- 2. Content of the Request: The requesting party must provide essential information in the appointment request. This includes a brief statement about the subject matter of the dispute, any qualifications required of the proposed arbitrator as stipulated in the arbitration agreement, and a summary of all the previous steps taken to appoint any other arbitrator(s) that are already part of the arbitral tribunal.
- 3. Promoting Transparency: By requiring simultaneous notification and sharing of information, Article 11.6 promotes transparency in the arbitration process. This enables all parties and arbitrators involved to be aware of the appointment request and to have a clear understanding of the current status of the arbitral tribunal.
- 4. Facilitating Cooperation: The provision encourages cooperation and open communication among the parties and arbitrators in the arbitration. This cooperative approach fosters a more efficient and effective resolution of the dispute.

Overall, Article 11.6 of the UAE Arbitration Law seeks to ensure that the process of appointing an arbitrator is conducted with transparency and effective communication among all relevant stakeholders. By adhering to these procedural requirements, the UAE Arbitration Law strengthens the integrity and efficiency of the arbitration proceedings, allowing for a fair and balanced resolution of disputes.

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### **11.7.** The third Arbitrator appointed in accordance with this article shall preside over the Arbitral Tribunal and this rule shall apply for an Arbitral Tribunal composed of more than three Arbitrators.

Article 11.7 of the UAE Arbitration Law specifies the position of the third arbitrator appointed in an arbitral tribunal and clarifies that this rule also applies to arbitral tribunals composed of more than three arbitrators. Key points to note:

- 1. Presiding Arbitrator: In a three-member arbitral tribunal, the third arbitrator, often referred to as the "presiding arbitrator" or "chairman", is responsible for leading the proceedings and overseeing the arbitration process. This individual typically holds a crucial role in managing the tribunal's decisions and ensuring a fair and efficient resolution of the dispute.
- 2. Role in Larger Arbitral Tribunals: The article clarifies that the rule regarding the third arbitrator's position as the presiding arbitrator also extends to arbitral tribunals composed of more than three arbitrators. In such cases, the rule ensures that the third arbitrator remains the presiding arbitrator and holds a central role in the proceedings.
- 3. Continuity and Efficiency: Designating a presiding arbitrator, particularly in larger tribunals, can help maintain continuity and streamline the arbitration process. Having a presiding arbitrator responsible for leading the proceedings can contribute to efficient decision-making and coordination among the arbitrators.

Overall, Article 11.7 of the UAE Arbitration Law provides clarity on the role of the third arbitrator in both three-member arbitral tribunals and tribunals with more than three arbitrators. By ensuring that the third arbitrator serves as the presiding arbitrator, the article promotes consistency, continuity, and effective management of the arbitration proceedings. This contributes to the overall efficiency and integrity of the arbitration process in the UAE.

11.8. The Court may, at the request of a party, request any Arbitration Institution in the State to provide it with a list of persons specializing in Arbitration for one to be appointed by the Court, once the applicable fees of the Arbitration Institution have been paid by the party filing the request which fees shall form part of the Arbitration costs.

Article 11.8 of the UAE Arbitration Law outlines the process by which the court can seek the assistance of an Arbitration Institution in appointing an arbitrator. This provision allows a party to request the court's intervention in selecting an arbitrator, and the court, in turn, can request an Arbitration Institution to provide a list of qualified arbitrators for potential appointment. Key points to note:

- 1. Court's Authority: The article empowers the court to step in and appoint an arbitrator when requested to do so by one of the parties involved in the arbitration proceedings. This intervention becomes necessary when the parties are unable to agree on the appointment of an arbitrator or when there are delays or disputes in the appointment process.
- 2. Assistance from an Arbitration Institution: Instead of the court directly appointing an arbitrator, it can seek the help of an Arbitration Institution within the UAE. The court can request the Arbitration Institution to provide a list of individuals who specialise in arbitration and are qualified to serve as arbitrators.



- 3. Request by the Party: The process is initiated upon the request of a party to the arbitration. If a party is unable to appoint an arbitrator or reach an agreement with the other party on the appointment, they can seek the court's assistance in this matter.
- 4. Payment of Fees: The party requesting the court's intervention is required to pay the applicable fees of the Arbitration Institution. These fees cover the cost of providing the list of potential arbitrators. Importantly, these fees are considered part of the overall arbitration costs and will likely be allocated as such.

Overall, Article 11.8 of the UAE Arbitration Law provides a mechanism for seeking the court's assistance in appointing an arbitrator when needed. By involving an Arbitration Institution in the process, the article aims to ensure that qualified and specialised arbitrators are considered for appointment, thereby reinforcing the integrity and efficiency of the arbitration proceedings. The provision seeks to strike a balance between party autonomy and the court's role in facilitating a fair and effective resolution of disputes through arbitration in the UAE.

### **ARTICLE (12) ARBITRAL DECISION MAKING**

12.1 In arbitral proceedings with more than one Arbitrator, any decision of the Arbitral Tribunal shall be made, unless otherwise agreed by the Parties, by a majority of all its members.

### However, questions of procedure may be decided by a presiding Arbitrator, if so authorized by the Parties or the other members of the Arbitral Tribunal.

Article 12.1 of the UAE Arbitration Law outlines the general principle regarding decision-making within an arbitral tribunal composed of more than one arbitrator. It states that any decision of the tribunal, unless agreed otherwise by the parties, must be reached by a majority vote of all its members. This means that a decision is valid if it is supported by more than half of the arbitrators on the tribunal. Article 12.1 also addresses the authority of the presiding arbitrator regarding procedural matters in the arbitral proceedings. It states that the presiding arbitrator can decide procedural issues if authorised to do so either by the parties or by the other members of the arbitral tribunal. Key points to note:

- 1. Majority Decision: The default rule is that decisions within the arbitral tribunal are made by a majority vote. This ensures that decisions represent the view of the majority of the arbitrators and fosters a consensus-based approach to resolving disputes.
- 2. Agreement of the Parties: Parties involved in the arbitration have the flexibility to agree on alternative decision-making procedures. They may choose to adopt a different voting requirement, such as unanimity or a supermajority (e.g., two-thirds majority), if they find it more suitable for their specific dispute or the nature of the arbitration.
- 3. Procedural Decision-Making: While substantive issues and final awards require a majority vote of all arbitrators, procedural matters can be handled differently. This provision allows the parties or other tribunal members to grant decision-making authority over procedural issues to the presiding arbitrator.
- 4. Efficient Case Management: Allowing the presiding arbitrator to decide procedural matters can enhance case management and streamline the arbitration process. The

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presiding arbitrator can handle administrative matters, scheduling, and other procedural issues efficiently without the need for full tribunal involvement.

Overall, Article 12.1 of the UAE Arbitration Law establishes the decision-making framework within an arbitral tribunal with multiple arbitrators. The default rule requires a majority vote for substantive issues, but parties have the flexibility to agree on different voting requirements. Additionally, the provision grants the presiding arbitrator authority over procedural matters if authorised, promoting efficiency and effective case management during the arbitration proceedings.

### ARTICLE (13) VIOLATION OF THE PROCEDURE FOR APPOINTING THE ARBITRAL TRIBUNAL

13.1 If a party violates the agreed procedure for selection of arbitrators, the Parties fail to agree, or the two appointed arbitrators have not agreed on a matter requiring their agreement, or if the third party, including the Authorized Party, fails to perform a function entrusted to it under such procedure, then the Court shall, at the request of a party, carry out the required measure unless the agreement provides other means for securing the appointment. The decision on the matter shall not be subject to appeal.

Article 13 of the UAE Arbitration Law addresses various scenarios where problems may arise in the process of selecting arbitrators or reaching agreements within the arbitral tribunal. These scenarios include:

- 1. Violation of Agreed Procedure: If one of the parties fails to follow the agreed-upon procedure for selecting arbitrators as specified in the arbitration agreement, this may result in a deadlock in the appointment process.
- 2. Failure to Reach Agreement: The parties may be unable to agree on certain matters related to the appointment of arbitrators or other essential aspects of the arbitration proceedings.
- 3. Failure of Appointed Arbitrators: If the two arbitrators already appointed are unable to agree on a matter that requires their joint decision, this can create a stalemate in the arbitration.
- 4. d) Failure of Third Party: In some cases, a third party, including the Authorised Party responsible for the appointment of arbitrators, may not fulfil its function as specified in the agreed procedure.

The article clarifies that in such situations, a party involved in the arbitration has the right to request the court to intervene and carry out the necessary measures to resolve the issues related to the appointment of arbitrators. Key points to note:

- 1. Court's Intervention: The article empowers the court to step in and rectify issues that hinder the proper functioning of the arbitral tribunal due to violations or failures in the appointment process.
- 2. Secure Appointment: The court's role is to ensure that the appointment of arbitrators is completed or that the necessary decisions are made within the arbitral tribunal to move the arbitration process forward.

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- 3. Appeal: The decision of the court regarding the required measures is considered final and is not subject to appeal. This reinforces the efficiency and finality of the court's intervention in securing the appointment of arbitrators.
- 4. Agreement Exceptions: The article acknowledges that the parties may have agreed on alternative means for securing the appointment of arbitrators, in which case the court's intervention may not be necessary.

Overall, Article 13 of the UAE Arbitration Law provides a mechanism for addressing situations where there are obstacles in the appointment process of arbitrators or in reaching agreements within the arbitral tribunal. By allowing the court to intervene and carry out the required measures, the article aims to ensure the smooth functioning of the arbitration proceedings and maintain the integrity of the dispute resolution process in the UAE.

### ARTICLE (14) CHALLENGING AN ARBITRATOR

14.1. An Arbitrator may be challenged only if circumstances exist that give rise to justifiable doubts as to his impartiality or independence, or if he does not possess the qualifications agreed to by the Parties or stipulated by this Law.

Article 14.1 of the UAE Arbitration Law establishes the grounds upon which a party can challenge the appointment of an arbitrator. The article provides three main grounds for challenging an arbitrator:

- 1. Impartiality or Independence: A party can challenge an arbitrator if there are circumstances that create reasonable doubts about the arbitrator's impartiality or independence. These doubts may arise due to any relationship or interest that could potentially bias the arbitrator's decision-making.
- 2. Lack of Agreed Qualifications: If the arbitrator does not possess the qualifications that were agreed upon by the parties in the arbitration agreement or those stipulated by the UAE Arbitration Law, a party can raise a challenge.

Key points to note:

- 3. High Threshold: Article 14.1 sets a high threshold for challenging an arbitrator. The grounds for challenging must involve justifiable doubts about impartiality, independence, or the arbitrator's qualifications. Mere disagreements with the arbitrator's decisions or viewpoints are generally insufficient for a successful challenge.
- 4. Protecting Fairness and Neutrality: The grounds for challenging an arbitrator aim to safeguard the principles of fairness and neutrality in the arbitration process. Parties should have confidence in the arbitrator's ability to render unbiased decisions.
- 5. Preserving Party Autonomy: The article reflects the principle of party autonomy in arbitration. It allows the parties to appoint arbitrators based on agreed qualifications and ensures that the parties can challenge an arbitrator if they believe there are valid reasons to do so.



Overall, Article 14.1 of the UAE Arbitration Law establishes a clear framework for challenging the appointment of an arbitrator. By providing specific grounds for such challenges, the article aims to maintain the integrity and credibility of the arbitration process in the UAE and uphold the principles of fairness and impartiality. It allows parties to raise legitimate concerns about the arbitrator's qualifications or independence while maintaining a high standard to prevent arbitrary challenges.

### **14.2.** A party may challenge an Arbitrator appointed by him, or in whose appointment he has participated, only for reasons of which he becomes aware after the appointment has been made.

Article 14.2 of the UAE Arbitration Law sets a limitation on when a party can challenge an arbitrator they have either appointed or participated in appointing. The article specifies that a party can only challenge such an arbitrator if they become aware of valid reasons for the challenge after the arbitrator's appointment has been made. Key points to note:

- 1. Timing of Challenges: The article establishes a rule to prevent parties from raising challenges to an arbitrator's appointment based on reasons they were already aware of at the time of appointment. In other words, if a party was aware of the grounds for challenging the arbitrator before the appointment was made, they cannot use those same grounds to challenge the arbitrator later.
- 2. Ensuring Certainty: By limiting the timing of challenges, Article 14.2 aims to provide certainty and stability to the arbitration process. Once an arbitrator has been appointed, it is generally in the interest of efficiency and finality that the appointment remains in place, barring new and unforeseen reasons for challenging the arbitrator.
- 3. Preventing Strategic Challenges: The provision prevents strategic behaviour by parties who may appoint an arbitrator and later try to remove them based on reasons they knew existed from the outset. This helps maintain the integrity of the appointment process and avoids unnecessary disruptions to the arbitration proceedings.

Overall, Article 14.2 of the UAE Arbitration Law seeks to strike a balance between ensuring fairness and allowing parties to challenge arbitrators for legitimate reasons while avoiding undue delays and disruptions in the arbitration process. By requiring parties to raise challenges only for reasons that emerged after the arbitrator's appointment, the article promotes efficiency and finality in arbitration proceedings in the UAE.

### 14.3. A challenge shall not be accepted from a party who has previously presented a challenge against the same Arbitrator, in the same Arbitration and for the same reasons.

Article 14.3 of the UAE Arbitration Law sets a limitation on the acceptance of challenges against an arbitrator. The article specifies that a party cannot repeatedly submit challenges against the same arbitrator within the same arbitration proceedings and for the same reasons. Key points to note:

1. Prohibition of Repetitive Challenges: The article aims to prevent parties from raising multiple challenges against the same arbitrator using the same grounds. Once a challenge has been decided upon and rejected, a party cannot re-submit the same challenge for the same reasons in the ongoing arbitration.

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- 2. Ensuring Efficiency: By prohibiting repetitive challenges, the article seeks to promote efficiency in the arbitration process. Multiple challenges against the same arbitrator could lead to unnecessary delays and disruptions in the proceedings.
- 3. Finality of Challenge Decisions: Once a challenge has been addressed and decided upon by the arbitral tribunal or the relevant authority, the decision is expected to be final, and parties are not allowed to re-litigate the same challenge.

Overall, Article 14.3 of the UAE Arbitration Law aims to maintain the integrity and efficiency of the arbitration process by preventing parties from repeatedly challenging the same arbitrator with the same grounds within the same arbitration proceedings. The provision contributes to the finality of decisions related to arbitrator challenges and ensures a more streamlined and effective dispute resolution process in the UAE.

### ARTICLE (15) CHALLENGE PROCEDURE

The Parties are free to agree on a procedure for challenging an Arbitrator; otherwise the following procedure shall apply:

15.1. A party who intends to challenge an Arbitrator shall, within fifteen days after becoming aware of the appointment of that Arbitrator or after becoming aware of any circumstances justifying the challenge, send, in writing, a notice of challenge stating its motives to the challenged Arbitrator, with a copy to the other appointed members of the Arbitral Tribunal and the other Parties.

The introductory part of Article 15 of the UAE Arbitration Law highlights the principle of party autonomy in arbitration. It states that the parties are free to agree on their own procedure for challenging an arbitrator. If the parties have not agreed on a specific procedure, the default procedure outlined in the subsequent sections of Article 15.1 shall apply. Key points to note:

- 1. Party Autonomy: The article emphasises the importance of party autonomy in arbitration. It allows the parties to customise their arbitration process and adopt procedures that best suit their needs and preferences.
- 2. Default Procedure: In the absence of an agreed-upon procedure, the subsequent sections of Article 15.1 will guide the process for challenging an arbitrator.

Article 15.1 of the UAE Arbitration Law sets out the timeline and the required steps for a party intending to challenge an arbitrator. Key points to note:

- 1. Timeline: The challenging party must act promptly. They have fifteen days from the moment they become aware of the appointment of the arbitrator or any circumstances justifying the challenge to submit their written notice of challenge.
- 2. Written Notice: The challenge must be communicated in writing. The challenging party must provide a formal written notice to the arbitrator they intend to challenge. A copy of this notice must also be sent to the other appointed members of the arbitral tribunal and all other parties involved in the arbitration.



3. Statement of Motives: The notice of challenge must contain the specific reasons or motives justifying the challenge. The challenging party must clearly articulate the grounds for their objection to the arbitrator's appointment.

Overall, Article 15.1 of the UAE Arbitration Law emphasises the importance of party autonomy in arbitration and provides a default procedure for challenging an arbitrator when the parties have not agreed on a specific process. By setting a clear timeline and requiring a written notice with reasons, the article aims to ensure that challenges to arbitrators are addressed in a timely and transparent manner, promoting the efficiency and fairness of the arbitration process in the UAE.

15.2. If the challenged Arbitrator does not withdraw or the other party does not agree to the challenge within fifteen days from the date of the notice of challenge given to the Arbitrator in accordance with Article 24 of this Law, the challenging party may present it to the Concerned Body within fifteen days after the first fifteen-day period. The Concerned Body then has ten days to decide the challenge and its decision shall be subject to no appeal.

Article 15.2 of the UAE Arbitration Law establishes a timeline for the challenging party to take further action if the challenged arbitrator does not withdraw or if the other party does not agree to the challenge within the initial fifteen-day period. It also outlines the timeline and finality of the decision-making process by the Concerned Body. Key points to note:

- 1. Initial Fifteen-Day Period: The challenging party must give the notice of challenge to the arbitrator in accordance with Article 24 of the UAE Arbitration Law. After this notice is given, there is a fifteen-day period for the challenged arbitrator to withdraw or for the other party to agree to the challenge.
- 2. Absence of Withdrawal or Agreement: If the challenged arbitrator does not withdraw and the other party does not agree to the challenge within the initial fifteen-day period, the challenging party can proceed to the next step.
- 3. Presenting the Challenge to the Concerned Body: After the first fifteen-day period has elapsed without withdrawal or agreement, the challenging party has another fifteen days to present the challenge to the "Concerned Body". The Concerned Body is likely a competent authority or institution designated by the UAE Arbitration Law to handle such challenges.
- 4. Decision by the Concerned Body: After the challenging party presents the challenge to the Concerned Body, the Concerned Body has ten days to make a decision on the challenge. The Concerned Body will consider the merits of the challenge and decide whether the arbitrator in question should be removed or not.
- 5. Finality of the Decision: The decision of the Concerned Body is considered final and is not subject to appeal. This emphasises the importance of the Concerned Body's role in making timely and conclusive decisions on arbitrator challenges.

Overall, Article 15.2 of the UAE Arbitration Law provides a structured procedure for handling challenges to arbitrators when they do not withdraw or when the other party does not agree to the challenge within the initial fifteen-day period. By setting specific timelines for each step and ensuring



the finality of the Concerned Body's decision, the article aims to promote the efficiency and certainty of the arbitrator challenge process in the UAE.

# 15.3. Notification of the challenge to the Arbitrator or its presentation to the Concerned Body shall not stay the arbitration proceedings and the Arbitral Tribunal, including the challenged Arbitrator, may continue the arbitral proceedings and make an arbitral award, even if the Concerned Body has not made a determination on the challenge.

Article 15.3 of the UAE Arbitration Law establishes the following principles related to arbitrator challenges and the continuation of arbitration proceedings:

- 1. Effect on Arbitration Proceedings: Notifying the arbitrator of the challenge or presenting the challenge to the Concerned Body does not automatically stay or halt the ongoing arbitration proceedings.
- 2. Continuation of Arbitration Proceedings: Despite the challenge to the arbitrator, the arbitral tribunal, including the challenged arbitrator, can continue with the arbitration proceedings.
- 3. Making an Arbitral Award: The arbitral tribunal retains the authority to make an arbitral award even if the Concerned Body has not yet made a determination on the challenge.

Key points to note:

- 1. No Automatic Stay: Unlike court proceedings, where the filing of a challenge may lead to a stay of the proceedings, arbitration proceedings continue without interruption even after a challenge to an arbitrator has been raised.
- 2. Preserving Efficiency: Allowing the arbitration proceedings to continue even after a challenge is raised ensures that the dispute resolution process remains efficient and timely. This avoids unnecessary delays that could arise if the proceedings were automatically stayed pending the resolution of the challenge.
- 3. Finality of Arbitral Award: The article reinforces the finality of arbitral awards by allowing the arbitral tribunal to render a decision and make an arbitral award, even if a challenge to an arbitrator is pending. The Concerned Body's determination on the challenge does not impact the validity of the arbitral award.

Overall, Article 15.3 of the UAE Arbitration Law ensures that the arbitration proceedings continue without interruption even when a challenge to an arbitrator is raised. By allowing the arbitral tribunal to proceed and make an award, the article aims to maintain the efficiency and effectiveness of arbitration as a method of dispute resolution in the UAE. The finality of arbitral awards is also reinforced, irrespective of the status of the arbitrator challenge.



### **15.4.** If an Arbitrator withdraws from his office or the Parties agree to the termination of the mandate of an Arbitrator, this does not imply acceptance of the validity of the grounds of challenge.

Article 15.4 of the UAE Arbitration Law establishes the principle that if an arbitrator voluntarily withdraws from their office or the parties mutually agree to terminate the mandate of the arbitrator, it does not imply acceptance of the validity of the grounds on which the arbitrator was challenged. Key points to note:

- 1. Voluntary Withdrawal: An arbitrator may decide to withdraw voluntarily from their position due to personal reasons or to avoid any perceived conflicts or challenges to their impartiality or independence.
- 2. Mutual Agreement: The parties involved in the arbitration may also agree to terminate the mandate of an arbitrator if they believe it is in the best interest of the proceedings.
- 3. No Acceptance of Validity: Article 15.4 explicitly states that the voluntary withdrawal of the arbitrator or the mutual agreement to terminate their mandate should not be interpreted as an admission or acceptance of the validity of the grounds on which the arbitrator was challenged.

### Importance:

- 1. Clarifying Intent: Article 15.4 clarifies the intent behind an arbitrator's withdrawal or termination of mandate. It ensures that the arbitrator's decision to step down or the parties' decision to terminate the mandate is not construed as an acknowledgment of the merits of the challenge raised against the arbitrator.
- 2. Preserving Neutrality: By maintaining that the withdrawal or termination does not imply acceptance of the challenge's validity, the article reinforces the importance of preserving the neutrality and impartiality of the arbitration process.

Overall, Article 15.4 of the UAE Arbitration Law provides clarity on the implications of an arbitrator's voluntary withdrawal or the parties' mutual agreement to terminate the mandate. It safeguards the process's fairness and ensures that such actions do not affect the evaluation of the merits of the challenge previously raised against the arbitrator.

## 15.5. If the Concerned Body decides to remove the Arbitrator, it may decide to pay the Arbitrator such fees and expenses as it considers appropriate or to reimburse any expenses or costs already paid to him, which decision shall be subject to no appeal.

Article 15.5 of the UAE Arbitration Law provides for the possible actions of the Concerned Body following its decision to remove an arbitrator from their position:

1. Payment of Fees and Expenses: The Concerned Body has the authority to determine the amount of fees and expenses that the removed arbitrator is entitled to receive for their services up to the date of their removal. This payment is made at the discretion of the Concerned Body, and it has the power to decide what it considers appropriate in light of the arbitrator's contribution to the proceedings.



- 2. Reimbursement of Expenses: If the removed arbitrator has already incurred expenses or costs related to the arbitration, the Concerned Body may also decide to reimburse them for those expenses.
- 3. No Appeal: The decision of the Concerned Body regarding the payment of fees and expenses or the reimbursement of costs to the removed arbitrator is stated to be final and not subject to appeal.

- 1. Fair Compensation: The provision ensures that if an arbitrator is removed, they will be fairly compensated for their time and efforts up to the point of their removal. The Concerned Body is entrusted with determining the appropriate payment, taking into account the services rendered by the arbitrator.
- 2. Protecting the Process: The article aims to protect the integrity of the arbitration process. By providing for the payment of fees and expenses or reimbursement of costs, the provision encourages arbitrators to participate diligently while discouraging unnecessary challenges to arbitrators without valid reasons.
- 3. Finality of Decision: The article emphasises the finality of the Concerned Body's decision regarding the payment of fees and expenses to the removed arbitrator. This finality helps avoid further disputes or challenges related to the compensation of the arbitrator.

Overall, Article 15.5 of the UAE Arbitration Law establishes the authority of the Concerned Body to decide on the payment of fees and expenses to a removed arbitrator, ensuring that they are fairly compensated for their services while promoting the efficiency and effectiveness of the arbitration process.

### ARTICLE (16) TERMINATION OF THE MANDATE OF THE ARBITRAL TRIBUNAL

16.1. If an Arbitrator is unable to perform his functions or ceases to do so or otherwise fails to act in a manner that leads to unjustifiable delay in the arbitral proceedings, or deliberately fails to act in accordance with the Arbitration Agreement despite being notified by all means of notification and communication applicable in the State, without withdrawing from his office or the Parties agreeing to terminate his mandate, the Concerned Body may, at the request of a party, after hearing the statements and defence of the Arbitrator, terminate his mandate, which decision shall be subject to no appeal.

Article 16.1 of the UAE Arbitration Law outlines the circumstances under which the Concerned Body can terminate an arbitrator's mandate upon a party's request:

- 1. Inability or Cessation of Functions: If the arbitrator becomes unable to perform their functions or voluntarily ceases to act as an arbitrator during the arbitration process, the Concerned Body may step in to address the situation.
- 2. Unjustifiable Delay: If the arbitrator's actions or inactions result in unjustifiable delays in the arbitral proceedings, the Concerned Body can intervene.



- 3. Failure to Act in Accordance with the Arbitration Agreement: If the arbitrator deliberately fails to act in accordance with the terms of the Arbitration Agreement, despite being notified through all means of communication applicable in the State, the Concerned Body can take action.
- 4. No Withdrawal or Mutual Agreement: The article emphasises that these actions can be taken when the arbitrator has not voluntarily withdrawn from their position, and the parties have not mutually agreed to terminate the arbitrator's mandate.
- 5. Request by a Party: The Concerned Body's intervention is initiated through a request from one of the parties involved in the arbitration.
- 6. Hearing Statements and defence: The Concerned Body provides the arbitrator an opportunity to present their statements and defence before making a decision on the termination of their mandate.
- 7. No Appeal: The decision of the Concerned Body to terminate the arbitrator's mandate is final and not subject to appeal.

- 1. Ensuring Efficiency: Article 16.1 is essential for maintaining the efficiency and effectiveness of the arbitration process. It provides a mechanism for dealing with situations where an arbitrator is unable to fulfil their responsibilities or causes delays, ensuring the proceedings progress in a timely manner.
- 2. Protecting the Integrity of Arbitration: The provision protects the integrity of the arbitration process by addressing instances where an arbitrator does not comply with the terms of the Arbitration Agreement or fails to perform their duties adequately.
- 3. Fair Hearing: By allowing the arbitrator to present their statements and defence, the article ensures a fair process before the Concerned Body makes a decision on their termination.

Overall, Article 16.1 of the UAE Arbitration Law gives authority to the Concerned Body to terminate an arbitrator's mandate under specific circumstances. By providing an avenue to address challenges related to arbitrator conduct and performance, this article contributes to maintaining the credibility and efficiency of the arbitration process in the UAE.

16.2. An authority of an Arbitrator is personal and his mandate terminates on death, incapacity, or failure to meet qualifications underlying his appointment. Unless otherwise agreed by the Parties, the death or expiry of the party who appointed the Arbitrator shall not cancel the Arbitrator's mandate.

Article 16.2 of the UAE Arbitration Law emphasises that the authority granted to an arbitrator is personal in nature. The arbitrator's mandate, which includes their role and responsibilities in the arbitration proceedings, will come to an end under the following circumstances:



- 1. Death: If the arbitrator passes away during the arbitration process, their mandate terminates.
- 2. Incapacity: If the arbitrator becomes incapacitated, such as due to illness or mental impairment, rendering them unable to perform their functions, their mandate ceases.
- 3. Failure to Meet Qualifications: If the arbitrator fails to meet the qualifications required for their appointment, their mandate can be terminated.
- 4. Unless otherwise agreed by the Parties, the death or expiry of the party who appointed the Arbitrator shall not cancel the Arbitrator's mandate.
- 5. Explanation: This part of Article 16.2 clarifies that the death or expiry of the party who appointed the arbitrator will not automatically cancel the arbitrator's mandate, provided the parties have not agreed otherwise.
- 6. Parties' Agreement: If the parties have a specific agreement concerning the termination of the arbitrator's mandate upon the death or expiry of the appointing party, that agreement will prevail. Absent such an agreement, the arbitrator's mandate will continue despite the change in status of the appointing party.

- 1. Personal Authority: The article highlights that the authority of an arbitrator is personal, emphasising the unique role and qualifications of the individual arbitrator in the dispute resolution process.
- 2. Continuity in Mandate: The provision ensures that the arbitrator's mandate continues even if the party who appointed them passes away or their contractual relationship with the appointing party expires. This helps maintain continuity in the arbitration process and prevents unnecessary disruptions.
- 3. Flexibility for Parties: By allowing the parties to agree on the impact of the appointing party's death or expiry on the arbitrator's mandate, the article provides flexibility and allows parties to tailor the terms of the arbitration to their specific needs and circumstances.

Overall, Article 16.2 of the UAE Arbitration Law reinforces the personal nature of an arbitrator's authority and specifies the circumstances under which their mandate may be terminated. Additionally, it clarifies that the death or expiry of the party who appointed the arbitrator does not automatically cancel their mandate, subject to any agreement to the contrary between the parties.

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### **ARTICLE (17) APPOINTMENT OF SUBSTITUTE ARBITRATOR**

17.1. Where the mandate of an Arbitrator terminates due to challenge, revocation, withdrawal or any other reason, a substitute Arbitrator shall be appointed according to the rules that were applicable to the appointment of the Arbitrator whose mandate has expired.

Article 17.1 of the UAE Arbitration Law outlines the process for appointing a substitute arbitrator when the mandate of an arbitrator comes to an end for any reason, including:

- 1. Challenge: If the arbitrator is successfully challenged by a party due to impartiality, independence, or other valid reasons, their mandate will terminate.
- 2. Revocation: The parties may revoke the appointment of an arbitrator if they mutually agree to do so.
- 3. Withdrawal: An arbitrator may voluntarily withdraw from their position, which leads to the termination of their mandate.
- 4. Other Reasons: The provision includes any other reason that may result in the termination of the arbitrator's mandate.
- 5. Appointment of Substitute Arbitrator: When the mandate of an arbitrator expires, a substitute arbitrator must be appointed to replace them.
- 6. Applicable Rules: The procedure for appointing the substitute arbitrator should follow the same rules that were applicable to the appointment of the original arbitrator whose mandate has now expired.

#### Importance:

- 1. Ensuring Continuity: Article 17.1 ensures the continuity of the arbitration proceedings even after the termination of an arbitrator's mandate. By providing for the appointment of a substitute arbitrator, the article ensures that the dispute resolution process can continue without unnecessary delays.
- 2. Upholding Procedural Consistency: The provision maintains procedural consistency by requiring the same rules that governed the appointment of the original arbitrator to be followed in appointing the substitute arbitrator. This helps in preserving fairness and adherence to the agreed-upon procedures.
- 3. Efficiency of the Process: The provision contributes to the efficiency of the arbitration process by streamlining the appointment of a substitute arbitrator, thereby avoiding additional procedural complexities.

Overall, Article 17.1 of the UAE Arbitration Law establishes a clear mechanism for appointing a substitute arbitrator when the mandate of an arbitrator terminates for any reason. By maintaining continuity and adhering to the applicable rules, this article supports the smooth progression of arbitration proceedings in the UAE.



17.2. The Parties may, after appointing a substitute Arbitrator, agree to follow prior proceedings and to what extent. If the Parties fail to reach an agreement in this regard, the reconstituted Arbitral Tribunal shall decide whether any of the prior proceedings are valid and to what extent. No decision of the reconstituted Arbitral Tribunal shall prejudice the right of any of the Parties to challenge the proceedings which preceded the reconstitution of the Arbitral Tribunal on any grounds which arose prior to the appointment of the substitute Arbitrator.

Article 17.2 of the UAE Arbitration Law addresses the situation where a substitute arbitrator is appointed after the termination of an arbitrator's mandate. This article deals with the continuity of prior proceedings and the authority of the reconstituted Arbitral Tribunal. Let us analyse this article:

- 1. The first sentence of Article 17.2 provides the parties with the option to agree on whether to continue with the prior proceedings conducted before the termination of the arbitrator's mandate. If they choose to proceed with prior proceedings, they can also agree on the extent to which those proceedings should be followed in the future arbitration process.
- 2. The second sentence of Article 17.2 states that in the event that the parties do not reach an agreement on the continuation of prior proceedings, the responsibility to decide whether any of the previous proceedings are valid and how much weight should be given to them falls on the reconstituted Arbitral Tribunal. The reconstituted Arbitral Tribunal is the new panel of arbitrators appointed after the termination of the original arbitrator's mandate.
- 3. The third sentence of Article 17.2 ensures that the parties' rights to challenge prior proceedings are preserved. Even if the reconstituted Arbitral Tribunal decides to uphold certain prior proceedings, this decision does not prevent any of the parties from challenging those proceedings based on any valid grounds that existed prior to the appointment of the substitute arbitrator.

### Importance:

- 1. Party Autonomy: Article 17.2 respects party autonomy by allowing the parties to decide on the continuation of prior proceedings and the extent to which they will be followed in the future arbitration process. This ensures that the parties have a say in the conduct of the arbitration proceedings.
- 2. Flexibility in Decisions: By empowering the reconstituted Arbitral Tribunal to decide on the validity and extent of prior proceedings when the parties do not agree, the provision provides flexibility in handling the procedural aspects of the arbitration.
- 3. Preservation of Challenge Rights: The article safeguards the parties' rights to challenge prior proceedings, even if the reconstituted Arbitral Tribunal decides to uphold them. This ensures that any legitimate concerns or issues related to previous proceedings are not ignored.

Overall, Article 17.2 of the UAE Arbitration Law addresses the procedural aspects after appointing a substitute arbitrator. It allows the parties to agree on the continuation of prior proceedings, and if no agreement is reached, the reconstituted Arbitral Tribunal takes on the responsibility of deciding the validity and extent of prior proceedings. The provision ensures the preservation of party rights and contributes to a fair and efficient arbitration process.



### **ARTICLE (18) GENERAL JURISDICTION TO CONSIDER ARBITRAL MEASURES**

# 18.1. The Competent Court shall have jurisdiction to consider arbitration issues referred hereunder in accordance with the procedural laws of the State. The Competent Court shall exercise exclusive jurisdiction until the conclusion of all arbitral proceedings.

Article 18.1 of the UAE Arbitration Law deals with the jurisdiction of the competent court to consider arbitration-related matters and outlines its exclusive jurisdiction until the conclusion of all arbitral proceedings. Let us analyse this article:

- 1. The first sentence of Article 18.1 establishes the authority of the competent court to handle certain arbitration-related matters. It specifies that the court's jurisdiction applies to issues related to arbitration that are referred to it as per the provisions of the UAE Arbitration Law. The court exercises its jurisdiction in line with the procedural laws of the State, which govern the legal procedures and processes within the UAE's judicial system.
- 2. The second sentence of Article 18.1 states that the competent court has exclusive jurisdiction over certain arbitration matters from the start of the proceedings until the conclusion of all arbitral proceedings. During this period, any issues or disputes related to arbitration that arise can only be heard and decided by the competent court and not by any other court.

#### Importance:

- 1. Clarity of Jurisdiction: Article 18.1 provides clarity on which court has jurisdiction to handle arbitration-related issues in the UAE. This ensures that there is no ambiguity about the authority of the competent court in handling such matters.
- 2. Procedural Consistency: By following the procedural laws of the State, the competent court ensures that the arbitration-related issues are handled in line with established legal procedures. This contributes to procedural consistency and adherence to the law.
- 3. Exclusive Jurisdiction: The provision of exclusive jurisdiction to the competent court guarantees that all arbitration issues during the arbitral proceedings are heard and resolved by a single court. This helps in avoiding conflicting decisions and streamlining the legal process.
- 4. Finality of Jurisdiction: With exclusive jurisdiction until the conclusion of all arbitral proceedings, the competent court's authority is maintained throughout the arbitration process. This ensures that the court can address any issues that may arise during the proceedings without interference from other courts.

Overall, Article 18.1 of the UAE Arbitration Law establishes the authority and exclusive jurisdiction of the competent court to handle arbitration-related issues in accordance with the procedural laws of the State. By providing clarity and maintaining consistency in the legal process, this article contributes to an effective and efficient resolution of arbitration matters in the UAE.



18.2. The chief justice of the Court may, at the request of a party, or at the request of the Arbitral Tribunal, order such interim or conservatory measures as he may consider necessary to be taken in respect of existing or potential arbitral proceedings, whether before the commencement or the arbitral proceedings or during their course.

Article 18.2 of the UAE Arbitration Law addresses the authority of the chief justice of the Court to order interim or conservatory measures in relation to existing or potential arbitral proceedings. Let us analyse this article:

- 1. This article grants the chief justice of the Court the power to issue interim or conservatory measures concerning arbitration matters. The measures can be requested either by a party involved in the arbitration or by the Arbitral Tribunal itself. These measures are designed to address urgent or time-sensitive issues that arise in relation to existing or potential arbitral proceedings.
- 2. Interim Measures: Interim measures are temporary measures taken by the court to preserve the status quo or to prevent harm to any party until the final arbitration award is rendered. These measures are designed to maintain the effectiveness and enforceability of the final arbitration decision.
- 3. Conservatory Measures: Conservatory measures are actions taken to safeguard or preserve the parties' rights or assets during the arbitration process. These measures are intended to protect the parties' interests and ensure that any potential arbitration award is not rendered ineffective.

### Importance:

- 1. Urgent Protection: Article 18.2 provides a mechanism for obtaining urgent protection when necessary, either before the commencement of arbitration or during its course. This allows parties to seek timely remedies in situations where immediate action is required to prevent potential harm or preserve their rights.
- 2. Support for Arbitral Tribunal: The provision empowers the Arbitral Tribunal to request interim or conservatory measures when appropriate. This supports the efficiency of the arbitration process and ensures that the tribunal has the necessary tools to address urgent issues that may arise.
- 3. Judicial Oversight: By authorising the chief justice of the Court to order interim or conservatory measures, the article ensures judicial oversight in arbitration matters. This helps in maintaining fairness, transparency, and the proper administration of justice.
- 4. Alignment with International Standards: The ability to seek interim or conservatory measures from the court is in line with international arbitration best practices, providing parties with a reliable and efficient means of obtaining necessary remedies.

Overall, Article 18.2 of the UAE Arbitration Law grants the chief justice of the Court the authority to order interim or conservatory measures upon request from a party or the Arbitral Tribunal. This provision enhances the effectiveness of the arbitration process and allows parties to seek timely remedies when required. It aligns the UAE's arbitration practices with international standards and promotes the proper administration of justice in arbitration matters.



### 18.3. Taking the measures referred to in the preceding section of this article shall not stay the arbitral proceedings and shall not amount to a waiver of the Arbitration Agreement.

Article 18.3 of the UAE Arbitration Law clarifies the consequences of taking the interim or conservatory measures ordered by the chief justice of the Court on the ongoing arbitral proceedings and the validity of the Arbitration Agreement. Let us analyse this article:

- 1. Continuation of Arbitral Proceedings: The article states that taking the interim or conservatory measures does not halt or suspend the ongoing arbitral proceedings. The arbitration process will continue as planned, despite the court-ordered measures being implemented.
- 2. Non-Waiver of Arbitration Agreement: The article further clarifies that the parties' compliance with the interim or conservatory measures does not constitute a waiver of the Arbitration Agreement. In other words, the parties' willingness to cooperate with the court-ordered measures does not mean they are giving up their right to arbitrate the dispute as originally agreed.

#### Importance:

- 1. Uninterrupted Arbitration: Article 18.3 ensures that the arbitration process remains uninterrupted even if interim or conservatory measures are ordered by the court. This promotes the efficiency and effectiveness of arbitration as a means of dispute resolution.
- 2. Preserving the Arbitration Agreement: The provision protects the validity of the Arbitration Agreement between the parties. By stating that compliance with the court-ordered measures does not amount to a waiver, the article reinforces the parties' commitment to resolving their dispute through arbitration, as originally agreed.
- 3. Balance between Judicial and Arbitral Proceedings: The provision strikes a balance between the jurisdiction of the court to order interim or conservatory measures and the autonomy of the arbitral proceedings. It allows the court to intervene in urgent situations without disrupting the arbitral process.
- 4. Legal Certainty: Article 18.3 provides legal certainty to the parties involved in arbitration. It ensures that complying with court-ordered measures does not affect their right to arbitrate the dispute, thereby avoiding any ambiguity or potential challenges to the Arbitration Agreement.

Overall, Article 18.3 of the UAE Arbitration Law clarifies the effects of court-ordered interim or conservatory measures on the ongoing arbitral proceedings and the validity of the Arbitration Agreement. By ensuring an uninterrupted arbitration process and preserving the parties' right to arbitrate, the provision promotes the efficiency and integrity of arbitration as a preferred method of resolving disputes in the UAE.

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### 18.4. If the chief justice of the Court issues an order under section 2 of this article, the order shall only cease to have effect in whole or in part by a decision issued by the chief justice of the Court.

Article 18.4 of the UAE Arbitration Law establishes that any order issued by the chief justice of the Court under Section 2 of Article 18 (which pertains to the issuance of interim or conservatory measures in relation to existing or potential arbitral proceedings) can only be revoked or terminated by a subsequent decision issued by the same chief justice.

Continuation of Chief Justice's Authority: The article reinforces the authority of the chief justice of the Court by specifying that only they have the power to revoke or modify an order issued by them under Section 2 of Article 18.

Importance:

- 1. Judicial Control: By stipulating that the chief justice's orders can only be terminated by their subsequent decision, Article 18.4 ensures that the court maintains control over the implementation and effect of any interim or conservatory measures ordered.
- 2. Certainty and Clarity: This provision provides certainty and clarity to the parties involved in arbitration regarding the authority responsible for the modification or termination of court-ordered measures. It eliminates confusion and potential challenges regarding the authority to modify or revoke such orders.
- 3. Procedural Efficiency: Centralising the power to terminate or modify court-ordered measures with the chief justice of the Court promotes procedural efficiency. This approach avoids multiple courts handling the termination of measures and streamlines the process.

Overall, Article 18.4 of the UAE Arbitration Law highlights the exclusive authority of the chief justice of the Court in terminating or modifying any order they issue under Section 2 of Article 18. By centralising this power, the article ensures procedural efficiency, certainty, and clarity in dealing with court-ordered interim or conservatory measures in relation to arbitration proceedings.

### ARTICLE (19) THE ARBITRAL TRIBUNAL'S COMPETENCE TO RULE ON ITS OWN JURISDICTION

19.1. The Arbitral Tribunal may rule on its own jurisdiction, including any objections with respect to the existence or validity of the Arbitration Agreement or its inclusion of the subject-matter of the dispute. The Arbitral Tribunal shall rule on the plea either as a preliminary question or in a final arbitral award on the merits.

Article 19.1 of the UAE Arbitration Law addresses the authority of the Arbitral Tribunal to rule on its own jurisdiction and objections related to the existence or validity of the Arbitration Agreement. Let us analyse this article:

1. The first sentence of Article 19.1 grants the Arbitral Tribunal the authority to decide on matters related to its own jurisdiction. This includes the power to rule on objections raised by the parties concerning the existence or validity of the Arbitration Agreement or whether the dispute falls within the scope of the agreed arbitration.



Autonomy of the Arbitral Tribunal: Article 19.1 underscores the autonomy of the Arbitral Tribunal in determining issues related to its jurisdiction. It allows the Tribunal to assess its own competence to hear the dispute and decide on any challenges to its jurisdiction raised by the parties.

- 2. The second sentence of Article 19.1 outlines the two possible timings for the Arbitral Tribunal to rule on jurisdictional issues:
  - a. Preliminary Question: The Tribunal may address jurisdictional objections as a preliminary question before proceeding with the main arbitration proceedings. This allows the Tribunal to resolve any jurisdictional challenges early in the process.
  - b. In the Final Award: Alternatively, the Tribunal can choose to decide on the jurisdictional issues as part of the final arbitral award on the merits. In this case, the Tribunal would first hear the full case and then incorporate its ruling on jurisdiction in the final award.

### Importance:

- 1. Efficiency in Proceedings: By allowing the Arbitral Tribunal to determine its jurisdiction at an early stage as a preliminary question, the arbitration proceedings can proceed efficiently and without unnecessary delays.
- 2. Procedural Fairness: Granting the Tribunal the power to rule on its own jurisdiction ensures procedural fairness, as it prevents the parties from resorting to multiple forums to resolve jurisdictional disputes.
- 3. Consistency: Article 19.1 promotes consistency in the arbitration process. The Tribunal's ruling on its own jurisdiction provides a clear and conclusive decision that governs the rest of the proceedings.
- 4. Upholding Party Autonomy: By empowering the Arbitral Tribunal to decide on its jurisdiction, Article 19.1 upholds party autonomy and respects the agreement between the parties to submit their disputes to arbitration.

Overall, Article 19.1 of the UAE Arbitration Law empowers the Arbitral Tribunal to decide on its own jurisdiction, including objections regarding the Arbitration Agreement's existence or validity and the inclusion of the subject-matter of the dispute. The article offers flexibility in timing, allowing the Tribunal to rule on jurisdictional issues either as a preliminary question or as part of the final award on the merits. This provision ensures procedural fairness, efficiency, and autonomy in the arbitration process.

19.2. If the Arbitral Tribunal rules as a preliminary question that it has jurisdiction, a party may, within fifteen days after receiving notice of that ruling, request the Court to decide that matter. The Court shall then decide the request with thirty days of being filed with the Court and its decision shall be subject to no appeal; while such a request is pending, the arbitral proceedings shall be



### stayed unless the Arbitral Tribunal decides to continue the arbitral proceedings at the request of a party.

Article 19.2 of the UAE Arbitration Law addresses the process when the Arbitral Tribunal rules as a preliminary question that it has jurisdiction. Let us analyse this article:

1. The first sentence of Article 19.2 allows a party dissatisfied with the Arbitral Tribunal's ruling on jurisdiction to seek review by the Court. If the Tribunal rules that it has jurisdiction, the affected party has the right to challenge this ruling by making a request to the Court within fifteen days of receiving notice of the Tribunal's decision.

Review by the Court: The article ensures that a party has the option to seek a higher authority, i.e., the Court, to review the Arbitral Tribunal's jurisdictional ruling if it disagrees with it.

2. The second sentence of Article 19.2 outlines the timeline and finality of the Court's decision on the request to decide the jurisdictional matter.

Timely Decision: The Court is required to make its decision on the jurisdictional request within thirty days of it being filed. This timeline is intended to expedite the process and avoid undue delays.

Final and Non-appealable Decision: The decision of the Court on the jurisdictional matter is stated to be non-appealable. This means that once the Court has made its ruling, there is no further recourse for either party to challenge the decision through the appellate process.

While such a request is pending, the arbitral proceedings shall be stayed unless the Arbitral Tribunal decides to continue the arbitral proceedings at the request of a party.

- 3. The third sentence of Article 19.2 addresses the status of the arbitral proceedings during the pendency of the request with the Court.
  - a. Stay of Proceedings: While the request with the Court is pending, the arbitral proceedings are automatically stayed, meaning they are put on hold until the Court decides on the jurisdictional matter.
  - b. Tribunal's Discretion to Continue: The Arbitral Tribunal has the discretion to decide whether to continue the arbitral proceedings at the request of a party, even if a request is pending with the Court. This means that the Tribunal can proceed with the arbitration if both parties agree to continue despite the jurisdictional challenge.

#### Importance:

- 1. Review Mechanism: Article 19.2 provides a mechanism for parties to challenge the Arbitral Tribunal's jurisdictional ruling if they believe it to be incorrect or unjust.
- 2. Expedited Timeline: The article's requirement for the Court to decide on the jurisdictional request within thirty days ensures a swift resolution, promoting efficiency in the arbitration process.



- 3. Finality of Decision: By stating that the Court's decision is non-appealable, Article 19.2 aims to bring finality to the jurisdictional matter and prevent unnecessary prolongation of the proceedings.
- 4. Flexibility in Proceedings: The provision grants the Arbitral Tribunal the discretion to decide whether to continue the arbitral proceedings during the pendency of the jurisdictional challenge, providing flexibility to the parties and the Tribunal.

Overall, Article 19.2 of the UAE Arbitration Law sets out the process for challenging the Arbitral Tribunal's jurisdictional ruling through a request to the Court. By providing a clear and timely review mechanism, the article ensures that parties have an avenue to seek redress if they believe the Tribunal's jurisdictional decision is incorrect. Additionally, the article strikes a balance by allowing the Tribunal to decide whether to continue the arbitral proceedings during the pendency of the jurisdictional challenge.

### **19.3.** The party requesting continuation of the arbitral proceedings shall bear the arbitration costs should the Court rule that the Arbitral Tribunal has no jurisdiction.

Article 19.3 of the UAE Arbitration Law establishes the allocation of arbitration costs when a party requests the Arbitral Tribunal to continue the arbitral proceedings despite a pending jurisdictional challenge before the Court. Let us analyse this article:

- 1. Jurisdictional Challenge: If one party challenges the jurisdiction of the Arbitral Tribunal and files a request with the Court, the proceedings are typically stayed until the Court makes a decision on the jurisdictional matter.
- 2. Party's Request to Continue: If the other party requests the Arbitral Tribunal to continue the arbitral proceedings during the pendency of the jurisdictional challenge, the Tribunal may agree to proceed based on the parties' consent.
- 3. Cost Allocation: In case the Court ultimately rules in favour of the challenging party, declaring that the Arbitral Tribunal lacks jurisdiction, the party that requested the continuation of the arbitral proceedings shall bear the arbitration costs incurred during the period of continued proceedings.

### Importance:

- 1. Cost Considerations: Article 19.3 encourages parties to carefully assess the merits of the jurisdictional challenge and the potential outcomes of the Court's ruling before requesting the continuation of arbitral proceedings. By allocating the arbitration costs to the party requesting continuation in case the Tribunal's jurisdiction is denied, the article incentivises parties to act prudently in such situations.
- 2. Encouraging Cooperation: The article aims to foster cooperation between the parties during the jurisdictional challenge. It requires the requesting party to be accountable for the costs incurred if the Tribunal's jurisdiction is ultimately found to be lacking.
- 3. Certainty and Fairness: Article 19.3 provides certainty regarding the allocation of costs, making the process fair and transparent for both parties. It avoids ambiguity in

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determining which party will bear the financial burden in the event of a negative jurisdictional ruling.

4. Efficient Use of Resources: By imposing the responsibility for costs on the requesting party in case of a jurisdictional challenge, the article encourages the parties to consider the potential impact of continued proceedings on time and resources.

Overall, Article 19.3 of the UAE Arbitration Law addresses the cost implications of continuing arbitral proceedings during the pendency of a jurisdictional challenge before the Court. It serves as a mechanism to promote fair and efficient use of resources while maintaining a balance between the parties' right to challenge jurisdiction and the responsibility to bear the associated costs.

### ARTICLE (20) TIME LIMIT FOR A PLEA TO THE JURISDICTION OF THE ARBITRAL TRIBUNAL

20.1. A plea to the jurisdiction of the Arbitral Tribunal shall be raised not later than the submission of the respondent's statement of defence under Article 30 of this Law. A plea that issues raised by the other party during the proceedings are beyond the scope of the Arbitration Agreement shall be raised not later than the next hearing following the hearing at which the plea was raised, otherwise the right to such plea shall be waived. The Arbitral Tribunal may, in either case, admit a later plea if it considers the delay justified.

Article 20.1 of the UAE Arbitration Law addresses the timing and procedure for raising pleas to the jurisdiction of the Arbitral Tribunal and challenges related to the scope of the Arbitration Agreement. Let us analyse this article:

1. The first sentence of Article 20.1 establishes the deadline for raising a plea challenging the jurisdiction of the Arbitral Tribunal.

Timing of Jurisdictional Challenge: A party must raise any objection or challenge to the jurisdiction of the Arbitral Tribunal before or at the latest, at the time of submitting the respondent's statement of defence. This ensures that any questions regarding the Tribunal's jurisdiction are addressed early in the proceedings.

2. The second sentence of Article 20.1 concerns challenges related to the scope of the Arbitration Agreement.

Scope of Arbitration Agreement: If one party believes that the issues raised by the other party during the arbitration proceedings fall outside the scope of the Arbitration Agreement, the challenging party must raise this plea promptly.

Deadline for Scope Challenge: The challenging party must raise this plea at the next hearing following the hearing where the issue was raised by the other party. If it fails to do so within the specified timeframe, it waives the right to challenge the scope of the Arbitration Agreement.

3. The third sentence of Article 20.1 grants the Arbitral Tribunal the discretion to accept a jurisdictional or scope challenge even if it is raised after the specified deadlines.



Tribunal's Discretion: The Tribunal has the authority to consider pleas to the jurisdiction or scope of the Arbitration Agreement that are raised later than the prescribed deadlines. The Tribunal may admit such challenges if it deems the delay to be justified, for example, if there were reasonable reasons for the delay.

Importance:

- 1. Timely Challenges: Article 20.1 emphasises the importance of raising jurisdictional and scope challenges promptly to avoid unnecessary delays in the arbitration proceedings.
- 2. Legal Certainty: By setting clear deadlines for raising these challenges, the article ensures that parties and the Tribunal can proceed with the arbitration process with legal certainty and avoid potential disputes about the timeliness of such challenges.
- 3. Flexibility: The provision also provides flexibility to the Arbitral Tribunal to consider challenges raised beyond the specified deadlines if there are valid reasons for the delay, preventing the parties from losing the opportunity to address important jurisdictional or scope issues.

Overall, Article 20.1 of the UAE Arbitration Law establishes the timeframes for raising jurisdictional and scope challenges in arbitration proceedings. It aims to promote efficiency, legal certainty, and fair play in the arbitration process while granting some flexibility to the Tribunal in considering late challenges if deemed justified.

### 20.2. The appointment or participation in the appointment of an Arbitrator by either party shall not preclude its right to file any of the pleas referred to in section 1 of this article.

Article 20.2 of the UAE Arbitration Law clarifies that a party's appointment or participation in the appointment of an Arbitrator does not waive or preclude its right to raise jurisdictional challenges. Let us analyse this article:

- 1. Appointment of Arbitrator: In arbitration proceedings, each party typically has the right to appoint or participate in the appointment of an Arbitrator. This process aims to ensure the parties' confidence in the impartiality and fairness of the Tribunal.
- 2. Jurisdictional Challenges: Article 20.1, which is referenced in Article 20.2, deals with the time limits for raising jurisdictional challenges before the Arbitral Tribunal.
- 3. Preserving Rights: Article 20.2 emphasises that even if a party has actively participated in the appointment of an Arbitrator, it still retains the right to challenge the jurisdiction of the Arbitral Tribunal, as stipulated in Article 20.1.

Importance:

1. Ensuring Impartiality: By affirming that the appointment or participation in the appointment of an Arbitrator does not waive a party's right to challenge jurisdiction, Article 20.2 seeks to maintain the independence and impartiality of the Arbitral Tribunal.



- 2. Preserving Parties' Rights: The article aims to protect the parties' rights to raise jurisdictional challenges despite their involvement in the selection of an Arbitrator. It prevents any perception that participation in the appointment process may limit the parties' ability to challenge the Tribunal's jurisdiction.
- 3. Compliance with Due Process: The provision supports the principles of due process and procedural fairness in arbitration proceedings. It allows parties to freely raise valid jurisdictional challenges without facing impediments based on their involvement in the appointment of an Arbitrator.

Overall, Article 20.2 of the UAE Arbitration Law reinforces the parties' right to challenge the jurisdiction of the Arbitral Tribunal, irrespective of their role in the appointment of an Arbitrator. It aims to ensure the integrity of the arbitration process and preserve the parties' rights to address jurisdictional issues as required.

### ARTICLE (21) INTERIM OR CONSERVATORY MEASURES

21.1. Subject to the provisions of Article 18 of this Law, and unless otherwise agreed by the Parties, the Arbitral Tribunal may, at the request of a party or on its own motion, order any party to take such interim or conservatory measure as the Arbitral Tribunal may consider necessary given the nature of the dispute, including, in particular:

a) An order to preserve evidence that may be relevant and material to the resolution of the dispute.

b) Taking necessary measures to preserve goods which constitute part of the subject-matter of the dispute such as an order to deposit goods with a third party or to sell goods which are susceptible to damage.

- c) Preserving assets and funds out of which a subsequent award may be satisfied.
- d) Maintaining or restoring the status quo pending determination of the dispute.

e) An order to take action that would prevent, or refrain from taking action that is likely to cause, current or imminent harm or prejudice to the arbitration process itself.

Article 21.1 of the UAE Arbitration Law deals with the power of the Arbitral Tribunal to grant interim or conservatory measures. Let us analyze this article in detail:

- 1. Nature of Interim or Conservatory Measures: the article begins by stating that the Arbitral Tribunal has the authority to order interim or conservatory measures as it deems necessary, provided that these measures are in line with the nature of the dispute. This indicates flexibility in the type of measures that can be ordered, allowing the tribunal to tailor its decisions to the specifics of each case.
- 2. Request for Measures:
  - a. Preservation of Evidence: One of the key interim measures mentioned is the preservation of evidence. The tribunal can order a party to take steps to protect



and maintain evidence that is relevant and material to resolving the dispute. This is crucial to ensure that important evidence is not tampered with or destroyed during the arbitration process.

- b. Preservation of Goods: The article also allows the tribunal to order measures to preserve goods that are at the center of the dispute. This can include depositing goods with a third party or even selling goods that are at risk of damage. These measures aim to maintain the status quo and prevent any harm to the subject matter of the dispute.
- c. Preservation of Assets and Funds: The tribunal can order the preservation of assets and funds that may be used to satisfy a subsequent award. This ensures that the losing party will have the means to comply with the tribunal's decision.
- d. Maintaining or Restoring Status Quo: The tribunal has the authority to order measures that maintain or restore the status quo while the dispute is being resolved. This helps prevent any party from taking actions that could prejudice the arbitration process or the ultimate resolution of the dispute.
- e. Preventing Harm or Prejudice: Finally, the tribunal can order parties to take actions to prevent current or imminent harm or prejudice to the arbitration process itself. This provision underscores the importance of ensuring a fair and effective arbitration process.
- 3. Discretion of the Arbitral Tribunal: it is important to note that the article grants discretion to the Arbitral Tribunal in deciding whether to order these interim or conservatory measures. The tribunal is not bound to grant such measures automatically but must consider the nature of the dispute and the specific circumstances of the case.
- 4. Agreement of the Parties: the article also mentions that unless the parties have agreed otherwise, the tribunal can order these measures. This highlights the importance of the parties' agreement in shaping the arbitration process. If the parties have agreed on specific procedures for interim measures, those agreements will take precedence.

### Importance:

- 1. Protection of Parties: Article 21.1 ensures that parties have access to effective measures to protect their rights and interests during the arbitration process.
- 2. Equitable Process: The provision enables the Tribunal to maintain an equitable and efficient arbitration process by ordering necessary measures.
- 3. Preserving Evidence: The ability to order preservation of evidence is essential to ensure a fair resolution of the dispute.
- 4. Ensuring Compliance: By allowing the Tribunal to order parties to refrain from actions that may prejudice the arbitration process, the article aims to maintain the integrity and effectiveness of the proceedings.

Overall, Article 21.1 of the UAE Arbitration Law grants the Arbitral Tribunal the authority to order interim or conservatory measures to protect the rights and interests of the parties during the



arbitration process. It is an essential provision that contributes to the efficiency and fairness of the arbitration proceedings.

21.2. The Arbitral Tribunal may require the party requesting the order for interim or conservatory measures to provide appropriate security to cover the costs of such measures and may further require that party to bear all damages arising in connection with the enforcement of such measures should the Arbitral Tribunal thereafter decide that the party is not entitled to secure them.

Article 21.2 of the UAE Arbitration Law outlines the powers of the Arbitral Tribunal regarding the requirement of security when granting interim or conservatory measures. Let us analyse this article:

- 1. Security Requirement: When a party requests interim or conservatory measures from the Tribunal, the Tribunal has the authority to demand that the requesting party provide appropriate security. This security serves as a form of financial guarantee to cover the costs associated with implementing the measures.
- 2. Covering Costs and Damages: Additionally, the Tribunal can further require the requesting party to bear any damages that arise from the enforcement of the measures if the Tribunal later decides that the party was not entitled to obtain those measures in the first place.

Importance:

- 1. Balancing Interests: Requiring security helps strike a balance between granting effective measures to protect parties' interests during the arbitration process and ensuring that frivolous or inappropriate requests are discouraged.
- 2. Preventing Abuse: The provision discourages parties from seeking unnecessary or unjustified interim or conservatory measures by imposing a potential financial burden in case the measures are later deemed inappropriate.
- 3. Ensuring Responsibility: By requiring the requesting party to provide security and bear damages if the measures are deemed unwarranted, the article encourages parties to exercise caution when seeking such measures.
- 4. Encouraging Fairness: The provision aims to ensure that interim or conservatory measures are only granted when truly necessary and justified, thereby promoting fairness in the arbitration process.

Overall, Article 21.2 of the UAE Arbitration Law provides the Arbitral Tribunal with the authority to request security from a party seeking interim or conservatory measures. This mechanism helps maintain the integrity of the arbitration process by preventing abuse of such measures and promoting responsible use of the Tribunal's powers. It strikes a balance between safeguarding parties' interests and avoiding potential misuse of the arbitration process.

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# 21.3. The Arbitral Tribunal may, at the request of any party or on its own motion, amend, suspend, or cancel an interim measure it has ordered, in exceptional circumstances, by prior notice to be given to the Parties.

Article 21.3 of the UAE Arbitration Law grants the Arbitral Tribunal the authority to modify, suspend, or revoke interim measures it has previously ordered during the arbitration process. These changes can be made under specific conditions referred to as "exceptional circumstances". Let us analyse this article:

- 1. Modification: The Tribunal can amend or alter the scope or conditions of an interim measure based on the evolving circumstances of the case.
- 2. Suspension: The Tribunal can suspend the enforcement of an interim measure temporarily if the circumstances warrant it.
- 3. Cancellation: The Tribunal can completely cancel or revoke an interim measure previously ordered if it deems it no longer necessary or appropriate.
- 4. Exceptional Circumstances: The Tribunal's power to amend, suspend, or cancel interim measures is limited to exceptional circumstances, implying that such measures are not subject to routine or arbitrary alterations.
- 5. Prior Notice: The article requires the Tribunal to provide advance notice to the parties before making any changes to the interim measures. This ensures transparency and allows parties to present their positions on the proposed amendments.

### Importance:

- 1. Flexibility: Article 21.3 allows the Tribunal to adapt its interim measures to the changing circumstances of the arbitration proceedings, ensuring flexibility in response to developments.
- 2. Balance of Interests: By providing the Tribunal with the power to amend or cancel interim measures, the article helps maintain a balance between protecting parties' interests and avoiding undue burdens on the parties.
- 3. Ensuring Fairness: The provision enables the Tribunal to ensure fairness throughout the arbitration process by adjusting interim measures as needed.
- 4. Preventing Abuse: Requiring exceptional circumstances for changes to interim measures helps prevent parties from seeking unwarranted alterations or abusing the interim measures.

Overall, Article 21.3 of the UAE Arbitration Law grants the Arbitral Tribunal the authority to modify, suspend, or cancel interim measures it has previously ordered, but only in exceptional circumstances. By doing so, the article enhances the Tribunal's ability to respond appropriately to changing circumstances during the arbitration proceedings while safeguarding parties' interests and maintaining a fair and efficient arbitration process.



21.4. A party for whom an interim measure has been ordered may, after obtaining written permission from the Arbitral Tribunal, request the competent court to order the enforcement of the order of the Arbitral Tribunal or any part thereof within fifteen days of receipt of the request. Copies of any request for permission or enforcement hereunder shall be sent simultaneously to all the other Parties.

Article 21.4 of the UAE Arbitration Law outlines the process through which a party can seek enforcement of an interim measure ordered by the Arbitral Tribunal in the competent court. Let us analyse this article:

- 1. Written Permission: Before a party can request enforcement in the competent court, it must first obtain written permission from the Arbitral Tribunal. This ensures that parties do not bypass or undermine the Tribunal's authority and serves as a safeguard against potential abuse of interim measures.
- 2. Time Limit: The party seeking enforcement must make the request to the competent court within fifteen days of receiving the written permission from the Arbitral Tribunal. This time limit ensures timely action and prevents undue delays in the enforcement process.
- 3. Enforcement of Order: The requesting party can seek the enforcement of the entire interim measure ordered by the Arbitral Tribunal or only a specific part thereof, depending on the circumstances of the case.
- 4. Simultaneous Notification: The article requires the party to send copies of the request for permission or enforcement to all other parties involved in the arbitration proceedings. This promotes transparency and ensures that all parties are aware of the enforcement process.

### Importance:

- 1. Balancing Interests: By requiring written permission from the Arbitral Tribunal, the article strikes a balance between allowing parties to seek enforcement in court while preventing any premature or unauthorised enforcement attempts.
- 2. Ensuring Timeliness: The fifteen-day time limit encourages parties to act promptly in seeking enforcement, thereby avoiding unnecessary delays in the enforcement process.
- 3. Transparency: Requiring simultaneous notification to all parties ensures transparency in the enforcement process and allows all parties to be informed about the request for enforcement.
- 4. Harmonising Tribunal and Court Proceedings: The article ensures that the enforcement process is properly coordinated with the Arbitral Tribunal's proceedings, avoiding conflicting or inconsistent orders.

Overall, Article 21.4 of the UAE Arbitration Law provides a clear procedure for seeking enforcement of interim measures ordered by the Arbitral Tribunal in the competent court. The requirement of obtaining written permission from the Tribunal and the time limit for making the request contribute to a fair and efficient enforcement process, preserving the integrity of both the arbitration and court proceedings.



#### IV. ARBITRAL PROCEEDINGS

### ARTICLE (22) INTERVENTION AND JOINDER OF NEW PARTIES IN AN ARBITRATION

22.1 The Arbitral Tribunal shall have the power, on the application of any party or a third party, but in either case only after giving all Parties, including the third party, the opportunity to be heard, to allow such third party to intervene or be joined in the Arbitration provided it is a party to the Arbitration Agreement.

Article 22.1 of the UAE Arbitration Law grants the Arbitral Tribunal the authority to permit third parties to intervene or be joined in the ongoing arbitration proceedings under certain conditions. Let us analyse this article:

- 1. Application by Parties or Third Party: The article allows either one of the parties involved in the arbitration or a third party to make an application for the intervention or joinder of the third party in the arbitration proceedings.
- 2. Opportunity to Be Heard: Before deciding on whether to allow the third party to intervene or be joined, the Tribunal must provide all parties, including the third party, with an opportunity to present their arguments and be heard on the matter.
- 3. Intervention or Joinder: The Tribunal may allow the third party to intervene, which means that the third party becomes an active participant in the arbitration, or be joined, which means that the third party becomes a full party to the arbitration proceedings.
- 4. Party to the Arbitration Agreement: For a third party to be permitted to intervene or be joined, it must be a party to the underlying Arbitration Agreement, meaning it has a contractual relationship with one of the parties to the arbitration.

#### Importance:

- 1. Ensuring Fairness: Allowing the parties and the third party to be heard before making a decision ensures fairness in the arbitration process and gives everyone involved an opportunity to present their arguments.
- 2. Efficiency and Consolidation: Permitting the intervention or joinder of a third party can lead to more efficient and effective resolution of the dispute, especially when the third party's involvement is relevant to the issues being addressed.
- 3. Protecting Rights: By enabling third parties to intervene or be joined, the article protects the rights of those who have contractual obligations and interests related to the arbitration.
- 4. Expanding Scope: Allowing third parties to intervene or be joined can help broaden the scope of the arbitration, ensuring that all relevant issues and parties are considered in the proceedings.

Overall, Article 22.1 of the UAE Arbitration Law gives the Arbitral Tribunal the discretion to allow third parties to intervene or be joined in the arbitration proceedings, provided that the third party is a party to the Arbitration Agreement. This provision promotes fairness, efficiency, and a comprehensive approach to resolving disputes involving multiple parties with contractual relationships.



#### **ARTICLE (23) DETERMINATION OF RULES OF PROCEDURE**

23.1. The Parties are free to agree on the procedure to be followed by the Arbitral Tribunal in conducting the proceedings, including their right to subject such procedure to the rules in force of any arbitration association or institution in the State or abroad.

Article 23.1 of the UAE Arbitration Law emphasises the parties' freedom to determine the procedural aspects of the arbitration, including the conduct of the proceedings, subject to certain limitations. Let us analyse this article:

- 1. Procedural Autonomy: The article recognises the principle of procedural autonomy, which grants the parties significant flexibility in shaping the arbitration process according to their preferences and needs.
- 2. Scope of Autonomy: The parties can agree on various aspects of the proceedings, such as the selection and appointment of arbitrators, the presentation of evidence, the submission of written pleadings, the timing of hearings, the language of the proceedings, and the application of specific rules of arbitration associations or institutions.
- 3. Incorporation of Arbitration Rules: Parties may choose to incorporate the rules of arbitration associations or institutions in the State or abroad into their arbitration agreement. By doing so, they adopt those rules to govern their arbitration, thereby benefiting from the established procedures and guidelines provided by the selected institution.

#### Importance:

- 1. Party Autonomy: The article promotes party autonomy, which is one of the fundamental principles of arbitration. It allows the parties to tailor the procedure to suit their specific needs and preferences.
- 2. Flexibility: Allowing parties to choose the procedural rules and incorporate institutional rules provides flexibility, making the arbitration process more efficient and adaptable to different types of disputes.
- 3. Efficiency and Expertise: Parties may opt for institutional rules to benefit from the expertise and experience of well-established arbitration institutions, potentially enhancing the efficiency and quality of the proceedings.
- 4. International Compatibility: By providing the option to adopt rules of arbitration institutions abroad, the article ensures that the arbitration process can be in line with internationally recognised practices and standards.

Overall, Article 23.1 of the UAE Arbitration Law upholds the principle of procedural autonomy, enabling the parties to design their arbitration proceedings according to their preferences and needs. It reflects the law's commitment to promoting efficient, flexible, and effective dispute resolution through arbitration.



23.2. Where there is no agreement to follow specific procedures, the Arbitral Tribunal may adopt the procedures it considers appropriate, subject to the provisions of this Law and the absence of conflict with the fundamental principles of litigation and international agreements to which the State is party.

Article 23.2 of the UAE Arbitration Law grants the Arbitral Tribunal the power to determine the procedural rules and conduct of the arbitration when the parties have not agreed on specific procedures. Let us analyse this article:

- 1. Discretion of the Arbitral Tribunal: In the absence of an agreement on procedures, the article empowers the Arbitral Tribunal to exercise its discretion and decide on the conduct of the arbitration proceedings.
- 2. Appropriate Procedures: The Tribunal is tasked with selecting procedures it deems appropriate, considering factors such as the nature of the dispute, the complexity of issues involved, and the parties' preferences, among others.
- 3. Subject to UAE Arbitration Law: While the Tribunal has the freedom to adopt appropriate procedures, it must still ensure that its decisions comply with the provisions of the UAE Arbitration Law.
- 4. Compliance with International Agreements: The Tribunal's discretion in procedural matters is limited by the requirement that the procedures adopted must not conflict with the fundamental principles of litigation and international agreements to which the UAE is a party.

### Importance:

- 1. Flexibility: The provision allows the Arbitral Tribunal to tailor the arbitration process to the specific needs of the case, ensuring flexibility and efficiency in the proceedings.
- 2. Efficient Resolution: The Tribunal's power to adopt appropriate procedures enables it to design the arbitration process in a manner that promotes swift and effective resolution of the dispute.
- 3. Compliance with Legal Framework: While the Tribunal has discretion, it must still ensure that its decisions align with the UAE Arbitration Law, preserving the integrity and validity of the arbitration process.
- 4. Respect for International Agreements: By requiring the Tribunal to avoid conflicts with international agreements to which the UAE is a party, the article underscores the country's commitment to upholding its obligations under international law.

Overall, Article 23.2 of the UAE Arbitration Law grants the Arbitral Tribunal the authority to determine appropriate procedures when the parties have not agreed on specific rules. The provision aims to strike a balance between flexibility and adherence to the legal framework, ensuring an effective and fair arbitration process for resolving disputes in the United Arab Emirates.



### ARTICLE (24) NOTICE

24.1. Unless otherwise agreed by the Parties, the provisions of this section shall apply as follows:

(a) Any written communication is deemed to have been received if it is delivered to the addressee personally or if it is delivered at its place of business, habitual residence or mailing address known to the Parties or designated in the Arbitration Agreement or the document governing the relationship addressed by the Arbitration; if none of these can be found after making a reasonable inquiry, a written communication is deemed to have been received if it is sent to the addressee's last-known place of business, habitual residence or mailing address by registered letter, courier, or any other means which provides a written record of the attempt to deliver it. The expression "mailing address" shall include any facsimile number or email address previously used by the Parties in their dealings or previously advised by either Party to the other in its communications.

The introductory part of Article 24.1(a) 1 of the UAE Arbitration Law clarifies that the rules regarding the deemed receipt of written communications outlined in Article 24.1(a) 1 are applicable by default, unless the Parties have agreed to a different method of communication. The provision then establishes various ways in which written communications can be deemed to have been received by the addressee:

- 1. Personal Delivery: If a written communication is handed over directly to the addressee, it is considered received. In case the addressee cannot be located at the known addresses through reasonable inquiry, the article provides alternative methods of communication.
- 2. Last-Known Addresses: The communication is considered received if sent to the addressee's last-known place of business, habitual residence, or mailing address.
- 3. Means of Delivery: The communication can be sent by registered letter, courier, or any other means that provides a written record of the attempt to deliver it. This ensures a record of the delivery attempt.
- 4. The article clarifies that the term "mailing address" includes not only physical mailing addresses but also electronic communication methods:
- 5. Facsimile Number: If the Parties have previously used facsimile (fax) for communications, it is considered a valid mailing address.
- 6. Email Address: Similarly, if the Parties have used email for communications and have provided their email addresses, it is considered a valid mailing address.

#### Importance:

- 1. Clarity in Communication: The article provides clear guidelines for determining the deemed receipt of written communications, ensuring parties are aware of when their communications are considered received.
- 2. Flexibility: By including electronic communication methods like facsimile and email, the provision acknowledges the modern modes of communication used in arbitration proceedings.



- 3. Recordkeeping: The requirement for written records of attempted delivery through registered letters or couriers ensures a reliable and verifiable record of communication attempts.
- 4. Default Rule: The provision serves as a default rule for determining the deemed receipt of communications in arbitration proceedings when the Parties have not agreed on alternative methods.

Overall, Article 24.1(a) 1 of the UAE Arbitration Law establishes a framework for determining the deemed receipt of written communications during arbitration proceedings. The provision ensures clear communication channels between the parties and enables flexibility to accommodate modern modes of communication while maintaining a reliable record of delivery attempts.

(b) The communication is deemed to have been received on the day it is so delivered in the manner described in this Law. Communication sent by fax or email shall be deemed to have been received when transmitted upon receipt of confirmation of error-free transmission. In all cases, communications shall be deemed effectively received when received or sent before 18:00 hrs in the country in which the communication is received; otherwise on the following day.

Article 24.1(b) of the UAE Arbitration Law deals with the deemed receipt of communications in arbitration proceedings. Let us analyse this article:

- 1. The first sentence of Article 24.1(b) establishes that the deemed receipt of a communication occurs on the day it is delivered in accordance with the methods specified in the UAE Arbitration Law. This means that the date of delivery, as determined by the provisions in the previous section (Article 24.1(a)), is considered the date of receipt.
- 2. The second sentence of Article 24.1(b) specifically addresses communications sent by fax or email. The communication is considered received at the moment of successful transmission, and confirmation of error-free transmission is crucial for establishing the deemed receipt. This ensures that the communication is treated as received promptly once the transmission is confirmed without any errors.
- 3. The first sentence of Article 24.1(b) sets a cut-off time for communications to be deemed effectively received:
  - a. Before 18:00 hrs: If a communication is received or sent before 18:00 hrs (local time) in the country where the communication is received, it is considered effectively received on the same day.
  - b. After 18:00 hrs: If a communication is received or sent after 18:00 hrs (local time) in the country where the communication is received, it is considered effectively received on the following day.



- 1. Clarity in Determining Receipt: The article provides a clear and specific framework for determining the deemed receipt of communications, particularly when sent by fax or email.
- 2. Accuracy and Efficiency: By considering the date of successful transmission for fax or email communications, the article ensures accurate and efficient communication in arbitration proceedings.
- 3. Time Sensitivity: The establishment of the cut-off time (18:00 hrs) for effective receipt takes into account the time sensitivity of communications and ensures parties have sufficient time to respond to time-critical matters.
- 4. Harmonisation with Business Hours: The provision considers the standard business hours in the country of receipt, which is practical and aligns with common working practices.

Overall, Article 24.1(b) of the UAE Arbitration Law provides clarity and efficiency in determining the deemed receipt of communications in arbitration proceedings. It sets clear rules for fax or email communications and considers time-sensitive issues, promoting effective communication and avoiding delays in the arbitration process.

24.2. For the purposes of calculating time limits in accordance with this Law, a period of time shall start to run on the day following the date on which a notification or other communication is received. If the last day of the relevant period of time falls on an official holiday or a non-business day at the premises or place of business of the addressee, the period of time shall expire on the first following business day. Official holidays or non-business days occurring within such period are included in calculating the period of time.

Article 24.2 of the UAE Arbitration Law deals with the calculation of time limits in arbitration proceedings. Let us analyse this article:

- 1. The first sentence of Article 24.2 establishes the starting point for calculating time limits in arbitration proceedings. The period of time begins on the day after the notification or communication is received by the addressee. This ensures that parties have a clear understanding of when the specified time limit commences.
- 2. The second sentence of Article 24.2 addresses situations where the last day of the relevant time period coincides with an official holiday or a non-business day at the premises or place of business of the addressee. In such cases, the time limit is extended to expire on the first following business day. This provision prevents the loss of time due to non-working days and ensures that parties have the opportunity to meet their obligations within a reasonable timeframe.
- 3. The third sentence of Article 24.2 clarifies that official holidays or non-business days that occur during the specified time period are included in the calculation of the time limit. In other words, such holidays or non-business days do not stop the clock or interrupt the running of the time limit; they are counted as part of the period.



Importance:

- 1. Clarity and Consistency: Article 24.2 provides clarity on when time limits start to run and how they are calculated, ensuring consistency in handling time-related matters in arbitration proceedings.
- 2. Protection Against Loss of Time: By allowing the extension of time limits when the last day coincides with a non-working day, the provision safeguards parties from losing valuable time due to holidays or non-business days.
- 3. Fairness and Practicality: The inclusion of official holidays and non-business days in calculating time limits is fair and practical, as it takes into account periods when normal business activities are suspended.
- 4. Predictability: Parties can rely on the provisions of Article 24.2 to predict when specific time limits expire, facilitating effective planning and compliance with procedural requirements.

Overall, Article 24.2 of the UAE Arbitration Law establishes clear and fair guidelines for calculating time limits in arbitration proceedings. By addressing issues related to non-working days and holidays, the provision promotes efficiency and ensures that parties have sufficient time to fulfil their obligations in a timely manner.

#### 24.3. The provisions of this article do not apply to communications in court proceedings.

Article 24.3 of the UAE Arbitration Law makes it clear that the rules and principles governing the calculation of time limits and the deemed receipt of communications as outlined in Article 24 are specific to arbitration proceedings and do not extend to communications made in court proceedings.

Importance:

- 1. Different Rules for Court Proceedings: Court proceedings typically have their own established rules and procedures for calculating time limits and the deemed receipt of communications. These rules may differ from the ones applicable to arbitration proceedings, as the judicial process and arbitration process are distinct and governed by separate sets of laws and regulations.
- 2. Avoiding Confusion and Inconsistency: By explicitly excluding court proceedings from the scope of Article 24, the UAE Arbitration Law aims to avoid confusion and maintain consistency in applying the appropriate rules to each type of legal proceeding.
- 3. Clarity and Certainty: Article 24.3 provides clarity and certainty by delineating the boundaries between arbitration and court proceedings, ensuring that parties and practitioners understand which rules apply to each process.

Overall, Article 24.3 of the UAE Arbitration Law serves to delineate the scope of Article 24, making it clear that the provisions for calculating time limits and deemed receipt of communications are limited to arbitration proceedings and do not extend to court proceedings. This ensures clarity and consistency in the application of procedural rules in the UAE's legal system.



#### **ARTICLE (25) WAIVER OF RIGHT TO OBJECT**

25.1 A party who knows that any provision of this Law from which the Parties may derogate or any requirement under the Arbitration Agreement has not been complied with and yet does not state its objection to such non-compliance within the time limit agreed upon, or within seven days of becoming aware of the non-compliance in the absence of such agreement, shall be deemed to have waived its right to object.

Article 25.1 of the UAE Arbitration Law deals with the issue of waiver of objections related to noncompliance with provisions of the law or requirements under the arbitration agreement. Let us analyse this article:

- 1. Time Limit for Objecting: Article 25.1 establishes a time limit within which a party must raise objections regarding non-compliance with any provision of the UAE Arbitration Law that allows the parties to deviate from its requirements or any requirement stipulated in the arbitration agreement.
- 2. Waiver of Right to Object: If a party becomes aware of such non-compliance and fails to raise an objection within the prescribed time limit, it will be deemed to have waived its right to object.

#### Importance:

- 1. Encouraging Timely Objections: Article 25.1 is aimed at encouraging parties to promptly raise any objections related to non-compliance with the law or arbitration agreement. By establishing a specific time frame for raising objections, the provision ensures that parties do not delay their objections and that potential issues are addressed in a timely manner.
- 2. Preserving Parties' Rights: The provision helps in preserving the rights of parties involved in arbitration. If a party does not waive its right to object within the specified time limit, it can still challenge any non-compliance that comes to light later in the arbitral process.
- 3. Promoting Efficiency and Finality: By setting clear time limits for raising objections, Article 25 contributes to the efficiency of the arbitration process. Timely resolution of objections avoids unnecessary delays and supports the finality of arbitral awards.

Overall, Article 25.1 of the UAE Arbitration Law emphasises the importance of raising objections related to non-compliance with the law or arbitration agreement within a specified time frame. It ensures that parties do not waive their right to object by imposing a time limit for raising such objections. This provision promotes efficiency and finality in the arbitration process while safeguarding the parties' rights to challenge any non-compliance that may arise during the proceedings.



#### **ARTICLE (26) EQUALITY OF THE PARTIES**

# 26.1 The Parties shall be treated with equality and each party shall be given a full opportunity to present its case.

Article 26.1 of the UAE Arbitration Law emphasises the principles of equality and fair treatment of the parties involved in arbitration. Let us analyse this article:

- 1. Equality of Treatment: Article 26.1 mandates that all parties to the arbitration shall be treated equally, without any favouritism or discrimination. This principle ensures that no party is given preferential treatment over others and that all parties have an equal opportunity to present their case and defend their interests.
- 2. Full Opportunity to Present Case: The article also guarantees that each party shall be afforded a full and fair opportunity to present its arguments, evidence, and legal submissions during the arbitral proceedings. This means that parties have the right to present their case comprehensively and without any undue restrictions.

#### Importance:

- 1. Fairness and Impartiality: Article 26.1 upholds the fundamental principles of fairness and impartiality in arbitration. By treating all parties equally and giving them full opportunities to present their case, the arbitration process is designed to be unbiased and just.
- 2. Preserving Parties' Rights: The provision ensures that parties have the right to present their case and defend their interests effectively. This helps safeguard the parties' procedural rights and contributes to the overall integrity of the arbitration process.
- 3. Ensuring a Level Playing Field: By promoting equality of treatment, Article 26.1 aims to create a level playing field for all parties involved in the arbitration. This helps maintain the balance between the parties and fosters confidence in the arbitration process.

Overall, Article 26.1 of the UAE Arbitration Law establishes the fundamental principles of equality and fairness in arbitration. It emphasises the importance of treating all parties equally and providing them with full opportunities to present their case. This provision aims to ensure a fair and impartial arbitration process and protect the parties' procedural rights throughout the proceedings.

#### ARTICLE (27) COMMENCEMENT OF ARBITRAL PROCEEDINGS

# 27.1 Unless otherwise agreed by the Parties, the arbitral proceedings commence on the day following the date when the composition of the Arbitral Tribunal is completed.

Article 27.1 of the UAE Arbitration Law sets out the starting point for arbitral proceedings. Let us analyse this article:

1. Commencement of Arbitral Proceedings: Article 27.1 states that unless the Parties have agreed otherwise, the arbitral proceedings officially begin on the day following the completion of the composition of the Arbitral Tribunal. The composition of the Arbitral



Tribunal refers to the appointment and acceptance of all arbitrators who will hear and decide the dispute.

- 2. Importance of Composition Completion: The completion of the composition of the Arbitral Tribunal is a significant milestone in the arbitration process. It marks the point at which the arbitral tribunal is fully constituted and ready to proceed with the resolution of the dispute.
- 3. Parties' Flexibility: The article allows flexibility for the Parties to agree on a different starting point for the arbitral proceedings if they wish. This means that the Parties can agree to commence the arbitration at a different stage, such as the submission of the statement of claim or the statement of defence, if they consider it appropriate for their specific case.

#### Importance:

- 1. Clarity in Commencement: Article 27.1 provides clarity and certainty on when the arbitral proceedings officially begin. This helps in determining procedural timelines, deadlines, and other important aspects of the arbitration process.
- 2. Efficient Case Management: Establishing a clear starting point for the arbitral proceedings is essential for efficient case management. It allows the Arbitral Tribunal and the parties to plan and organise the proceedings effectively.
- 3. Reflecting Party Autonomy: The provision reflects the principle of party autonomy in arbitration, allowing the Parties to agree on the commencement of the proceedings based on their preferences and needs.

Overall, Article 27.1 of the UAE Arbitration Law ensures a clear and defined starting point for arbitral proceedings, which helps facilitate efficient case management and respects the parties' autonomy in determining the course of the arbitration process.

# 27.2. Notice of the request for arbitration is tantamount to filing an action for the purposes of levying precautionary attachment.

Article 27.2 of the UAE Arbitration Law deals with the legal effect of notice of a request for arbitration concerning precautionary attachment. Let us analyse this article:

- 1. Notice of Request for Arbitration: Article 27.2 states that the notice of a request for arbitration has a specific legal effect concerning precautionary attachment. Precautionary attachment is a legal measure used to secure a claim by attaching or freezing assets or funds belonging to the respondent, pending the resolution of the dispute.
- 2. Tantamount to Filing an Action: The article stipulates that the notice of the request for arbitration is considered equivalent to the filing of a legal action for the purpose of initiating a precautionary attachment. This means that from the moment the notice is served on the respondent, the legal process for seeking precautionary attachment starts as if an action has been filed before a court.



3. Precautionary Attachment in Arbitration: Precautionary attachment is a common legal tool used in litigation before courts to ensure that assets are not dissipated or removed during the dispute resolution process. In arbitration, where there might not be a court involved initially, this provision enables the parties to avail themselves of precautionary attachment measures.

Importance:

- 1. Security for the Claimant: Article 27.2 is essential for claimants seeking arbitration to secure their claims. By considering the notice of the request for arbitration as tantamount to filing an action, it provides an avenue for claimants to seek precautionary attachment measures, even if the arbitration process is still underway.
- 2. Protecting Assets: The provision aims to protect the claimant's interests by preventing the respondent from disposing of or moving assets that may be relevant to the resolution of the dispute. It ensures that the respondent's assets are preserved until the final arbitral award is rendered.
- 3. Facilitating Enforcement: By treating the notice of the request for arbitration as equivalent to filing an action, the provision streamlines the process of seeking precautionary attachment in arbitration. This can be particularly useful when the respondent's assets are located in the jurisdiction of the arbitration.

Overall, Article 27.2 of the UAE Arbitration Law plays a crucial role in providing security for claimants seeking arbitration by allowing them to seek precautionary attachment measures upon serving the notice of the request for arbitration on the respondent. This provision helps protect the claimant's interests and facilitates the enforcement of precautionary measures in arbitration proceedings.

#### **ARTICLE (28) ARBITRAL PROCEEDINGS AND PLACE OF ARBITRATION<sup>4</sup>**

28.1. The Parties may agree to conduct Arbitration and determine its location either to be physically or virtually through modern means of technology or in technical environments. In the absence of any agreement, the Arbitral Tribunal shall determine the place of Arbitration, subject to the circumstances of the case and convenience of the place for the Parties.

Article 28.1 of the UAE Arbitration Law pertains to the mode and location of conducting arbitration proceedings. This provision demonstrates flexibility in adapting to contemporary technological advancements while also emphasising the importance of party autonomy in the arbitration process. Here is a detailed analysis:

- 1. Party Autonomy: The initial part of the article highlights the principle of party autonomy, a foundational concept in arbitration. It allows the parties to an arbitration agreement to decide how (physically or virtually) and where the arbitration will be conducted.
- 2. Physical and Virtual Arbitration:

<sup>&</sup>lt;sup>4</sup> Source: https://www.galadarilaw.com/wp-content/uploads/2023/10/UAE-Introduces-Changes-to-the-UAE-Arbitration-Law.pdf.

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- a. The provision acknowledges the traditional method of physical arbitration, where parties, arbitrators, and possibly other stakeholders convene in person at a designated location.
- b. It also modernises the concept by introducing the option of virtual arbitration. This can be conducted through various technological means, reflecting the growing trend of digitalisation and remote work. Virtual arbitration can be particularly useful in international disputes where parties are based in different countries, making physical meetings logistically challenging or expensive.
- 3. Arbitral Tribunal's Discretion:
  - a. If the parties do not reach an agreement on the mode and place of arbitration, the responsibility falls to the Arbitral Tribunal. They have the discretion to determine both how and where the arbitration will be conducted.
  - b. This decision is not arbitrary; it is guided by two primary factors:
    - i. Circumstances of the Case: The specifics of the case, such as the nature of evidence, the location of witnesses, or the type of dispute, can influence the decision. For instance, if witnesses are based in various global locations, virtual hearings might be more practical.
    - ii. Convenience for the Parties: The Tribunal also considers the logistics and accessibility of the chosen place for all involved parties. This is crucial for ensuring that no party is unduly burdened or disadvantaged due to the location or mode of arbitration.

In summary, Article 28.1 emphasises flexibility, party autonomy, and fairness in the arbitration process. By allowing for both physical and virtual arbitration, the UAE Arbitration Law showcases its adaptability to contemporary needs and ensures that the arbitration process remains efficient and accessible for all parties involved.

#### 2. The Arbitral Tribunal shall make available or send the hearing transcript to the Parties.

Article 28.2 of the UAE Arbitration Law focuses on the transparency and record-keeping aspects of the arbitration process. Here is a breakdown of the provision:

- 1. Hearing Transcript: The provision addresses the "hearing transcript", which is a written record of everything said during the arbitration hearing. This transcript captures testimonies, arguments, questions, and any other relevant verbal exchanges that occur during the proceedings.
- 2. Duty of the Arbitral Tribunal: The Arbitral Tribunal is obligated to either make the transcript available to the parties or send it to them. This duty ensures that both parties have access to an official and comprehensive record of the hearing.
- 3. Transparency and Fairness:



- a. By providing parties with the hearing transcript, the Arbitration Law promotes transparency. Both parties can review the transcript to ensure that their arguments and statements have been accurately recorded.
- b. It also provides an opportunity for parties to prepare for subsequent proceedings, analyse the other party's arguments in detail, or strategise for potential appeals.
- 4. Record Keeping: The transcript serves as an official record of the arbitration hearing, useful for future references, clarifications, or in case of disputes about what transpired during the hearing.

In essence, Article 28.2 enshrines the principle of transparency and ensures that parties have equal access to crucial information from the arbitration hearing. By mandating the provision of the hearing transcript, the UAE Arbitration Law fortifies the rights of the parties and bolsters the integrity of the arbitration process.

# 3. The Arbitration Institution shall provide the technologies necessary for the conduct of arbitral proceedings through the modern means of technology or in technical environments, in accordance with the necessary technical standards and regulations applicable in the State.

Article 28.3 of the UAE Arbitration Law underscores the importance of technology in modern arbitration and the responsibility of the Arbitration Institution to ensure these technological needs are met. Here is a detailed analysis of the provision:

- 1. Technological Support by Arbitration Institution: The primary responsibility outlined in this article is that the Arbitration Institution must provide the necessary technologies for conducting arbitral proceedings. This shows an emphasis on facilitating modern, efficient, and streamlined arbitration processes.
- 2. Modern Means and Technical Environments:
  - a. The provision recognises the evolution of arbitration from traditional face-to-face meetings to sessions conducted via modern technological means. This includes tools like video conferencing, digital document sharing, and other technical platforms that facilitate remote or virtual arbitration.
  - b. The reference to "technical environments" suggests a broader range of platforms and systems, beyond just software, ensuring flexibility and adaptability to future technological advancements.
- 3. Adherence to Technical Standards and State Regulations:
  - a. The provision specifies that these technologies should adhere to the "necessary technical standards and regulations applicable in the State". This emphasises the importance of security, reliability, and compliance in the technologies utilised.
  - b. By stipulating this, the Law ensures that parties' data is protected, proceedings remain confidential, and the integrity of the arbitration process is upheld.



In summary, Article 28.3 of the UAE Arbitration Law emphasises the importance of modernising the arbitration process to keep pace with technological advancements. By placing the onus on the Arbitration Institution to provide and ensure compliance with state regulations, the Law safeguards the quality, security, and effectiveness of virtual or technically-assisted arbitral proceedings.

#### **ARTICLE (29) LANGUAGE OF ARBITRATION**

#### 29.1. Unless otherwise agreed by the Parties, arbitral proceedings shall be conducted in Arabic.

Article 29.1 of the UAE Arbitration Law pertains to the language of arbitral proceedings. Let us analyse this article:

- 1. Default Language: According to Article 29.1, the default language for arbitral proceedings in the UAE is Arabic. This means that unless the Parties explicitly agree otherwise, all aspects of the arbitration, including written submissions, oral hearings, and any communication with the Arbitral Tribunal, shall be conducted in Arabic.
- 2. Exception for Agreed Language: The article allows for the Parties to agree on a different language for the arbitral proceedings. If the Parties have a prior agreement on the language of arbitration, that agreement will prevail over the default language rule.

#### Importance:

- 1. Reflecting National Language: Arabic is the official language of the UAE, and it is commonly used in legal matters and official communications within the country. By stipulating Arabic as the default language for arbitral proceedings, the law reflects the significance of the national language.
- 2. Accessibility for Local Parties: For UAE-based parties, conducting the arbitration in Arabic can enhance accessibility and ensure that all Parties fully comprehend the proceedings and can effectively present their case in their native language.
- 3. Promoting Consistency: A standard language for the proceedings helps ensure consistency and clarity in the arbitration process, as all written and oral submissions are in the same language.
- 4. Preservation of Rights: The provision allows Parties to agree on a different language, acknowledging the importance of Parties' autonomy and the need for effective communication, especially in cases involving international parties or cross-border disputes.

#### Challenges:

1. Language Barriers for International Parties: For international parties not familiar with Arabic, conducting arbitral proceedings in this language may present challenges in terms of understanding legal nuances and ensuring effective communication during the process.



2. Translation Costs and Time: If the Parties choose a language other than Arabic, they may incur additional costs and time for translation services, especially when translating key documents or expert reports.

Overall, Article 29.1 strikes a balance between promoting the use of the national language for arbitral proceedings within the UAE and accommodating the preferences of Parties who may have agreed on a different language. It reflects the UAE's commitment to maintaining its national language while being flexible enough to accommodate the needs of diverse Parties involved in arbitration.

# 29.2. The agreed-upon or determined language, unless otherwise agreed, shall apply to the arbitral proceedings and to any written statement by a party, any hearing and any award, decision or other communication by the Arbitral Tribunal.

Article 29.2 of the UAE Arbitration Law is related to the language used in arbitral proceedings. Let us analyse this article:

- 1. Language Consistency: Article 29.2 stipulates that the agreed-upon or determined language, as per the agreement of the Parties or the determination of the Arbitral Tribunal, shall apply uniformly to all aspects of the arbitral proceedings. This includes written statements submitted by the Parties, any hearings held during the arbitration, and the final award, decision, or any other communication issued by the Arbitral Tribunal.
- 2. Language Choice Control: The article emphasises the importance of consistency in the language used throughout the arbitration process. It ensures that the language choice made by the Parties or determined by the Arbitral Tribunal will govern all interactions and documents involved in the arbitration.

#### Importance:

- 1. Clarity and Cohesion: By maintaining a consistent language throughout the proceedings, the Parties can avoid misunderstandings or confusion arising from multiple languages being used in different parts of the arbitration process. This promotes clarity and coherence in the proceedings.
- 2. Accessibility for Parties: Having a single language for all communications and documentation ensures that all Parties can fully understand and participate in the arbitration, regardless of their linguistic background.
- 3. Avoiding Interpretation Issues: A uniform language reduces the risk of interpretational challenges that may arise if different parts of the proceedings are conducted in multiple languages.
- 4. Enforceability of the Award: By using a single language for the award, the enforceability of the final decision is strengthened, as it eliminates any potential difficulties that may arise during enforcement due to language discrepancies.



Challenges:

- 1. Linguistic Diversity: In cases where the arbitration involves Parties from different linguistic backgrounds, agreeing on a common language may be challenging. This can lead to additional negotiations and considerations during the drafting of the arbitration agreement.
- 2. Translation Costs and Accuracy: When the agreed language is not the native language of one or more Parties, translation services may be required. Ensuring accurate and reliable translations can be critical to avoid potential disputes related to language interpretations.

Overall, Article 29.2 reinforces the importance of language consistency in arbitral proceedings, promoting effective communication and understanding among the Parties and enhancing the enforceability of the final award. It highlights the significance of the language chosen by the Parties or determined by the Arbitral Tribunal in governing all aspects of the arbitration process.

29.3. Subject to Federal Law No. (6) of 2012 regulating the translation profession, the Arbitral Tribunal may order that any or all written materials submitted in the proceedings be accompanied by a translation into the language or languages used in the Arbitration. In situations where there are multiple languages, translations may be limited to certain languages.

Article 29.3 of the UAE Arbitration Law addresses the issue of translations in arbitral proceedings. Let us analyse this article:

- 1. Translation Order: Article 29.3 grants the Arbitral Tribunal the authority to order that any or all written materials submitted during the arbitral proceedings be accompanied by translations into the language or languages used in the arbitration. This means that if the primary language of the proceedings is not the language of the submitted documents, the Tribunal can require translations to facilitate comprehension and communication.
- 2. Translation Regulations: The article mentions that the Tribunal's power to order translations is subject to Federal Law No. (6) of 2012 regulating the translation profession. This indicates that the Tribunal's authority must comply with any applicable legal provisions and regulations governing translation practices in the UAE.
- 3. Selective Translation: The article allows the Arbitral Tribunal to exercise discretion in deciding which documents should be translated and into which languages. The Tribunal can limit translations to specific languages if there are multiple languages involved in the proceedings.

#### Importance:

1. Clarity and Understanding: Ordering translations ensures that all Parties have a clear understanding of the written materials presented during the arbitration, regardless of the language they are originally submitted in. This promotes fairness and transparency in the proceedings.

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- 2. Accessibility: Translations enable all Parties, irrespective of their language proficiency, to fully participate in the arbitration process and comprehend the content of the documents, evidence, and arguments presented by the opposing Party.
- 3. Compliance with Translation Regulations: By referencing the Federal Law No. (6) of 2012 regulating the translation profession, the article emphasises the importance of adhering to the legal requirements and quality standards for translations.

#### Challenges:

- 1. Translation Costs: Translations can be a cost-intensive aspect of arbitration, particularly if numerous documents need to be translated into multiple languages. The Parties may need to allocate resources for professional translation services.
- 2. Time Constraints: The translation process may introduce delays, especially if extensive documentation requires translation. This can impact the efficiency and timeliness of the arbitral proceedings.
- 3. Translation Accuracy: Ensuring accurate translations is crucial to prevent potential misunderstandings or disputes arising from discrepancies between the original text and its translated version.

Overall, Article 29.3 aims to address language-related challenges in arbitral proceedings by granting the Arbitral Tribunal the power to order translations of written materials when necessary. It underlines the importance of clear communication and comprehension in ensuring a fair and effective arbitration process for all Parties involved.

#### ARTICLE (30) STATEMENTS OF CLAIM AND DEFENCE

30.1. Unless otherwise agreed by the Parties or determined by the Arbitral Tribunal, the claimant shall, within fourteen days after composition of the Arbitral Tribunal, communicate its statement of claim in writing to the respondent and to each of the arbitrators. The statement of claim shall include the claimant's name and address, the name and address of the respondent, a statement of the facts supporting the claim, the points at issue, the relief or remedy sought, and every other matter required by the agreement of the Parties to be mentioned in the statement.

Article 30.1 of the UAE Arbitration Law focuses on the requirements for the claimant to submit its statement of claim in writing during arbitral proceedings. Let us analyse this article:

- 1. Time Limit for Submission: According to Article 30.1, the claimant is required to submit its statement of claim in writing within fourteen days after the composition of the Arbitral Tribunal. This means that once the Tribunal has been formed, the claimant has a specific timeframe within which to provide its statement of claim to the respondent and each of the arbitrators.
- 2. Contents of the Statement of Claim: The article outlines the essential elements that the statement of claim must include:



- 3. Names and Addresses: The claimant's name and address, as well as the respondent's name and address, must be clearly stated in the statement.
- 4. Statement of Facts: The statement must present a clear and comprehensive statement of the facts that support the claim. This helps ensure that all Parties and the Tribunal have a complete understanding of the dispute's underlying circumstances.
- 5. Points at Issue: The statement should identify the specific points at issue, clarifying the main matters in contention.
- 6. Relief or Remedy Sought: The claimant must indicate the relief or remedy it is seeking through the arbitral process. This could include specific damages, specific performance, or any other form of relief the claimant is seeking.
- 7. Compliance with Agreement: The statement should address any other matters required to be mentioned in the statement by the Parties' agreement.

#### Importance:

- 1. Clarity and Focus: The requirement to submit a written statement of claim ensures that the claimant presents its case in a structured and coherent manner. This promotes clarity and prevents ambiguity in the claims and arguments presented.
- 2. Early Stating of Claims: By setting a specific time limit for the submission of the statement of claim, the article aims to expedite the arbitration process. This ensures that the arbitral proceedings can move forward promptly after the formation of the Tribunal.
- 3. Equal Information Sharing: Requiring the claimant to provide a statement of claim to the respondent and each of the arbitrators ensures that all Parties and the Tribunal have access to the same information, enabling a fair and transparent arbitration process.

#### Challenges:

- 1. Time Constraints: The tight deadline of fourteen days to submit the statement of claim may pose challenges for the claimant, especially if the case involves complex issues or extensive documentation.
- 2. Completeness of Information: The claimant must ensure that all relevant information and supporting evidence are included in the statement of claim to present a comprehensive case. Failure to do so may lead to delays or procedural issues.
- 3. Document Translation: If the arbitration proceedings are conducted in a language other than the claimant's native language, the claimant may face additional challenges in ensuring accurate translations of the statement of claim.

Overall, Article 30.1 emphasises the importance of a well-structured and timely submission of the claimant's statement of claim, setting the foundation for an efficient and fair arbitration process. It ensures that both Parties and the Arbitral Tribunal have a clear understanding of the claimant's position and the relief sought at an early stage of the proceedings.



30.2. Unless otherwise agreed by the Parties or determined by the Arbitral Tribunal, the respondent shall, within fourteen days from the day after receiving the claimant's statement of claim referred to in the preceding section of this article, communicate its statement of defence in writing to the claimant and to each of the arbitrators. The statement of defence shall reply to the particulars of the statement of claim and may include any incidental claims or counterclaims related to the subjectmatter of the dispute or invoke a right arising therefrom for the purpose of a set-off. The respondent may do so even at a later stage in the proceedings, if the Arbitral Tribunal decides that the delay was justified under the circumstances.

Article 30.2 of the UAE Arbitration Law focuses on the requirements for the respondent to submit its statement of defence in writing during arbitral proceedings. Let us analyse this article:

- 1. Time Limit for Submission: According to Article 30.2, the respondent is required to submit its statement of defence in writing within fourteen days from the day after receiving the claimant's statement of claim. This timeframe allows the respondent sufficient time to review the claimant's case and prepare its response.
- 2. Contents of the Statement of Defence: The article outlines the elements that the statement of defence must include:
- 3. Reply to Claimant's Particulars: The statement of defence should address and reply to the particulars mentioned in the claimant's statement of claim. This ensures that the respondent responds directly to the issues raised by the claimant.
- 4. Incidental Claims or Counterclaims: The respondent may include any incidental claims or counterclaims related to the subject-matter of the dispute. This allows the respondent to assert its own claims or counter the claimant's claims within the same arbitration.
- 5. Set-off Right Invocation: The respondent may also invoke a right arising from the subjectmatter of the dispute for the purpose of a set-off. This allows the respondent to set off its own claim against the claimant's claim.
- 6. Flexibility in Submission: The article provides flexibility by allowing the respondent to submit its statement of defence at a later stage in the proceedings if the Arbitral Tribunal decides that the delay was justified under the circumstances. This recognises that there may be legitimate reasons for the respondent to require additional time to prepare its defence.

#### Importance:

- 1. Equality and Opportunity: Article 30.2 ensures that both the claimant and the respondent are treated with equality and are given an equal opportunity to present their cases. By setting the same time limit for the submission of the statement of defence as for the statement of claim, the article promotes fairness in the arbitration process.
- Efficient Proceedings: Requiring the respondent to provide its statement of defence within a specified timeframe helps to maintain an efficient and timely arbitration process. It ensures that the proceedings move forward promptly, allowing for a timely resolution of the dispute.



3. Comprehensive Presentation: By allowing the respondent to include incidental claims, counterclaims, and set-off rights in its statement of defence, the article encourages a comprehensive presentation of the parties' positions, ensuring that all relevant issues are addressed during the arbitration.

Challenges:

- 1. Time Constraints: Like the claimant, the respondent may face challenges in meeting the fourteen-day deadline, especially if the case involves complex issues or extensive documentation.
- 2. Content Preparation: The respondent must ensure that its statement of defence comprehensively addresses the claimant's particulars and includes any incidental claims or counterclaims. This requires careful preparation and review.
- 3. Arbitral Tribunal Discretion: The article grants discretion to the Arbitral Tribunal to allow a later submission of the statement of defence. While this flexibility is beneficial, the exercise of discretion may lead to debates or disputes between the parties if one party feels that the delay was not justified.

Overall, Article 30.2 emphasises the importance of timely and comprehensive communication in the arbitration process. It ensures that both the claimant and the respondent have the opportunity to present their cases fully and fairly, promoting efficiency and fairness in the proceedings.

**30.3.** Unless otherwise agreed by the Parties, a party may, during the course of the arbitral proceedings, amend or supplement its claim or defence or file a counterclaim, unless the Arbitral Tribunal considers it inappropriate to allow such amendment having regard to the delay in settling the dispute or its remit. The decision of the Arbitral Tribunal shall take into account procedural due process.

Article 30.3 of the UAE Arbitration Law addresses the issue of amending or supplementing claims, defences, or filing counterclaims during the course of arbitral proceedings. Let us analyse this article:

- 1. Amendment and Supplement: The article allows a party to amend or supplement its claim or defence during the arbitral proceedings. This means that a party can modify or add to its original claim or defence, as long as it is done within the timeframe specified by the Arbitral Tribunal or agreed upon by the parties.
- 2. Counterclaims: The article also permits a party to file a counterclaim during the arbitral proceedings. A counterclaim is a claim brought by the respondent against the claimant in response to the original claim. It allows both parties to assert their claims and counterclaims in the same arbitration, which can lead to a more efficient resolution of all issues between them.
- 3. Discretion of the Arbitral Tribunal: While the article grants the right to amend or supplement claims and defences, it also empowers the Arbitral Tribunal to consider whether allowing such amendments is appropriate. The Arbitral Tribunal may consider factors such as the delay in settling the dispute or its remit (scope of authority) when deciding whether to permit amendments.



4. Procedural Due Process: The article emphasises that the decision of the Arbitral Tribunal must take into account procedural due process. This means that the Tribunal should ensure that both parties have a fair and equal opportunity to present their cases and respond to any amendments or counterclaims.

Importance:

- 1. Flexibility and Efficiency: Article 30.3 promotes flexibility in the arbitration process by allowing parties to adapt their claims and defences as the proceedings unfold. This flexibility is essential, especially in complex disputes where new information or evidence may come to light during the course of the arbitration.
- 2. Comprehensive Adjudication: Allowing counterclaims fosters comprehensive adjudication of the dispute, as it enables the Arbitral Tribunal to address all relevant issues in a single arbitration. This can lead to a more efficient and holistic resolution of the dispute.
- 3. Procedural Fairness: The requirement to consider procedural due process ensures that both parties are treated fairly and that any amendments or counterclaims are handled in a manner that upholds their right to present their case effectively.

Challenges:

- 1. Balancing Efficiency and Fairness: The Arbitral Tribunal must strike a balance between permitting amendments to promote efficiency and ensuring that both parties have a fair opportunity to respond to any new claims or defences. This can be challenging, especially if significant amendments are proposed later in the proceedings.
- 2. Impact on Timelines: Allowing amendments or counterclaims may affect the overall timeline of the arbitration, potentially leading to additional delays. The Tribunal must carefully manage the proceedings to avoid unnecessary prolongation of the dispute.
- 3. Potential Disputes: The discretion given to the Arbitral Tribunal may lead to disputes between the parties if one party disagrees with the decision to permit or deny amendments. Resolving such disputes may add complexity to the arbitration.

Overall, Article 30.3 of the UAE Arbitration Law seeks to strike a balance between flexibility and fairness in the arbitration process. By allowing amendments and counterclaims while considering procedural due process, the article aims to facilitate efficient and comprehensive resolution of disputes. However, its application requires careful consideration and management by the Arbitral Tribunal to ensure a fair and timely arbitration.

#### ARTICLE (31) DOCUMENTS SUPPORTING THE STATEMENT OF CLAIM AND DEFENCE

31.1 Each party may annex to its statement of claim or defence, as the case may be, copies of supporting documents, or add a reference to all or some of the documents and evidence it will submit, while observing the other party's right to peruse the same. The Arbitral Tribunal has the right, however, at any stage of the proceedings, to request the submission of the originals of



# documents or materials on which either party relies, and the other parties shall have the right to peruse the same.

Article 31.1 of the UAE Arbitration Law deals with the annexing and submission of supporting documents in arbitral proceedings. Let us analyse the key provisions:

- 1. Annexing Supporting Documents: The article permits each party to attach copies of supporting documents to their statement of claim or defence. These supporting documents are essential pieces of evidence that bolster the party's arguments or contentions in the arbitration.
- 2. Reference to Documents: Instead of annexing all supporting documents, parties may also choose to make a reference to the documents and evidence they intend to submit. This allows parties to indicate the existence of relevant documents without attaching all of them to the statement.
- 3. Right to Peruse Documents: The article emphasises the right of the other party to peruse (examine or inspect) the submitted documents. This ensures transparency and gives the opposing party an opportunity to review the evidence presented by the other party.
- 4. Request for Original Documents: The Arbitral Tribunal has the authority to request the submission of original documents or materials on which either party relies. This is particularly relevant when the authenticity or accuracy of the documents is in question, and the Tribunal needs to verify the evidence.
- 5. Right to Peruse Originals: When the Arbitral Tribunal requests the submission of original documents, the other parties also have the right to peruse these original documents. This allows all parties to examine the same evidence and be on an equal footing during the proceedings.

#### Importance:

- 1. Transparency and Fairness: Article 31.1 promotes transparency in the arbitration process by ensuring that parties have access to the evidence relied upon by the other side. This fosters a fair and level playing field for all parties.
- 2. Efficient Presentation of Evidence: Allowing parties to annex or reference supporting documents in their submissions streamlines the presentation of evidence. It allows parties to present their arguments effectively without the need for repetitive exhibits.
- 3. Document Verification: The provision empowering the Arbitral Tribunal to request original documents enables the Tribunal to verify the authenticity and accuracy of the evidence presented. This helps maintain the integrity of the arbitral proceedings.

#### Challenges:

1. Document Management: The submission and management of numerous documents in complex arbitrations can be challenging. Ensuring that all parties have access to the relevant evidence while maintaining confidentiality may require careful document organisation.



- 2. Disputes over Evidence: Parties may disagree over the authenticity, relevance, or admissibility of certain documents. Such disputes may need to be resolved by the Arbitral Tribunal, which could potentially delay the proceedings.
- 3. Information Imbalance: In some cases, one party may have significantly more documents than the other, creating an information imbalance. The Tribunal must be attentive to such imbalances to ensure fairness in the proceedings.

Overall, Article 31 of the UAE Arbitration Law aims to strike a balance between transparency and efficiency in the presentation of evidence during arbitral proceedings. By allowing parties to submit supporting documents and providing the Tribunal with the authority to request original documents, the article contributes to a fair and well-informed arbitration process.

#### ARTICLE (32) DEFAULT OF A PARTY

Unless otherwise agreed by the Parties, and subject to the provisions of Article 30 of this Law, the following shall be observed:

32.1. If the claimant, without showing sufficient cause, fails to communicate its statement of claim in accordance with this Law and the procedures the Parties have agreed to follow, the Arbitral Tribunal shall terminate the proceedings if convinced that there has been undue and unjustified delay on the part of the claimant in pursuing its claim as would make it impossible to reach a fair resolution or would prejudice the respondent.

Article 32.1 of the UAE Arbitration Law addresses the consequences of the claimant's failure to communicate its statement of claim in a timely manner during arbitral proceedings. Let us analyse the key provisions:

- 1. Failure to Submit Statement of Claim: Article 32.1 applies when the claimant fails to communicate its statement of claim within the prescribed time frame as required by the law and the agreed-upon procedures between the Parties.
- 2. Insufficient Cause: The article specifies that the failure must be "without showing sufficient cause", meaning that the claimant cannot provide a valid reason or justification for the delay in submitting the statement of claim.
- 3. Termination of Proceedings: If the Arbitral Tribunal determines that there has been an undue and unjustified delay on the part of the claimant in pursuing its claim, and that this delay makes it impossible to reach a fair resolution or prejudices the respondent, the Tribunal is empowered to terminate the arbitral proceedings.

#### Importance:

1. Timely Resolution: Timeliness is essential in arbitration to ensure that disputes are resolved efficiently. Article 32.1 encourages the claimant to adhere to the agreed-upon timeline for submitting the statement of claim to facilitate a swift resolution of the dispute.



- 2. Fairness and Prejudice: The article safeguards against unjustified delays that could prejudice the respondent's ability to defend its case adequately. It ensures that parties have a fair opportunity to present their arguments and evidence.
- 3. Procedural Orderliness: The provision reinforces the importance of following the agreedupon procedures and timelines set out by the Parties. It promotes procedural orderliness in arbitral proceedings.

#### Challenges:

- 1. Determining Sufficient Cause: Assessing whether the claimant has shown "sufficient cause" for the delay may be subject to interpretation and could lead to disputes over the validity of the reasons presented.
- 2. Balancing Speed and Fairness: While timely resolution is essential, the Tribunal must also balance the need for efficiency with the Parties' right to be heard fully. Rushing the process may compromise the quality of the parties' submissions and evidence.
- 3. Remedies for the Respondent: The article does not explicitly provide remedies for the respondent if the claimant's failure to submit the statement of claim prejudices the respondent's position. The Tribunal's termination of proceedings may not be sufficient compensation for any harm caused.

Overall, Article 32.1 of the UAE Arbitration Law emphasises the importance of timeliness in arbitral proceedings and aims to ensure that parties adhere to the agreed-upon procedures for submitting the statement of claim. By addressing undue delays, the article seeks to promote a fair and efficient resolution of disputes through arbitration.

**32.2.** Where the respondent fails to communicate its statement of defence, the Arbitral Tribunal shall continue the proceedings, without treating such failure in itself as an admission of the claimant's allegations by the respondent. The same rule shall apply to the claimant's failure to submit a defence to a counterclaim.

Article 32.2 of the UAE Arbitration Law deals with the consequences when a respondent fails to communicate its statement of defence during arbitral proceedings. Let us analyse the key provisions:

- 1. Failure to Submit Statement of Defence: Article 32.2 applies when the respondent fails to communicate its statement of defence within the prescribed time frame as required by the law and the agreed-upon procedures between the Parties. The same rule applies when the claimant fails to submit a defence to a counterclaim.
- 2. Continuation of Proceedings: Despite the respondent's failure to submit a statement of defence, the article states that the Arbitral Tribunal shall continue the proceedings. This means that the arbitration process will not be halted solely because the respondent has not presented its defence.
- 3. No Admission of Allegations: The article explicitly clarifies that the respondent's failure to submit a statement of defence should not be treated as an admission of the claimant's



allegations. In other words, the Tribunal cannot automatically assume that the claimant's claims are valid simply because the respondent has not responded.

#### Importance:

- 1. Fairness and Due Process: Article 32.2 seeks to ensure fairness and due process in the arbitral proceedings. It prevents a situation where a respondent's silence or failure to respond is taken as an acknowledgment of the claimant's claims.
- 2. Encouragement of Participation: By allowing the proceedings to continue even in the absence of a defence, the article encourages the respondent to actively participate in the arbitration process. It avoids situations where a respondent may attempt to obstruct the proceedings by not submitting its defence.
- 3. Balanced Resolution: The provision strikes a balance between the rights of the claimant and respondent. It allows the claimant to present its case and evidence without being prejudiced by the respondent's lack of response, while still giving the respondent an opportunity to present its defence at a later stage.

#### Challenges:

- 1. Delays and Inefficiency: While continuing the proceedings despite the respondent's failure to submit a defence is fair, it may lead to delays and inefficiencies if the respondent later decides to present its defence after the claimant has already presented its case.
- 2. Impact on Decision Making: The Tribunal must carefully assess the evidence presented by the claimant without the respondent's defence and avoid making decisions based solely on one party's submissions.
- 3. Ensuring Participation: The article does not address how the Tribunal can ensure the respondent's active participation in the proceedings after its initial failure to submit a statement of defence.

Overall, Article 32.2 of the UAE Arbitration Law aims to uphold fairness and due process in arbitral proceedings when a respondent fails to submit a statement of defence. It ensures that the proceedings continue and that the Tribunal does not make assumptions or draw conclusions solely based on the respondent's silence.

32.3. If any party fails to appear at a hearing or to produce documentary evidence or carry out any procedure, without an acceptable excuse, the Arbitral Tribunal may continue the proceedings, drawing appropriate conclusions based on the actions and default of the party in question, as justified by the circumstances of the arbitration case, and proceed to make the award on the evidence before it.

Article 32.3 of the UAE Arbitration Law addresses the consequences when a party fails to appear at a hearing or fails to produce documentary evidence or comply with any procedure during the arbitral proceedings. Let us analyse the key provisions:

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- 1. Failure to Appear or Comply: Article 32.3 applies when a party, without an acceptable excuse, fails to appear at a scheduled hearing or fails to produce documentary evidence or comply with any procedural requirement during the arbitral proceedings.
- 2. Consequences by the Arbitral Tribunal: In such cases, the Arbitral Tribunal is given the authority to continue the proceedings and draw appropriate conclusions based on the actions and default of the non-complying party. This means that the Tribunal can proceed with the arbitration and make its decision based on the evidence available before it.
- 3. Justified Conclusions: The Tribunal is required to consider the circumstances of the arbitration case and make conclusions that are justified based on the defaulting party's actions or inaction. The Tribunal's decision-making should be fair and reasonable, taking into account the party's failure to cooperate.

#### Importance:

- 1. Encouraging Compliance: Article 32.3 encourages parties to actively participate in the arbitral proceedings and comply with the procedural requirements. It serves as an incentive for parties to fulfil their obligations during the arbitration process.
- 2. Efficiency of Proceedings: By allowing the Tribunal to proceed with the arbitration even if a party fails to appear or comply, the article helps maintain the efficiency of the proceedings. The Tribunal can continue with the case and avoid unnecessary delays caused by non-compliance.
- 3. Fairness and Due Process: The provision ensures that the Tribunal can still make a fair and just decision based on the evidence available, even if one party fails to cooperate. It prevents the defaulting party from benefiting from its non-compliance.

#### Challenges:

- 1. Determining Acceptable Excuse: The article does not define what constitutes an "acceptable excuse" for a party's failure to appear or comply. This may leave room for interpretation and potential disputes over whether a party's excuse is valid.
- 2. Balancing Interests: While the article aims to ensure efficiency and fairness, the Tribunal must carefully balance the interests of both parties and avoid prejudicing the defaulting party if there are valid reasons for non-compliance.
- 3. Impact on Decision Making: If a party's failure to appear or comply significantly affects the presentation of evidence or arguments, it may impact the Tribunal's decision-making process.

Overall, Article 32.3 of the UAE Arbitration Law empowers the Arbitral Tribunal to address situations where a party fails to appear at a hearing or comply with procedural requirements. It helps ensure that arbitral proceedings can proceed effectively and fairly, even in the absence of cooperation from one of the parties.



#### **ARTICLE (33) ARBITRAL PROCEEDINGS AND HEARINGS<sup>5</sup>**

# **33.1.** Arbitral proceedings and hearings shall be held in camera, unless otherwise agreed by the Parties.

Article 33.1 of the UAE Arbitration Law highlights the principle of privacy and confidentiality in arbitral proceedings. Here is a detailed analysis of the provision:

- 1. In Camera Proceedings:
  - a. The term "in camera" originates from Latin, meaning "in private" or "in secret". When proceedings are held "in camera", they are not open to the public, and only the involved parties, their representatives, the arbitrators, and any other authorised persons can attend.
  - b. By default, the UAE Arbitration Law ensures that the details, discussions, and evidence presented during arbitration are not disclosed to external parties, preserving the privacy of the proceedings.
- 2. Parties' Autonomy:
  - a. The provision acknowledges the autonomy of the parties involved by stating "unless otherwise agreed by the Parties". This means that if all parties involved mutually agree, they can choose to have the proceedings open or accessible to others.
  - b. By allowing this option, the Law respects the principle of party autonomy, a cornerstone of arbitration, where parties have the freedom to shape the rules of their arbitration to a large extent.
- 3. Confidentiality and Business Sensitivities: One of the primary reasons parties opt for arbitration over litigation is the confidentiality it offers. Business entities, in particular, may not want their disputes, which could involve sensitive commercial information, to be aired in public. By ensuring in camera proceedings, the Law offers an added layer of protection against potential reputational risks or disclosure of trade secrets.

In essence, Article 33.1 of the UAE Arbitration Law emphasises the confidential nature of arbitral proceedings, underscoring one of the key advantages of arbitration over traditional litigation. However, by offering parties the flexibility to decide otherwise, it also upholds the principle of party autonomy.

**33.2.** Unless otherwise agreed by the Parties, the Arbitral Tribunal shall decide whether to hold oral hearings for the production of evidence or for oral arguments, or whether the proceedings shall be

<sup>&</sup>lt;sup>5</sup> Source: https://www.galadarilaw.com/wp-content/uploads/2023/10/UAE-Introduces-Changes-to-the-UAE-Arbitration-Law.pdf.

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conducted on the basis of documents and other material evidence. The Arbitral Tribunal may hold such hearings at an appropriate stage of the proceedings, if so requested by a Party.

Article 33.2 of the UAE Arbitration Law addresses the modalities of arbitral proceedings, specifically concerning the decision to hold oral hearings or rely solely on documentary evidence. Here is a comprehensive analysis of the provision:

- 1. Party Autonomy in Decision-making: The initial clause "Unless otherwise agreed by the Parties" reiterates the importance of party autonomy in arbitration. Parties have the freedom to agree on the manner in which they want the arbitration to be conducted, whether through oral hearings, document-based proceedings, or a combination of both.
- 2. Discretion of the Arbitral Tribunal:
  - a. In the absence of an agreement between the parties, the Arbitral Tribunal is granted the discretion to decide the format of the proceedings. This could involve holding oral hearings for evidence presentation and oral arguments or conducting the arbitration entirely based on documents and other material evidence.
  - b. This flexibility allows the Tribunal to choose the most efficient and effective method to resolve the dispute, given the circumstances of the case.
- 3. Option for Oral Hearings:
  - a. Even if the Tribunal initially decides on a documents-only approach, the provision recognises the potential need for oral hearings at specific stages of the proceedings. It offers a safeguard by stipulating that if a party requests an oral hearing, the Tribunal may hold one.
  - b. This ensures that parties have an opportunity to present their case more comprehensively, especially if they believe that an oral hearing could shed more light on complex issues or nuances.

In summary, Article 33.2 of the UAE Arbitration Law balances the principles of efficiency, flexibility, and party autonomy. While the Arbitral Tribunal has the discretion to determine the mode of proceedings, the parties' preferences and needs are also taken into account, ensuring a fair and thorough examination of the dispute at hand.

# 33.3. The Arbitral Tribunal shall notify the Parties of the dates of the hearings it decides to hold, well in advance of the date specified for that, as estimated by the Arbitral Tribunal.

Article 33.3 of the UAE Arbitration Law addresses the procedure for notifying parties about the dates of arbitral hearings. Here's a detailed analysis of the provision:

1. Notification Obligation: The Arbitral Tribunal has a clear duty to inform all parties involved about the dates of any hearings they decide to hold. This ensures that every party is aware and can prepare adequately for the hearing.



- 2. Advance Notice: The phrase "well in advance of the date specified for that" indicates the need for providing parties with sufficient time to prepare for the hearing. While the exact duration is not quantified in this provision, the emphasis is on ensuring that the notice is not last-minute.
- 3. Tribunal's Discretion on Timing: The phrase "as estimated by the Arbitral Tribunal" grants the Tribunal discretion in determining what constitutes a reasonable period for advance notice. This means that while the Tribunal should give ample time, they have the autonomy to decide the specific duration based on the circumstances of each case.
- 4. Fairness and Efficiency: The provision upholds the principles of fairness and procedural justice by ensuring that all parties have a reasonable opportunity to get ready for the hearings. This way, they can arrange their schedules, gather necessary documents, prepare witnesses, or strategise with their legal representatives.
- 5. Flexibility: By allowing the Arbitral Tribunal to estimate what constitutes "well in advance", the Law maintains flexibility. Different cases might require varying lengths of preparation, and the Tribunal is in the best position to gauge the complexities involved.

In essence, Article 33.3 of the UAE Arbitration Law underscores the importance of transparency and fairness in the arbitration process. It mandates the Arbitral Tribunal to provide parties with adequate notice of hearing dates, ensuring procedural fairness while also preserving flexibility by entrusting the Tribunal with the discretion to determine the notice period's adequacy.

# 33.4. The Parties may, at their own expense, avail of legal experts and attorneys, whether lawyers or otherwise, to represent them before the Arbitral Tribunal, and the Arbitral Tribunal may request a Party to produce a proof of authority granted to its representative, in such form as the Arbitral Tribunal shall specify.

Article 33.4 of the UAE Arbitration Law details the provisions related to representation of parties in arbitral proceedings. Here is a detailed breakdown of the provision:

- 1. Right to Representation: The article establishes that parties have the right to be represented in the arbitral proceedings. This representation can be by legal experts, attorneys, or any other representatives they deem fit.
- 2. Choice of Representative: The article emphasises the parties' autonomy in selecting their representatives. It specifies that the representative can be a lawyer or even a non-lawyer, which offers flexibility to the parties in their choice of representation.
- 3. Self-funded Representation: The phrase "at their own expense" makes it clear that parties will bear the costs of their chosen representation. This ensures that parties are aware that the Arbitral Tribunal or the Arbitration Institution will not cover these costs.
- 4. Proof of Representation: The Arbitral Tribunal has the discretion to request proof of the authority given to the representative. This is to verify the authenticity of the representative's appointment and to ensure that the representative has the necessary permissions to act on behalf of the party in the arbitral proceedings.



5. Form Specification by Tribunal: The clause "in such form as the Arbitral Tribunal shall specify" grants the Tribunal the power to dictate the format or the kind of documentation required to prove the authority of the representative. This ensures that the proof meets the standards or requirements the Tribunal finds appropriate for the particular arbitration.

In summary, Article 33.4 of the UAE Arbitration Law emphasises the rights of the parties to choose their representation in the arbitration proceedings, whether they are lawyers or non-lawyers. It also ensures the legitimacy of such representation by granting the Arbitral Tribunal the authority to request verification. The article balances the autonomy of the parties with the necessity for formal procedures to maintain the integrity of the arbitration process.

### 33.5. The summary of the proceedings of each hearing held by the Arbitral Tribunal shall be recorded in minutes and a copy thereof shall be delivered to each of the Parties.

Article 33.5 of the UAE Arbitration Law pertains to the documentation and transparency of the arbitral proceedings. Here is an in-depth analysis of the provision:

- 1. Documentation of Proceedings: The article mandates the recording of a summary for every hearing that takes place before the Arbitral Tribunal. This summary serves as an official record of what transpired during each hearing.
- 2. Form of Documentation Minutes: The proceedings are to be recorded in the form of minutes. Minutes are a concise, formalised record of the key points and decisions made during a meeting or hearing. They typically include the date, time, location, attendees, and a summary of discussions and decisions.
- 3. Transparency and Right to Information: The provision ensures that every party involved in the arbitration receives a copy of the minutes. This transparency ensures that all parties have equal access to information, which is vital for fair proceedings. It allows parties to review the documented proceedings and be fully aware of the decisions and discussions that occurred.
- 4. Continuity and Reference: Having a record of the proceedings helps in maintaining the continuity of the process, especially if there are multiple hearings. It also serves as a reference point for any disputes or clarifications that might arise later in the arbitration or even post the award.

In summary, Article 33.5 emphasises the importance of maintaining a clear, transparent, and accessible record of the arbitral proceedings. This provision is crucial for ensuring fairness, clarity, and accountability in the arbitration process. It safeguards the interests of the parties by ensuring they have a documented account of the hearings, thereby promoting trust in the arbitral process.

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# **33.6.** Unless otherwise agreed by the Parties, the hearing of witnesses, including experts, shall be conducted in accordance with the legislations in force in the State.

Article 33.6 of the UAE Arbitration Law addresses the procedure for the hearing of witnesses, including experts, during the arbitration proceedings. Here is a detailed analysis of this provision:

- 1. Party Autonomy: The article starts with the phrase "Unless otherwise agreed by the Parties", emphasising the principle of party autonomy, which is fundamental to arbitration. This means that the parties to the arbitration have the freedom to agree upon a specific procedure for the hearing of witnesses, and such an agreement would prevail over the default provisions of the law.
- 2. Default Rule: In the absence of an agreement between the parties on how witnesses (including experts) should be heard, the default rule is that the procedure followed should be in accordance with the "legislations in force in the State". This refers to the existing legal provisions and procedures pertaining to witness testimony in the UAE.
- 3. Witnesses and Experts: The provision applies to both regular witnesses and experts. While regular witnesses provide testimony based on facts they observed or experienced, experts provide specialised opinions based on their expertise in a particular field. The inclusion of both types of witnesses indicates the law's comprehensive approach to testimony.
- 4. Importance of Local Legislations: By referring to the "legislations in force in the State", the article emphasises the importance of adhering to local laws and practices when it comes to the examination of witnesses. This could cover various aspects, such as the manner of examination, the rights and obligations of witnesses, the role of the tribunal in the examination process, and potential consequences for false testimony.

In conclusion, Article 33.6 underscores the flexibility of the arbitration process, allowing parties to determine the best procedures for their specific circumstances. However, in the absence of a specific agreement, the provision ensures that the procedure aligns with the legal standards and practices of the UAE. This balance ensures both adaptability and adherence to established legal norms, promoting fairness and credibility in the arbitration process.

# 33.7. Unless otherwise agreed by the Parties, the Arbitral Tribunal shall have a discretionary power to determine the rules of evidence to be followed, in the event that the applicable law lacks evidence to decide on the dispute, provided that these rules do not conflict with public order.

Article 33.7 of the UAE Arbitration Law pertains to the discretionary powers of the Arbitral Tribunal regarding the rules of evidence. Here is an in-depth analysis of this provision:

1. Principle of Party Autonomy: The article begins with the phrase "Unless otherwise agreed by the Parties", highlighting the fundamental principle of party autonomy in arbitration. This emphasises that the parties involved in the arbitration have the prerogative to decide on the rules of evidence they wish to follow. If they make such an agreement, it would supersede the default rules.

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- 2. Discretionary Power of the Arbitral Tribunal: In situations where there is no agreement between the parties regarding the rules of evidence, the Arbitral Tribunal is given the authority to determine which rules of evidence to adopt. This allows for flexibility and adaptability in the arbitration process, tailoring the procedure to the specific nature and requirements of the dispute.
- 3. Limitations in the Absence of Applicable Law: The provision specifically addresses a scenario where the "applicable law lacks evidence to decide on the dispute". This means that if the law governing the arbitration does not provide clear guidance on evidence, the Tribunal has the authority to determine the best course of action.
- 4. Safeguarding Public Order: The provision places a restriction on the Tribunal's discretionary power by stipulating that the rules of evidence they decide upon "do not conflict with public order". This is crucial as it ensures that the arbitration proceedings, despite their inherent flexibility, do not deviate from the fundamental principles and values of the society or state in which the arbitration takes place.

In conclusion, Article 33.7 emphasises the flexibility of the arbitration process, granting the Arbitral Tribunal the authority to navigate situations where the applicable law might be silent or ambiguous regarding evidentiary matters. However, the provision also underscores the importance of adhering to the foundational principles of the jurisdiction, ensuring that the arbitration proceedings maintain legitimacy and do not contravene essential societal values.

# 33.8. The Arbitral Tribunal may assess the extent of admissibility or relevance of the evidence adduced by any of the Parties about a fact or an expert opinion, and it may determine the time, manner and form for the exchange of such evidence between the Parties and the method of its submission to the Arbitral Tribunal.

Article 33.8 of the UAE Arbitration Law revolves around the powers and discretion of the Arbitral Tribunal in handling evidence presented during the arbitration process. Here is a detailed breakdown:

- 1. Assessment of Admissibility and Relevance: The Arbitral Tribunal is granted the authority to evaluate and assess any evidence presented by the parties. This includes determining the admissibility of the evidence whether it is legally acceptable and can be considered in the proceedings and its relevance to the matter at hand whether it pertains to the issues being decided upon.
- 2. Expert Opinions: Apart from facts presented as evidence, the provision also specifically mentions "expert opinion". This implies that the Tribunal has the authority to evaluate the relevance and admissibility of expert testimonies or reports submitted by any party.
- 3. Determining Time, Manner, and Form: The Arbitral Tribunal has the discretion to establish parameters for the exchange of evidence. This means the Tribunal can decide when (time), how (manner), and in what format (form) evidence should be exchanged between the disputing parties.
- 4. Submission to the Arbitral Tribunal: Further extending its authority, the provision allows the Tribunal to determine the procedure for submitting evidence to it. This ensures that



the Tribunal has the necessary control over the proceedings to facilitate a smooth and effective arbitration process.

In summary, Article 33.8 emphasises the central role and the broad authority of the Arbitral Tribunal in guiding and overseeing the evidentiary aspects of the arbitration proceedings. By granting the Tribunal such discretion, the provision ensures the flexibility and adaptability of the arbitration process, catering to the specific requirements of each dispute while ensuring a fair and efficient examination of all presented evidence.

#### **ARTICLE (34) EXPERT ASSISTANCE**

34.1. Unless otherwise agreed by the Parties, the Arbitral Tribunal may decide to appoint one or more experts, define their terms of reference and the duration of their mandate, and shall communicate a copy of its decision to the Parties.

Article 34.1 of the UAE Arbitration Law grants the Arbitral Tribunal the authority to appoint one or more experts to assist in the resolution of the dispute. Here is an analysis of this article:

- 1. Expert Appointment: This article provides the Arbitral Tribunal with the power to appoint one or more experts if it deems it necessary for the resolution of the dispute. The decision to appoint experts is at the discretion of the Tribunal and is subject to the Tribunal's assessment of the complexity of the issues and the need for specialised knowledge.
- 2. Terms of Reference: The article empowers the Arbitral Tribunal to define the terms of reference for the appointed experts. This means that the Tribunal can specify the scope of the experts' tasks, the issues they are required to address, and the specific questions they need to answer.
- 3. Duration of Mandate: The Tribunal is also authorised to determine the duration of the experts' mandate. This includes setting the time limit within which the experts must submit their reports or provide their opinions.
- 4. Communication to the Parties: Once the decision to appoint experts is made, the Arbitral Tribunal must communicate a copy of its decision to the Parties. This ensures transparency and allows the Parties to be aware of the involvement of experts in the arbitration proceedings.

#### Importance:

- 1. Technical Expertise: The ability to appoint experts is crucial when dealing with complex technical or industry-specific issues that may require specialised knowledge. The experts can provide the Tribunal with insights and opinions on these matters, helping the Tribunal make well-informed decisions.
- 2. Efficiency and Accuracy: The appointment of experts can lead to more efficient and accurate resolution of the dispute. The experts' input can streamline the arbitration process by providing reliable information and analysis.



3. Neutrality: The Tribunal's power to appoint experts ensures that the experts are neutral and impartial. This helps maintain the integrity of the arbitration process and prevents any potential bias that may arise if the experts were appointed by one of the Parties.

#### Challenges:

- 1. Expert Selection: The appointment of experts requires careful consideration by the Arbitral Tribunal to ensure that the chosen experts possess the necessary qualifications and expertise relevant to the dispute.
- 2. Costs: Engaging experts can add to the overall costs of the arbitration. The Tribunal must weigh the benefits of expert involvement against the associated costs.
- 3. Coordination: The involvement of experts may require coordination with their schedules and availability, which could potentially impact the timing of the arbitration proceedings.

Overall, Article 34.1 of the UAE Arbitration Law empowers the Arbitral Tribunal to appoint experts when necessary to assist in resolving the dispute. This provision highlights the flexibility and adaptability of the arbitration process, allowing the Tribunal to seek expert assistance as required to reach a fair and informed decision.

34.2. The Parties shall give the expert relevant information, or produce for his inspection any relevant documents, goods or other property (moveable or immovable) that he may require of them. The Arbitral Tribunal shall determine any dispute that may arise between the expert and a Party in this regard.

Article 34.2 of the UAE Arbitration Law outlines the obligations of the Parties concerning the provision of information and access to relevant documents, goods, or other property when an expert is appointed by the Arbitral Tribunal. Here is an analysis of this article:

- 1. Information and Document Disclosure: According to this article, the Parties are required to provide the appointed expert with all relevant information and produce any necessary documents, goods, or property for inspection. The purpose of this provision is to ensure that the expert has access to the necessary materials and data to conduct a thorough analysis and provide an informed opinion or report.
- 2. Cooperation: The Parties' cooperation in sharing relevant information and facilitating access to documents and evidence is essential for the effectiveness of the expert's role in assisting the Arbitral Tribunal. By providing the expert with the necessary materials, the Parties contribute to the overall efficiency and fairness of the arbitration process.
- 3. Expert-Party Disputes: In the event of a dispute arising between the expert and a Party concerning the provision of information or access to documents, goods, or property, the Arbitral Tribunal is tasked with resolving such disputes. The Tribunal's role is to ensure that the Parties comply with their obligations under this article and facilitate the expert's work.



#### Importance:

- 1. Facilitating Expert Analysis: Providing the expert with relevant information and access to documents and evidence is crucial for the expert to conduct a comprehensive and reliable analysis. This information enables the expert to reach well-founded conclusions and opinions that can aid the Arbitral Tribunal in making informed decisions.
- 2. Fairness and Due Process: This provision ensures that both Parties have an equal opportunity to present their case and provide relevant evidence to the appointed expert. It enhances the fairness and due process of the arbitration proceedings.
- 3. Resolution of Disputes: The provision empowers the Arbitral Tribunal to resolve any disputes that may arise between the expert and the Parties regarding the provision of information or access to documents. This mechanism prevents potential delays or impasses in the proceedings and ensures effective cooperation.

#### Challenges:

- 1. Cooperation of the Parties: The Parties' willingness to cooperate and provide the necessary information and documents to the expert is crucial for the success of this provision. If a Party is uncooperative, it may hinder the expert's ability to perform their role effectively.
- 2. Confidentiality and Privilege: While cooperation is essential, Parties may raise concerns about confidentiality and privilege when disclosing certain information or documents to the expert. The Arbitral Tribunal must balance the need for information with the Parties' legitimate concerns about confidentiality.
- 3. Expert Independence: The Arbitral Tribunal should ensure that the appointed expert maintains their independence and impartiality throughout the process, even though they receive information from the Parties.

Overall, Article 34.2 of the UAE Arbitration Law emphasises the importance of cooperation between the Parties and the appointed expert in providing information and access to relevant documents and evidence. By fulfilling their obligations under this article, the Parties contribute to an effective and fair resolution of the dispute through the expert's assistance.

34.3. Before accepting his appointment, the expert shall submit to the Arbitral Tribunal and to the Parties a description of his qualifications and a statement confirming his impartiality and independence. Within the time prescribed by the Arbitral Tribunal, the Parties shall submit any objections as to the expert's appointment. Once the Tribunal has ruled on the objections, its decision on the matter shall be final.

Article 34.3 of the UAE Arbitration Law focuses on the appointment of an expert in the arbitration proceedings. Here is an analysis of this article:

1. Expert Qualifications: Before accepting their appointment, the expert is required to submit a description of their qualifications to the Arbitral Tribunal and the Parties. This description serves to provide transparency about the expert's background, expertise, and

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relevant experience. The aim is to ensure that the expert possesses the necessary qualifications to provide a reliable and well-informed opinion.

- 2. Impartiality and Independence: The expert must also submit a statement confirming their impartiality and independence. This requirement is crucial to maintain the integrity of the arbitration process and ensure that the expert's opinion is free from bias or influence. By confirming their impartiality and independence, the expert gives the Parties confidence in their objectivity.
- 3. Objections to Expert's Appointment: The Parties are given an opportunity to raise any objections to the expert's appointment within a prescribed time frame set by the Arbitral Tribunal. If any Party has concerns about the expert's qualifications, impartiality, or independence, they can raise such objections during this stage.
- 4. Tribunal's Decision: The Arbitral Tribunal then reviews any objections raised by the Parties and makes a ruling on the matter. The decision of the Arbitral Tribunal regarding the expert's appointment is considered final, meaning it cannot be appealed.

#### Importance:

- 1. Qualifications and Expertise: Requiring the expert to submit a description of their qualifications and expertise ensures that the Parties are informed about the expert's background and competence. This contributes to the Parties' confidence in the expert's ability to provide valuable insights into the dispute.
- 2. Impartial and Independent Expertise: The confirmation of the expert's impartiality and independence is essential for maintaining the credibility and integrity of the arbitration process. It helps establish that the expert's opinion is free from any undue influence or bias.
- 3. Procedural Fairness: Allowing the Parties to raise objections to the expert's appointment ensures procedural fairness. If a Party has legitimate concerns about the expert's suitability, they have an opportunity to address them, and the Arbitral Tribunal's ruling ensures an objective and fair decision.

#### Challenges:

- 1. Timely Objections: One potential challenge is ensuring that objections to the expert's appointment are raised within the prescribed time frame. Delays in raising objections may impact the arbitration proceedings and lead to inefficiencies.
- 2. Expert Availability: Finding experts with the necessary qualifications and availability to participate in the arbitration process might pose challenges in some cases.

Overall, Article 34.3 of the UAE Arbitration Law seeks to ensure that the appointed expert is qualified, impartial, and independent. By providing a mechanism for raising objections and having the Arbitral Tribunal make the final decision, the article promotes transparency, fairness, and the credibility of the expert's role in the arbitration proceedings.



# 34.4. A party may only object to the expert's qualifications, impartiality or independence for reasons that have come to that party's knowledge following the appointment.

Article 34.4 of the UAE Arbitration Law deals with the grounds for objecting to the expert's qualifications, impartiality, or independence in the arbitration proceedings. Here is an analysis of this article:

- 1. Timing of Objections: According to Article 34.4, a party is only allowed to object to the expert's qualifications, impartiality, or independence based on reasons that have come to that party's knowledge following the expert's appointment. In other words, the objection must be based on newly discovered information that was not known at the time of the expert's appointment.
- 2. Post-Appointment Objections: This provision aims to prevent parties from raising unfounded objections about the expert's qualifications, impartiality, or independence after their appointment, in an attempt to disrupt the arbitration process or delay the proceedings.
- 3. Preserving the Integrity of the Expert Appointment: By limiting the grounds for objections to newly discovered information, this article aims to preserve the integrity of the expert appointment process. It prevents parties from using objections as a tactic to challenge the expert's appointment without legitimate reasons.

#### Importance:

- 1. Ensuring Efficient Arbitration Process: By restricting objections to newly discovered reasons, the article helps maintain the efficiency of the arbitration process. Parties are encouraged to thoroughly assess the expert's qualifications and suitability before the appointment is made, reducing the likelihood of post-appointment challenges.
- 2. Upholding Expert Independence: Limiting objections to post-appointment reasons protects the expert's independence. It ensures that experts can perform their role without undue interference or attempts to discredit their qualifications or objectivity without valid grounds.
- 3. Finality of Expert Appointment: Once an expert has been appointed, the article provides certainty and finality to the appointment process. Parties can proceed with confidence that the expert's qualifications and independence have been adequately reviewed and confirmed.

#### Challenges:

- 1. Timing of Discovery: One challenge with this provision is determining the timing of when a party became aware of the grounds for objection. It may sometimes be difficult to establish the exact point at which the information came to the party's knowledge.
- 2. Misuse of Objections: There is a potential risk that parties may attempt to misuse the objection process, raising trivial or unfounded reasons after the expert's appointment to delay the proceedings or gain a strategic advantage.



Overall, Article 34.4 of the UAE Arbitration Law aims to promote efficiency, fairness, and transparency in the expert appointment process. By limiting objections to newly discovered reasons, the article ensures that parties must thoroughly consider the expert's qualifications and independence before their appointment and discourages unfounded challenges to the expert's role in the arbitration proceedings.

# 34.5. Once filed, the Arbitral Tribunal shall communicate a copy of the expert's report to the Parties and allow them an opportunity to comment thereon within such time limits as the Arbitral Tribunal shall determine.

Article 34.5 of the UAE Arbitration Law deals with the communication and disclosure of the expert's report in arbitration proceedings. Here is an analysis of this article:

- 1. Expert's Report Communication: According to Article 34.5, once the expert has filed their report with the Arbitral Tribunal, the Tribunal must communicate a copy of the report to both parties. This communication allows the parties to be aware of the expert's findings and analysis.
- 2. Right to Comment: The article also grants the parties the right to comment on the expert's report. The Arbitral Tribunal must provide the parties with an opportunity to submit their comments within the time limits determined by the Tribunal.
- 3. Ensuring Fairness and Transparency: By providing both parties with the expert's report and the opportunity to comment, Article 34.5 ensures fairness and transparency in the arbitration process. The parties have a chance to review the expert's findings and raise any objections or additional arguments based on the expert's analysis.
- 4. Facilitating a Balanced Decision: The communication and disclosure of the expert's report, followed by the opportunity to comment, help the Arbitral Tribunal make an informed and balanced decision. The Tribunal can consider the parties' views and arguments in light of the expert's findings before rendering its award.

#### Importance:

- 1. Facilitating Informed Decision-Making: By sharing the expert's report and allowing the parties to comment, Article 34.5 promotes a well-informed decision-making process. The Tribunal can weigh the expert's analysis against the parties' perspectives before reaching its conclusions.
- 2. Encouraging Active Participation: The right to comment on the expert's report encourages active participation by the parties in the arbitration proceedings. It allows them to engage with the expert's findings and contribute additional insights relevant to the dispute.
- 3. Transparency and Trust: The article enhances transparency in the arbitration process, as both parties have access to the same information regarding the expert's report. This transparency fosters trust in the arbitration proceedings.



Challenges:

- 1. Timely Process: The effectiveness of this provision depends on the efficient communication of the expert's report and the timely submission of comments by the parties. Delays in sharing the report or receiving comments may impact the arbitration timeline.
- 2. Managing Disputes on Expert's Findings: In some cases, the parties may disagree with the expert's conclusions, leading to disputes on the validity of the report's findings. The Arbitral Tribunal may need to carefully consider such disagreements and manage any challenges to the expert's analysis.

Overall, Article 34.5 of the UAE Arbitration Law contributes to a fair and transparent arbitration process by ensuring that both parties receive the expert's report and have an opportunity to provide their input. This provision supports an informed decision-making process and encourages active engagement by the parties in the resolution of their dispute.

34.6. If a party so requests or at the Arbitral Tribunal's own discretion, the expert, after delivery of the report, may be heard at a hearing where the Parties shall have the opportunity to be present and to examine the expert on the contents of his report as well as examine any document relied upon by the expert in his report. Unless otherwise agreed by the Parties, a party may avail of one or more experts whom it shall appoint to give an opinion on the points addressed in the report of the expert appointed by the Arbitral Tribunal. Such proceedings shall be governed by the provisions of Article 33 of this Law.

Article 34.6 of the UAE Arbitration Law pertains to the hearing of an expert after the delivery of their report and the opportunity for the parties to examine the expert's findings. Here is an analysis of this article:

- 1. Expert's Hearing: According to Article 34.6, at the request of a party or at the Arbitral Tribunal's discretion, the expert who has delivered their report may be heard at a hearing. During this hearing, the parties have the opportunity to be present and examine the expert on the contents of their report. Additionally, the parties can examine any document that the expert relied upon in preparing their report.
- 2. Appointment of Additional Experts: The article also allows a party, unless otherwise agreed by the parties, to appoint one or more experts to give an opinion on the points addressed in the report of the expert appointed by the Arbitral Tribunal. These additional expert proceedings are governed by the provisions of Article 33 of the UAE Arbitration Law, which relate to arbitral hearings.
- 3. Ensuring Fairness and Expertise: Article 34.6 aims to ensure fairness and expertise in the expert's hearing process. It provides a platform for the parties to engage with the expert directly, enabling them to seek clarifications, raise questions, and better understand the expert's analysis and findings.
- 4. Opportunity for Cross-Examination: The right for parties to examine the expert and crossexamine them on their report and underlying documents enables a more thorough



scrutiny of the expert's work. This process may uncover any potential inaccuracies, biases, or areas of contention in the expert's conclusions.

#### Importance:

- 1. Opportunity for Effective Review: Allowing the parties to hear the expert's testimony and examine their report facilitates an effective review of the expert's findings. This enhances the parties' ability to present their perspectives on the expert's conclusions, contributing to a robust and well-rounded arbitration process.
- 2. Expert's Expertise: By granting the opportunity for additional experts to be appointed, the parties can seek opinions from specialists in their respective fields. This ensures that the Arbitral Tribunal has access to a comprehensive range of expert views, contributing to a more informed decision.

#### Challenges:

- 1. Time and Cost: Conducting an expert's hearing and appointing additional experts may add time and cost to the arbitration proceedings. It requires coordination between the parties, the Arbitral Tribunal, and the experts involved.
- 2. Expert Testimony Disputes: Disputes may arise if the parties challenge the credibility or conclusions of the expert, leading to potential conflicts that the Arbitral Tribunal needs to manage.

Overall, Article 34.6 of the UAE Arbitration Law aims to facilitate a comprehensive and fair examination of the expert's findings. It provides the parties with an opportunity to engage with the expert directly, ensuring transparency and allowing for a more robust analysis of the expert's report. The article also recognises the value of seeking opinions from additional experts to contribute to a well-informed resolution of the dispute. However, it is essential to manage any potential challenges that may arise during this process, such as time and cost implications and disputes over expert testimony.

### 34.7. The expert's fees and expenses of any expert appointed by the Arbitral Tribunal pursuant to this article shall be paid by the Parties, as decided by the Arbitral Tribunal.

Article 34.7 of the UAE Arbitration Law addresses the payment of expert fees and expenses when an expert is appointed by the Arbitral Tribunal. Here is an analysis of this article:

- 1. Expert's Fees and Expenses: Article 34.7 stipulates that the fees and expenses of an expert appointed by the Arbitral Tribunal under the provisions of this article shall be borne by the parties involved in the arbitration.
- 2. Discretion of the Arbitral Tribunal: The article grants the Arbitral Tribunal the authority to decide how the costs of the expert's appointment will be apportioned between the parties. The decision is left to the discretion of the Tribunal based on the circumstances of the case and the allocation of costs may be based on various factors, including the complexity of the expert's work, the extent of the expert's involvement, and the relevance of the expert's report to the issues in dispute.



#### Importance:

- 1. Cost Allocation: Article 34.7 is essential as it clarifies that the parties are responsible for paying the fees and expenses of the expert appointed by the Arbitral Tribunal. This clarity ensures that the financial burden associated with obtaining expert opinions is distributed fairly between the parties.
- 2. Encouraging Expert Involvement: By indicating that the parties will bear the costs, the article encourages parties to actively participate in the appointment and use of experts when necessary. Parties are more likely to engage expert opinions when they know that the associated costs will be fairly apportioned.
- 3. Expertise Availability: The allocation of expert fees and expenses to the parties ensures that experts willing to participate in arbitration proceedings are adequately compensated for their professional services, which promotes the availability of expert opinions in the arbitration process.

#### Challenges:

- 1. Cost Implications: Depending on the complexity and scope of the expert's involvement, the fees and expenses of an appointed expert can be substantial. This may pose financial challenges for some parties, particularly in complex and high-stakes arbitrations.
- 2. Disagreements on Cost Allocation: Disputes may arise between the parties regarding the allocation of expert fees and expenses. If parties disagree on the expert's findings or the relevance of their report, disputes over cost-sharing can further complicate the arbitration process.

Overall, Article 34.7 of the UAE Arbitration Law ensures transparency and predictability in the allocation of costs related to expert involvement. It encourages parties to engage experts when necessary for a fair resolution of disputes. However, it is crucial for parties and the Arbitral Tribunal to manage any potential disputes regarding cost allocation to avoid unnecessary delays and ensure an efficient arbitration process.

#### ARTICLE (35) WITNESS TESTIMONY

### 35.1 The Arbitral Tribunal may question witnesses, including expert witnesses, through modern means of communication without their physical presence at the hearing.

Article 35.1 of the UAE Arbitration Law addresses the method by which the Arbitral Tribunal may question witnesses, including expert witnesses. Here is an analysis of this article:

- 1. Modern Means of Communication: Article 35.1 grants the Arbitral Tribunal the authority to question witnesses, including expert witnesses, using modern means of communication. This provision allows the Tribunal to conduct witness examinations remotely, without requiring the physical presence of the witnesses at the hearing.
- 2. Flexibility and Efficiency: By permitting the use of modern communication methods, such as video conferencing, teleconferencing, or virtual platforms, the article promotes



flexibility and efficiency in the arbitration process. It enables witnesses to participate in the proceedings from different locations, reducing the need for travel and potential scheduling conflicts.

- 3. Cross-Border and Remote Witnesses: The use of modern communication means is particularly valuable when dealing with cross-border disputes or when witnesses are unable to attend the hearing in person due to distance or other practical reasons. It ensures that essential witness testimony can be obtained without significant logistical challenges.
- 4. Cost Savings: Employing modern communication methods for witness examination can lead to cost savings for the parties involved. It eliminates travel expenses for witnesses and allows the arbitration to proceed smoothly, even if witnesses are located in different countries.

#### Importance:

- 1. Enhanced Access to Witnesses: Article 35.1 enhances access to witnesses, ensuring that their testimonies can be efficiently obtained, regardless of their geographic location. This facilitates a fair and comprehensive presentation of evidence during the arbitration process.
- 2. Convenience and Time Efficiency: The provision promotes the convenience of witnesses and legal representatives by allowing them to participate in hearings from their offices or other suitable locations. It saves time and resources, making the arbitration process more efficient.
- 3. Adaptability to Technological Advancements: By acknowledging the use of modern communication means, the article demonstrates the UAE Arbitration Law's recognition of technological advancements and the importance of integrating them into the arbitration process.

#### Challenges:

- 1. Technical Issues: While using modern communication methods offers numerous benefits, there may be technical challenges, such as connectivity issues or language barriers. It is crucial for the Arbitral Tribunal to ensure a smooth and reliable communication setup during the witness examination.
- 2. Ensuring Fairness: While modern communication methods are efficient, the Tribunal must ensure that the witness examination remains fair, allowing all parties to have adequate opportunities to present their case and cross-examine witnesses effectively.

Overall, Article 35.1 of the UAE Arbitration Law reflects a progressive approach to the use of technology in arbitration proceedings. It empowers the Arbitral Tribunal to embrace modern communication means for witness examinations, providing flexibility, cost savings, and improved access to witnesses, ultimately contributing to the efficiency and fairness of the arbitration process.



### ARTICLE (36) POWER OF THE COURT TO ACT ON A REQUEST FOR EVIDENCE

36.1. The Arbitral Tribunal may, on its own motion or if a party so requests, request from the Court assistance in taking evidence. The Court may execute the request within its competence, ordering witnesses to appear before the Arbitral Tribunal in order to give oral testimony or adduce documents or any evidentiary materials.

Article 36.1 of the UAE Arbitration Law addresses the role of the Court in assisting the Arbitral Tribunal in taking evidence during arbitration proceedings. Let us analyse this article:

- 1. Request for Assistance: Article 36.1 empowers the Arbitral Tribunal to seek assistance from the Court in taking evidence. The Tribunal may make such a request on its own motion or upon a party's request if it deems it necessary for the proper resolution of the dispute.
- 2. Court's Role: When the Court receives a request for assistance from the Arbitral Tribunal, it is obliged to provide the necessary help within its jurisdictional competence. The Court can take various measures, including ordering witnesses to appear before the Arbitral Tribunal to give oral testimony, produce documents, or provide any other evidentiary materials.
- 3. Facilitating Evidence Collection: This provision aims to facilitate the collection of evidence and ensure that the Arbitral Tribunal has access to all relevant and necessary information to make a fair and informed decision. It allows the Tribunal to benefit from the Court's authority to compel the production of evidence when necessary.
- 4. Support for the Arbitral Process: By involving the Court in evidence-taking procedures, the article strengthens the arbitration process and helps ensure its effectiveness. It provides a mechanism for addressing situations where parties may be uncooperative or reluctant to produce evidence voluntarily.

#### Importance:

- 1. Comprehensive Fact-Finding: The article enhances the ability of the Arbitral Tribunal to conduct a comprehensive fact-finding process. It allows the Tribunal to obtain testimony and evidence from witnesses or parties who might otherwise be difficult to reach or uncooperative.
- 2. Ensuring Fairness: By providing the Arbitral Tribunal with access to all relevant evidence, the article ensures that the arbitration proceedings are conducted fairly and that all parties have an equal opportunity to present their case and defend their interests.
- 3. Efficient and Timely Proceedings: The involvement of the Court in evidence-taking measures helps to streamline the arbitration process, ensuring that evidence is collected efficiently and in a timely manner. This contributes to the overall efficiency of the arbitration proceedings.



- 1. Potential Delays: While the involvement of the Court can be beneficial, it may also lead to potential delays, particularly if the Court's assistance is required to compel reluctant witnesses or parties to produce evidence.
- 2. Jurisdictional Limitations: The Court's assistance is subject to its competence and jurisdictional boundaries. In cases where certain evidence falls outside the Court's purview, alternative means may need to be employed to obtain the required information.

Overall, Article 36.1 of the UAE Arbitration Law demonstrates a proactive approach to evidence-taking in arbitration. By allowing the Arbitral Tribunal to seek assistance from the Court when necessary, it ensures a more robust and effective fact-finding process, contributing to the fair and efficient resolution of disputes through arbitration.

36.2. The request shall be made to the chief justice of the Court who may take any of the following decisions:

(a) To order sanctions prescribed by the laws of the State against any witness who fails to appear or answer questions, without lawful excuse.

(b) To direct a third party to produce documents in its possession which are essential for deciding the dispute.

(c) To order a rogatory commission.

Article 36.2 of the UAE Arbitration Law deals with the decisions that the chief justice of the Court may take when assisting the Arbitral Tribunal in taking evidence. Let us analyse each option:

- 1. Request to Chief Justice: If the Arbitral Tribunal requires assistance in taking evidence, it must make a formal request to the chief justice of the Court. This request outlines the specific measures the Tribunal seeks to take to obtain the necessary evidence.
- Ordering Sanctions: The chief justice of the Court has the authority to order sanctions against witnesses who fail to appear or refuse to answer questions without a valid reason. These sanctions are governed by the laws of the State and may include penalties or fines for non-compliance.
- 3. Directing Third Party: The chief justice can also direct a third party (e.g., a company, organisation, or individual) to produce relevant documents that are in their possession and essential for the resolution of the dispute. This allows the Tribunal to access crucial evidence even if it is held by a non-party.
- 4. Ordering Rogatory Commission: A rogatory commission is a legal process where a court or tribunal in one jurisdiction requests the assistance of a foreign court or authority to perform certain acts or procedures, such as taking evidence or conducting interviews. The chief justice may order a rogatory commission to be established to assist in obtaining evidence from another jurisdiction.



- 1. Ensuring Compliance: By empowering the chief justice to order sanctions against uncooperative witnesses, the article reinforces the importance of witness cooperation in the arbitration process. It encourages the timely production of evidence and cooperation with the Tribunal's evidence-taking measures.
- 2. Access to Vital Evidence: The provision granting the chief justice the authority to direct third parties to produce relevant documents ensures that the Arbitral Tribunal can access important evidence, even if it is not directly in the possession of the parties to the arbitration.
- 3. Cross-Border Evidence Gathering: The option to order a rogatory commission is significant in cross-border disputes where evidence might be located in foreign jurisdictions. This allows the Tribunal to seek assistance from foreign courts or authorities in obtaining necessary evidence.

### Challenges:

- 1. Procedural Complexity: Implementing the orders and sanctions prescribed by the chief justice may involve procedural complexities, especially in cross-border cases where coordination with foreign authorities might be required.
- 2. Balancing Rights: While the provisions aim to ensure the production of evidence, there is a need to strike a balance between the need for evidence and protecting the rights of witnesses and third parties who may have valid reasons for non-compliance.

Overall, Article 36.2 of the UAE Arbitration Law equips the Arbitral Tribunal with a mechanism to obtain essential evidence effectively. By involving the chief justice of the Court, the article strengthens the evidence-taking process and contributes to the fairness and efficiency of the arbitration proceedings.



#### V. THE ARBITRAL AWARD

### ARTICLE (37) CHOICE OF LAW APPLICABLE TO SUBSTANCE OF DISPUTE

37.1. The Parties are free to choose the rules which the Arbitral Tribunal shall apply to the subject matter of the dispute. Any designation of the law of a given state shall be construed, unless otherwise expressed, as directly referring to the substantive law of that state and not to its conflict of laws rules, provided there is no conflict with the public order or morality of the State.

Article 37.1 of the UAE Arbitration Law addresses the autonomy of the Parties in choosing the rules that the Arbitral Tribunal shall apply to the subject matter of the dispute. Let us analyse the key points of this article:

- 1. Party Autonomy: The article emphasises the principle of party autonomy in arbitration. It grants the Parties the freedom to determine the rules that will govern their dispute resolution process. This includes choosing the substantive law applicable to the merits of the case.
- 2. Choice of Substantive Law: The Parties may designate the law of a specific state to govern the substance of their dispute. This refers to the substantive law, which includes the rules and principles that apply to the merits of the case, such as contract law, tort law, or property law.
- 3. Exclusion of Conflict of Laws Rules: The article clarifies that when the Parties designate the law of a particular state, it refers directly to the substantive law of that state and not to its conflict of laws rules. Conflict of laws rules determine the applicable law when there are foreign elements involved in a case, such as when parties from different jurisdictions are involved.
- 4. Limitations: While the Parties have freedom in choosing the substantive law, this choice must not conflict with the public order or morality of the State. In other words, the chosen law must not violate fundamental principles of justice and morality recognised in the UAE.

#### Importance:

- 1. Party Control: By allowing the Parties to select the applicable rules and substantive law, the article upholds the principle of party autonomy in arbitration. It enables the Parties to tailor the dispute resolution process to their specific needs and preferences.
- 2. Clarity in Choice: The article clarifies that the chosen law refers directly to substantive law, eliminating any confusion about the application of conflict of laws rules. This ensures a more straightforward and predictable approach to the law governing the merits of the dispute.
- 3. Upholding Public Policy: The limitation on choosing the law ensures that the arbitral process respects the public order and fundamental values of the State. This helps to prevent the enforcement of arbitral awards that would be contrary to the core principles of the UAE.



- 1. Choice of Applicable Law: Selecting the appropriate substantive law can be challenging for the Parties, especially in complex international disputes involving multiple jurisdictions. Parties may require legal advice to make an informed choice.
- 2. Potential Conflict: There may be instances where the chosen law by the Parties conflicts with the public policy of the UAE. In such cases, the Arbitral Tribunal will have to navigate the delicate balance between respecting party autonomy and upholding fundamental principles.

Overall, Article 37.1 of the UAE Arbitration Law reaffirms the importance of party autonomy in arbitration. It enables the Parties to exercise control over the rules governing their dispute and encourages efficiency and flexibility in the arbitration process. However, the provision also ensures that the chosen law aligns with the public order and moral values of the UAE to maintain the integrity of the arbitral proceedings.

**37.2.** If the Parties agree to subject the legal relationship between them to the provisions of any model contract, international convention, or any other document, then the provisions of such document, including those related to Arbitration, shall apply, provided there is no conflict with the public order or morality of the State.

Article 37.2 of the UAE Arbitration Law addresses the situation where the Parties agree to subject their legal relationship to the provisions of a model contract, international convention, or any other document. Let us analyse the key points of this article:

- 1. Incorporation of External Provisions: The article allows the Parties to agree to incorporate the provisions of external documents into their contract. These external documents can include model contracts, international conventions, or any other legally binding documents.
- 2. Application of External Provisions: If the Parties agree to apply the provisions of such external documents, including those related to arbitration, those provisions shall govern the dispute resolution process between the Parties.
- 3. Limitations: The application of external provisions is subject to two conditions: (1) There should be an explicit agreement between the Parties to subject their legal relationship to the provisions of the external document, and (2) The application of such provisions must not conflict with the public order or morality of the State.
- 4. Conflict with Public Order or Morality: If any provision of the external document conflicts with the fundamental principles of justice and morality recognised in the UAE (public order or morality), it will not be applied in the arbitration proceedings.

Importance:

1. Flexibility and Efficiency: Article 37.2 allows the Parties to streamline their contractual arrangements by incorporating established and widely recognised provisions from model



contracts or international conventions. This can save time and resources in drafting bespoke arbitration clauses.

- 2. Predictability: The use of established provisions from external documents provides predictability in dispute resolution, as the Parties can rely on well-defined rules and procedures that are commonly used and recognised in the international community.
- 3. Avoiding Redundancy: Incorporating provisions from external documents can help avoid the need to repeat certain boilerplate clauses in the contract, making the contractual language more concise and readable.

### Challenges:

- 1. Consistency and Compatibility: Ensuring that the provisions of the external document are consistent with the overall terms and intent of the contract may require careful review and legal analysis.
- 2. Balancing Public Order: The application of external provisions may be challenged if they conflict with the public order or morality of the UAE. The Arbitral Tribunal will need to balance party autonomy with the necessity of respecting the fundamental principles of the State.

Overall, Article 37.2 of the UAE Arbitration Law provides an avenue for the Parties to incorporate provisions from external documents into their contracts, thus promoting flexibility and efficiency in dispute resolution. However, the provision also safeguards the State's public order and moral values by ensuring that any agreed-upon provisions do not conflict with them.

### ARTICLE (38) POWER OF THE ARBITRAL TRIBUNAL TO DETERMINE THE LAW TO GOVERN THE SUBJECT-MATTER OF THE DISPUTE

# 38.1. Failing designation by the Parties of the legal rules applicable to the substance of the dispute, the Arbitral Tribunal shall apply the substantive rules of the law it deems most closely connected to the dispute.

Article 38.1 of the UAE Arbitration Law addresses the situation where the Parties fail to designate the legal rules applicable to the substance of the dispute. Let us analyse the key points of this article:

- 1. Absence of Designation: When the Parties to an arbitration agreement do not specify or designate the legal rules (applicable law) that should govern the substantive issues of the dispute, Article 38.1 comes into play.
- 2. Arbitral Tribunal's Discretion: In such cases, the responsibility of determining the substantive law applicable to the dispute falls upon the Arbitral Tribunal.
- 3. Most Closely Connected Law: The Arbitral Tribunal must consider the circumstances of the case and identify the legal system or laws that have the closest connection to the dispute. This involves analysing factors such as the place of the contract's performance, the parties' nationality, and any relevant international conventions.



- 4. Autonomy of Arbitral Tribunal: The article grants the Arbitral Tribunal a degree of autonomy in selecting the applicable law, allowing it to exercise its judgment and expertise to reach a decision.
- 5. Objective Approach: The Arbitral Tribunal's determination of the applicable law should be objective and based on reasonable grounds.

- 1. Flexibility: Article 38.1 ensures that arbitration remains flexible by providing a mechanism to address situations where the Parties have not explicitly chosen the governing law.
- 2. Impartiality: The article promotes impartiality in the arbitration process by entrusting the decision on the applicable law to the independent Arbitral Tribunal.
- 3. Efficient Dispute Resolution: By empowering the Arbitral Tribunal to decide the applicable law, the arbitration proceedings can proceed efficiently without the need for the Parties to resolve additional disputes over the governing law.

### Challenges:

- 1. Subjectivity: The determination of the most closely connected law may be subjective and open to interpretation by the Arbitral Tribunal, potentially leading to differing outcomes.
- 2. Lack of Guidance: The absence of specific guidelines in the law may require the Arbitral Tribunal to rely on its own judgment, which may lead to inconsistency in the application of law in different cases.

Overall, Article 38.1 of the UAE Arbitration Law provides an effective mechanism for addressing situations where the governing law is not designated by the Parties. By allowing the Arbitral Tribunal to determine the applicable law based on the closest connection to the dispute, the article promotes flexibility and efficiency in the arbitration process. However, it also presents challenges concerning the potential subjectivity in the decision-making process.

# 38.2. In deciding the dispute, the Arbitral Tribunal shall take into account the terms of the contract, subject of the dispute, the usages of the trade applicable to the transaction and past practices between the Parties.

Article 38.2 of the UAE Arbitration Law outlines the factors that the Arbitral Tribunal should consider when deciding the dispute. Let us analyse the key points of this article:

- 1. Relevance of Factors: Article 38.2 specifies the various factors that the Arbitral Tribunal should take into account during the decision-making process. These factors are essential for understanding the context and nature of the dispute.
- 2. Terms of the Contract: The Arbitral Tribunal should consider the terms of the contract that is the subject of the dispute. This involves interpreting and applying the provisions of the contract to resolve the issues in contention.



- 3. Usages of the Trade: The article directs the Arbitral Tribunal to consider the relevant trade practices and customs that apply to the transaction in question. These usages help interpret contractual terms and may guide the Tribunal in understanding the expectations of the Parties.
- Past Practices between the Parties: The Arbitral Tribunal should also consider any past practices between the Parties, which may have influenced their relationship and dealings. Past practices can provide valuable context to understand the intent and expectations of the Parties.

- 1. Comprehensive Decision-Making: Article 38.2 ensures that the Arbitral Tribunal's decision is based on a comprehensive analysis of all relevant factors, including the contract terms, trade usages, and past practices.
- 2. Fairness and Equity: By considering these factors, the Arbitral Tribunal aims to achieve a fair and equitable resolution that aligns with the Parties' intentions and the common practices in the relevant industry.
- 3. Consistency with Commercial Reality: Taking into account trade usages and past practices ensures that the Arbitral Tribunal's decision is aligned with the commercial reality of the industry in which the dispute arose.

#### Challenges:

- 1. Subjectivity: The application of trade usages and past practices may be subject to interpretation, and the Arbitral Tribunal's decision may vary depending on its understanding of these practices.
- 2. Availability of Evidence: The Tribunal's ability to consider past practices between the Parties may depend on the availability and presentation of relevant evidence during the arbitration proceedings.

Overall, Article 38.2 of the UAE Arbitration Law plays a crucial role in guiding the Arbitral Tribunal's decision-making process. By considering the contract terms, trade usages, and past practices, the article aims to promote a fair and just resolution of the dispute that aligns with the intentions of the Parties and the realities of the relevant industry. However, it also presents challenges concerning subjectivity and the availability of evidence to support these considerations.

### 38.3. The Arbitral Tribunal may, if it has expressly been authorized to do so or to act as an amiable compositor by agreement of the Parties, decide ex aequo et bono rather than on the basis of law.

1. Article 38.3 of the UAE Arbitration Law deals with the Arbitral Tribunal's authority to decide ex aequo et bono, a concept rooted in equity and fairness rather than strict application of the law. Let us analyse the key points of this article:



- 2. Flexibility in Decision-Making: The article grants the Arbitral Tribunal the authority to decide ex aequo et bono if it has been expressly authorised to do so by the Parties or if the Parties have agreed for the Tribunal to act as an amiable compositor.
- 3. Ex Aequo et Bono: "Ex aequo et bono" is a Latin term meaning "according to what is just and good". It allows the Arbitral Tribunal to make decisions based on notions of fairness, justice, and good conscience, rather than strictly adhering to the letter of the law.

- 1. Consent of the Parties: For the Arbitral Tribunal to apply the ex aequo et bono approach, it must have the explicit consent of the Parties. This ensures that both Parties are aware and agree to the Tribunal deciding the dispute on equitable grounds.
- 2. Context-Specific Decision: Ex aequo et bono decisions consider the specific circumstances of the case and may lead to more tailored and context-specific resolutions, especially in situations where the law may not provide a clear solution.
- 3. Encouraging Amicable Resolutions: By agreeing to allow the Arbitral Tribunal to act as an amiable compositor, the Parties express their willingness to find an amicable and fair resolution outside strict legal confines.

### Challenges:

- 1. Uncertainty and Subjectivity: Deciding ex aequo et bono introduces an element of uncertainty and subjectivity into the decision-making process. The Tribunal may have to rely on its judgment and understanding of what is fair and just in the specific case.
- 2. Lack of Predictability: The use of ex aequo et bono may lead to less predictable outcomes, as it does not rely on established legal principles.
- 3. Consent of Both Parties: Not all Parties may be willing to have their dispute decided based on equitable grounds. Some may prefer the certainty provided by the application of the law.

Overall, Article 38.3 of the UAE Arbitration Law offers Parties the option to agree to have their dispute decided ex aequo et bono by the Arbitral Tribunal. This approach allows for a more flexible and context-specific resolution, emphasising fairness and equity. However, it also brings challenges related to subjectivity and the need for consent from both Parties. The use of ex aequo et bono should be carefully considered and agreed upon by the Parties in each specific case.

### ARTICLE (39) INTERIM AND PARTIAL AWARDS

### **39.1.** The Arbitral Tribunal may issue interim awards or awards on part of claims before rendering the award ending the entire dispute.

Article 39.1 of the UAE Arbitration Law addresses the Arbitral Tribunal's authority to issue interim awards or partial awards during the course of the arbitral proceedings. Let us analyse the key points of this article:

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- 1. Interim Awards: An interim award is a decision made by the Arbitral Tribunal during the course of the arbitration that addresses a specific issue or part of the dispute. It is not a final and complete resolution of the entire dispute but deals with a particular aspect of it.
- 2. Partial Awards: A partial award is similar to an interim award but may encompass a more significant portion of the dispute. It addresses and resolves certain issues or claims between the Parties but does not provide a final resolution for the entire dispute.

- 1. Efficient Dispute Resolution: Issuing interim or partial awards allows the Arbitral Tribunal to resolve discrete issues or claims promptly, avoiding unnecessary delays in the overall arbitration process.
- 2. Clarity and Finality: By resolving specific issues through interim or partial awards, the Arbitral Tribunal can provide the Parties with clarity and finality on those particular matters, even if the entire dispute has not yet been fully adjudicated.
- 3. Facilitating Compliance: In cases where certain aspects of the dispute require immediate action or compliance, interim or partial awards can be useful in enforcing the decisions rendered by the Tribunal.
- 4. Arbitral Flexibility: The provision for interim and partial awards reflects the flexibility of arbitration as an alternative dispute resolution mechanism. It allows the Tribunal to address practical concerns and specific issues as they arise.

### Challenges:

- 1. Potential Complexity: The issuance of interim or partial awards may lead to increased complexity in the overall arbitration process, especially if the Tribunal needs to address multiple issues separately.
- 2. Need for Coherence: The Arbitral Tribunal must ensure that interim or partial awards are coherent and do not conflict with each other or the final award. This requires careful consideration and coordination by the Tribunal.
- 3. Consent and Agreement: The Parties must be willing to accept and agree to the possibility of receiving interim or partial awards. Some Parties may prefer a final resolution of the entire dispute in a single award.

Overall, Article 39.1 of the UAE Arbitration Law empowers the Arbitral Tribunal to issue interim awards or partial awards during the arbitration process. This provision enhances efficiency, flexibility, and clarity in the resolution of specific issues and claims, while also presenting challenges related to coherence and the consent of the Parties. The issuance of such awards is at the discretion of the Tribunal and should be exercised judiciously to serve the interests of the Parties and the overall arbitral process.



39.2. Interim awards of the Arbitral Tribunal are enforceable before the courts through an order issued on the basis of an application by the chief justice of the Court or whoever he delegates for that purpose.

Article 39.2 of the UAE Arbitration Law deals with the enforceability of interim awards issued by the Arbitral Tribunal. Let us analyse the key points of this article:

- 1. Interim Awards: As mentioned earlier, an interim award is a decision made by the Arbitral Tribunal during the arbitration process that addresses a specific issue or part of the dispute. It is not a final and complete resolution of the entire dispute.
- 2. Enforceability: This provision states that interim awards issued by the Arbitral Tribunal are enforceable before the courts. This means that if a party fails to comply with the interim award, the prevailing party can seek enforcement of the award through the national courts.
- 3. Application to Chief Justice of the Court: To enforce an interim award, a party needs to file an application with the chief justice of the court or someone authorised by the chief justice to handle such matters. This application serves as a formal request to the court to issue an order for the enforcement of the interim award.

### Importance:

- 1. Effective Implementation: Enabling the enforcement of interim awards ensures that the decisions rendered by the Arbitral Tribunal have practical consequences. It encourages compliance with the Tribunal's rulings during the ongoing arbitration process.
- 2. Preservation of Rights: If a party is granted relief through an interim award, it can seek enforcement through the courts promptly. This helps in preserving the party's rights and preventing any prejudice that might arise due to non-compliance.
- 3. Strengthening Arbitral Process: The enforceability of interim awards adds weight and authority to the decisions made by the Arbitral Tribunal. It reinforces the effectiveness of arbitration as a dispute resolution mechanism.

### Challenges:

- 1. Judicial Involvement: Seeking enforcement of interim awards through the national courts involves judicial intervention in the arbitration process, which may lead to additional costs and delays.
- 2. Potential Opposition: The losing party may resist the enforcement of an interim award, leading to further disputes and challenges in court.
- 3. Jurisdictional Issues: If the arbitration is seated in one jurisdiction, but enforcement is sought in another, there might be legal complexities related to recognition and enforcement of interim awards.

Overall, Article 39.2 of the UAE Arbitration Law empowers parties to enforce interim awards issued by the Arbitral Tribunal through the national courts. While this provision strengthens the effectiveness of the arbitral process and helps parties seek timely relief, it also introduces challenges related to judicial



involvement and potential opposition. Parties should be aware of their rights and obligations regarding interim awards and carefully consider their enforcement options based on the circumstances of the arbitration.

### ARTICLE (40) CONSENT AWARD

40.1 If, before any final award, the Parties amicably settle the dispute, they may request that the terms of settlement be recorded before the Arbitral Tribunal, which is bound, in this case, to issue a consent award setting out those terms and ending proceedings. Such an award has the same force and effect as any other award.

Article 40.1 of the UAE Arbitration Law deals with the situation where the parties to the arbitration reach an amicable settlement of their dispute before the issuance of a final award. Let us analyse the key points of this article:

- 1. Amicable Settlement: An amicable settlement refers to a resolution of the dispute that is reached through mutual agreement and cooperation between the parties, without the need for a final decision by the Arbitral Tribunal.
- 2. Request for Recording Settlement: If the parties reach an amicable settlement, they can request the Arbitral Tribunal to record the terms of the settlement. The Tribunal is then obliged to issue a consent award, which sets out the agreed terms of settlement and ends the arbitration proceedings.
- 3. Consent Award: The consent award is a formal document issued by the Arbitral Tribunal, confirming that the parties have agreed to settle their dispute amicably and detailing the terms and conditions of the settlement. It has the same force and effect as any other final award issued by the Tribunal.

### Importance:

- 1. Encouragement of Settlement: Article 40.1 encourages the parties to resolve their dispute amicably by giving them the option to request the Arbitral Tribunal to record the settlement terms. This promotes the settlement of disputes and can save time, costs, and resources compared to a full-fledged arbitration process.
- 2. Finality and Enforceability: The consent award, being equivalent to any other final award, is binding on the parties and has the same enforceability. It carries the same legal weight as an award issued by the Tribunal after a full arbitration hearing.
- 3. Efficiency in Dispute Resolution: Allowing the Arbitral Tribunal to issue a consent award promptly records the settlement terms and brings finality to the arbitration proceedings. This contributes to an efficient and effective dispute resolution process.

### Challenges:

1. Dispute Over Settlement Terms: If the parties have any disagreements over the terms of settlement, the process of recording the settlement in a consent award might be delayed or even become contentious.

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2. Ensuring Compliance: While a consent award has the same force and effect as any other award, ensuring compliance with the terms of settlement might require additional legal measures if a party fails to uphold its obligations.

Overall, Article 40.1 of the UAE Arbitration Law incentivises parties to reach amicable settlements by allowing them to request the Arbitral Tribunal to record the settlement terms in a consent award. This provision promotes efficient dispute resolution and provides a formal recognition of the parties' agreed resolution to the dispute. However, challenges may arise if there are disputes over the settlement terms or difficulties in ensuring compliance with the consent award.

### ARTICLE (41) FORM AND CONTENTS OF AWARD

### 41.1. The arbitral award shall be made in writing.

Article 41.1 of the UAE Arbitration Law states that the arbitral award shall be made in writing. This provision is a fundamental requirement for any arbitral decision and emphasises the need for a formal and documented resolution to the dispute. Let us analyse the significance and implications of this article:

- 1. Written Form: The arbitral award must be in a written format, which means that it should be documented and recorded on paper or in an electronic format. This ensures that there is a clear and tangible record of the decision reached by the Arbitral Tribunal.
- 2. Formality and Legitimacy: Requiring the arbitral award to be in writing adds a sense of formality and legitimacy to the decision. It provides a level of assurance to the parties that the decision is carefully considered, documented, and can be objectively reviewed.
- 3. Clarity and Precision: A written award helps in conveying the reasoning and basis for the decision of the Arbitral Tribunal. It ensures that the parties understand the rationale behind the award and provides a basis for any further legal action or enforcement.
- 4. Enforceability: A written arbitral award is necessary for its enforceability in court or other relevant authorities. Written awards are easier to produce as evidence in case of enforcement or challenge proceedings.

### Importance:

- 1. Legal Certainty: A written award promotes legal certainty as it leaves no room for ambiguity or misunderstanding. The parties can refer to the written decision to fully comprehend the outcome of the arbitration.
- 2. Compliance and Execution: A written award is easier to enforce, as it provides clear instructions and obligations for the parties. It enables the winning party to seek enforcement in accordance with applicable laws and treaties.
- 3. Judicial Review: A written award allows for effective judicial review in case of any legal challenge. Courts can assess the decision based on the reasons given by the Arbitral Tribunal.



- 1. Time and Effort: Drafting a comprehensive written award may require significant time and effort from the Arbitral Tribunal. This might cause delays in the resolution of the dispute, especially for complex cases.
- 2. Language Issues: In cases where the parties are from different countries and speak different languages, translating the award accurately can be challenging.

Overall, Article 41.1 of the UAE Arbitration Law underscores the importance of a written arbitral award as an essential element of the arbitration process. A written award brings formality, clarity, and enforceability to the decision, promoting legal certainty and facilitating the resolution of disputes in a fair and transparent manner.

41.2. In arbitral proceedings with more than one arbitrator, the award shall be issued by majority opinion. If different opinions of the arbitrators would rule out a majority, the presiding Arbitrator shall issue the award, unless otherwise agreed by the Parties. In such case, the dissenting opinions shall be noted in writing or enclosed and shall form an integral part of the award.

Article 41.2 of the UAE Arbitration Law deals with the issuance of the arbitral award in cases where there is more than one arbitrator on the Arbitral Tribunal. Let us analyse the key points of this article:

- 1. Majority Opinion: The article establishes a general rule that the award in arbitral proceedings with multiple arbitrators shall be issued based on the majority opinion. This means that if the majority of the arbitrators agree on a particular decision, it will become the final award.
- 2. Presiding Arbitrator's Role: If there is no majority opinion due to differing views among the arbitrators, the presiding arbitrator takes on the responsibility of issuing the award. The presiding arbitrator is typically designated in the arbitration agreement or chosen by the arbitrators themselves.
- 3. Agreement by the Parties: The article also allows for an exception to the majority rule if the parties have agreed otherwise. This means that the parties may agree in advance on an alternative method for issuing the award in case of a lack of majority.
- 4. Dissenting Opinions: In situations where the presiding arbitrator issues the award, and there are dissenting opinions among the arbitrators, the article requires that these dissenting opinions be noted in writing or enclosed with the award. This ensures that all views and arguments are documented, even if they did not form the basis of the final decision.

### Importance:

1. Fairness and Impartiality: The requirement for a majority opinion ensures that the final award is the result of a collective decision of the Arbitral Tribunal, promoting fairness and impartiality in the process.



- 2. Efficiency: The majority rule helps expedite the arbitration process by preventing prolonged disputes among the arbitrators and facilitating the issuance of a conclusive award.
- 3. Transparency: Noting dissenting opinions in the award promotes transparency and allows the parties to understand the different perspectives considered by the Arbitral Tribunal.

- 1. Unresolved Disputes: In some cases, the arbitrators may not reach a majority opinion, which can lead to delays in the issuance of the award and potential challenges by the parties.
- 2. Presiding Arbitrator Selection: If the arbitration agreement does not specify a presiding arbitrator, or if the arbitrators cannot agree on one, the process of appointing the presiding arbitrator may become complex.

Overall, Article 41.2 of the UAE Arbitration Law ensures that the arbitral award is issued based on a majority opinion, promoting fairness and efficiency in the arbitration process. It also provides flexibility by allowing the parties to agree on alternative methods for issuing the award if no majority is reached. The requirement to note dissenting opinions enhances transparency and accountability in the arbitration proceedings.

### 41.3. The award shall be signed by the arbitrators and the signatures of the majority of the arbitrators shall suffice, provided that the reason for any omitted signature is stated.

Article 41.3 of the UAE Arbitration Law deals with the signing of the arbitral award. Let us analyse the key points of this article:

- 1. Signature Requirement: According to this article, the arbitral award must be signed by the arbitrators. The signatures signify that the arbitrators have agreed to the content of the award and that it represents their collective decision.
- 2. Majority Signature: The article allows for flexibility in the signing process. It states that the signatures of the majority of the arbitrators shall be sufficient to render the award valid. In other words, if there are multiple arbitrators on the Arbitral Tribunal, the award can be considered valid as long as it is signed by the majority of them.
- 3. Reason for Omitted Signature: If any arbitrator refuses to sign the award, the article requires that the reason for the omitted signature be stated. This ensures transparency and clarity regarding any dissenting opinions or reservations expressed by individual arbitrators.

### Importance:

1. Unanimity Not Required: The requirement of a majority signature ensures that an award is not invalidated solely because one arbitrator disagrees with the decision. This prevents the arbitration process from being stalled by an uncooperative arbitrator.

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- 2. Efficiency: Allowing a majority of arbitrators to sign the award streamlines the process and avoids unnecessary delays, especially in cases where unanimity is difficult to achieve.
- 3. Transparency: Requiring a statement of the reason for any omitted signature enhances transparency, as it provides insight into any differences of opinion or concerns expressed by individual arbitrators.

- 1. Dissenting Opinions: If there are differing opinions among the arbitrators, the omitted signature may indicate that one or more arbitrators disagree with the majority decision. This could potentially lead to challenges or dissatisfaction from the parties.
- 2. Disputes over Omitted Signatures: If an arbitrator refuses to sign the award and the reason provided for the omission is deemed inadequate or questionable, disputes may arise regarding the validity and enforceability of the award.

Overall, Article 41.3 of the UAE Arbitration Law ensures that the arbitral award is signed by the majority of arbitrators, simplifying the process and promoting efficiency. The requirement to state the reason for any omitted signature enhances transparency and allows parties to better understand the dynamics of the Arbitral Tribunal's decision-making process. However, it may also give rise to potential challenges or disputes if there are disagreements among the arbitrators or if the reasons provided for omitted signatures are contentious.

### 41.4. The award shall state the reasons upon which it is based, unless the Parties have agreed otherwise, or the law applicable to the arbitral proceedings does not require reasons to be given.

Article 41.4 of the UAE Arbitration Law deals with the requirement for an arbitral award to state the reasons upon which it is based. Let us analyse the key points of this article:

- 1. Reasoning Requirement: According to this article, the arbitral award must include a statement of the reasons upon which it is based. This means that the arbitrators are obliged to provide an explanation for their decision, outlining the legal and factual rationale that led to the final outcome.
- 2. Exceptional Circumstances: The article provides two exceptions to the reasoning requirement. The first exception is when the Parties have agreed otherwise. This means that the Parties can decide, by mutual consent, to waive the requirement for the award to provide detailed reasons.
- 3. Legal Applicability: The second exception is when the law applicable to the arbitral proceedings does not require reasons to be given. This implies that if the governing law does not mandate a reasoning requirement for arbitration awards, the arbitrators are not obliged to include detailed reasons in the award.



- 1. Transparency: Requiring the arbitrators to state the reasons for their decision enhances transparency and ensures that the parties understand the basis on which the award was rendered. This promotes fairness and confidence in the arbitration process.
- 2. Legal Scrutiny: Including reasons in the award makes it easier for the parties to assess the legal validity of the decision. It also facilitates any potential challenges to the award under limited grounds permitted by law.
- 3. Arbitrator Accountability: The reasoning requirement encourages arbitrators to carefully consider and articulate their decision-making process, thereby promoting accountability in the arbitral proceedings.

### Challenges:

- 1. Burden on Arbitrators: Providing comprehensive reasoning in the award can be timeconsuming and may increase the workload on arbitrators, especially in complex cases.
- 2. Confidentiality Concerns: In some cases, the Parties may prefer to keep certain aspects of the dispute confidential, and the reasoning requirement could potentially compromise confidentiality.
- 3. Interpretation Disputes: If the reasons provided in the award are ambiguous or inadequate, it may lead to disputes regarding the interpretation and legal basis of the decision.

Overall, Article 41.4 of the UAE Arbitration Law emphasises the importance of including reasons in the arbitral award, promoting transparency and accountability in the arbitration process. However, it also recognises the possibility of exceptions when the Parties agree otherwise or when the applicable law does not mandate providing detailed reasons. It strikes a balance between transparency and the Parties' autonomy in choosing the level of reasoning required in the award.

41.5. The arbitral award shall include the names and addresses of the Parties, the names of the arbitrators, their nationalities and addresses, the text of the Arbitration Agreement, a summary of the Parties' claims, statements and documents, the order made and the reasons on which the award is based, if required to be stated, and the date and place of issue of the award.

Article 41.5 of the UAE Arbitration Law outlines the mandatory elements that must be included in the arbitral award. Let us analyse the key components specified in this article:

- 1. Names and Addresses of the Parties: The arbitral award must identify the names and addresses of the parties involved in the arbitration. This information is essential for the proper identification of the parties to the dispute.
- 2. Names of the Arbitrators and their Nationalities and Addresses: The award should mention the names of the arbitrators who participated in the arbitration, along with their nationalities and addresses. This ensures transparency and allows parties to be aware of the composition of the Arbitral Tribunal.



- 3. Text of the Arbitration Agreement: The award should include the text of the Arbitration Agreement that forms the basis for the arbitration proceedings. This ensures that the award is consistent with the scope of the arbitration as agreed upon by the parties.
- 4. Summary of the Parties' Claims, Statements, and Documents: The award should provide a summary of the claims, statements, and documentary evidence presented by the parties during the arbitration. This summary allows the parties to understand the basis on which the arbitrators made their decision.
- 5. The Order Made: The award must clearly state the decision or order made by the Arbitral Tribunal. This is the ultimate outcome of the arbitration and determines the rights and obligations of the parties.
- 6. The Reasons for the Award: If required to be stated, the award should include the reasons on which the decision is based. This requirement relates to Article 41.4, which mandates the inclusion of reasons, unless otherwise agreed by the parties or not required by the applicable law.
- 7. Date and Place of Issue of the Award: The award should indicate the date on which it was issued and the place where the arbitration took place. This information is crucial for determining the validity and enforceability of the award.

- 1. Clarity and Transparency: Including these specific details in the award promotes transparency and ensures that the parties have a clear understanding of the arbitration process and the basis for the decision.
- 2. Enforceability: The mandatory elements specified in the article are essential for the enforceability of the award before courts and other relevant authorities.
- 3. Judicial Review: The specified elements provide the necessary information for any judicial review of the award, ensuring that the award complies with the requirements of the UAE Arbitration Law.

Overall, Article 41.5 of the UAE Arbitration Law aims to ensure that the arbitral award is comprehensive, transparent, and enforceable, providing clarity to the parties and facilitating any potential challenges or enforcement proceedings.

41.6. Unless otherwise agreed by the Parties, the arbitral award shall be deemed issued at the place of arbitration as determined in accordance with Article 28 of this Law, notwithstanding that it may have been signed by the members of the Arbitral Tribunal outside the place of arbitration, and irrespective of how the award was signed, whether by all the members of the Arbitral Tribunal at one sitting or separately by each member to whom the award was forwarded for signature, or by electronic means.

Article 41.6 of the UAE Arbitration Law addresses the place of issuance of the arbitral award and provides important clarity on this matter. Let us analyse the key points outlined in this article:



- 1. Place of Issuance: The article specifies that the arbitral award shall be deemed to have been issued at the place of arbitration, as determined in accordance with Article 28 of the UAE Arbitration Law. Article 28 deals with the parties' freedom to agree on the place of arbitration and provides for determination by the Arbitral Tribunal in the absence of such an agreement.
- Signature of the Award: The article clarifies that the place of issuance of the award is not affected by where the award is physically signed by the members of the Arbitral Tribunal. It explicitly states that even if the award is signed by the arbitrators outside the place of arbitration, it shall still be considered as issued at the place of arbitration.
- 3. Various Methods of Signing: The article further elaborates that the method of signing the award does not impact the place of issuance. Whether the award is signed by all the members of the Arbitral Tribunal at one sitting, separately by each member, or even by electronic means, it remains deemed as issued at the place of arbitration.

- 1. Clarity on Place of Issuance: Article 41.6 provides certainty to the parties and the Arbitral Tribunal regarding the place of issuance of the award. This clarification avoids any potential confusion or disputes regarding the determination of the place of issuance.
- 2. Legal Effect: The determination of the place of issuance of the award is essential for determining the legal effect of the award. It establishes the legal jurisdiction under which the award is made and can impact enforcement or any challenges to the award before the appropriate authorities.
- 3. Alignment with International Standards: This article is in line with international arbitration practice, where the place of issuance of the award is generally associated with the place of arbitration, regardless of where the award is physically signed.

Overall, Article 41.6 ensures that the arbitral award's place of issuance is clearly defined and that the signing of the award by the Arbitral Tribunal does not affect its deemed place of issuance. This provision contributes to the coherence and effectiveness of arbitration proceedings under the UAE Arbitration Law.

### 41.7. Unless the Parties agree otherwise, the date of the award shall be taken to be the date on which it is signed by the Arbitrator or, where there is more than one Arbitrator, by the last of them.

Article 41.7 of the UAE Arbitration Law addresses the determination of the date of the arbitral award and provides clarity on this matter. Let us analyse the key points outlined in this article:

- 1. Date of the Award: The article establishes a default rule for determining the date of the arbitral award. It states that, unless the Parties agree otherwise, the date of the award shall be considered to be the date on which it is signed by the Arbitrator or, in cases where there is more than one Arbitrator, by the last Arbitrator to sign the award.
- 2. Importance of the Date: The date of the award is a significant factor in various aspects of the arbitration process, including the calculation of time limits for challenging the award

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or initiating the enforcement proceedings. Therefore, establishing a clear and unambiguous date for the award is crucial for procedural purposes.

- 3. Agreement of the Parties: The article allows the Parties to agree on a different date for the award. This flexibility provides the Parties with the freedom to adapt the date of the award according to their preferences or specific requirements, provided there is mutual consent.
- 4. Last Signature Rule: In cases involving multiple Arbitrators, the article adopts the "last signature rule" to determine the date of the award. This means that the date of the award is considered to be the date on which the last Arbitrator signs the award. It is a common practice in multi-member arbitral tribunals to date the award based on the final signature, ensuring that all members of the Tribunal have agreed to the award's content.

### Importance:

- 1. Clarity and Certainty: Article 41.7 provides clarity and certainty regarding the determination of the date of the award. This reduces the potential for disputes or confusion surrounding the award's date and helps streamline the arbitration process.
- 2. Consistency with International Practices: The adoption of the "last signature rule" aligns with international arbitration practices, where the date of the award is often based on the last Arbitrator's signature, ensuring unanimity among the Tribunal members.
- 3. Parties' Autonomy: The article recognises the Parties' autonomy in the arbitration process and allows them to agree on an alternative date for the award, should they wish to do so.

Overall, Article 41.7 contributes to the efficiency and effectiveness of arbitration proceedings under the UAE Arbitration Law by establishing a default rule for determining the date of the award, while also allowing flexibility for the Parties to agree on an alternative date if they so desire.

### ARTICLE (42) TIME FOR ISSUING A FINAL AWARD

42.1. The Arbitral Tribunal shall issue a final award within the timeframe agreed by the Parties. Failing agreement on a specific time limit or method of its determination, the award shall be issued within six months from the date of the first hearing of the Arbitration. The Arbitral Tribunal may extend the time for up to six additional months, unless the Parties agree to a longer extension.

Article 42.1 of the UAE Arbitration Law focuses on the issuance of the final award by the Arbitral Tribunal and sets out specific provisions regarding the timeframe within which the award should be rendered. Let us analyse the key points outlined in this article:

- 1. Timeframe for Issuing the Final Award: The article requires the Arbitral Tribunal to issue a final award within the timeframe agreed upon by the Parties. If the Parties have not agreed on a specific time limit for the award, the default timeframe provided by the Law is six months from the date of the first hearing of the arbitration.
- 2. Extension of Time: The Arbitral Tribunal has the discretion to extend the time for issuing the final award for up to an additional six months beyond the initial six-month period.



This extension is available unless the Parties have agreed to a longer extension or specified a different method for determining the time limit.

Key Considerations:

- 1. Efficient Resolution: The provision of a timeframe for issuing the final award aims to ensure that the arbitration process is conducted efficiently and that there are no undue delays in rendering the award.
- 2. Parties' Agreement: The article emphasises the importance of the Parties' agreement on the timeframe for the final award. This reflects the principle of party autonomy in arbitration, allowing the Parties to tailor the arbitration process to their specific needs and preferences.
- 3. Default Timeframe: The default timeframe of six months from the date of the first hearing provides a clear guideline for the Arbitral Tribunal when no specific timeframe has been agreed upon by the Parties.
- 4. Flexibility: The provision allowing an extension of up to six additional months allows for flexibility in case the complexity of the dispute or other justifiable reasons warrant more time for the Tribunal to render a well-considered and reasoned award.
- 5. Predictability: The article enhances predictability by setting clear parameters for the timeframe of the final award. Parties involved in the arbitration can rely on this provision to manage their expectations regarding the duration of the arbitration process.

Overall, Article 42.1 of the UAE Arbitration Law aims to strike a balance between efficiency and flexibility in the arbitration process. It encourages timely resolution of disputes while acknowledging that certain cases may require additional time for a fair and thorough resolution.

42.2. The Arbitral Tribunal and either Party may, if no arbitral award is issued within the time period provided for in paragraph 1 of this article, request the Court to issue a decision extending the time period for issuing the arbitral award or terminating the arbitral proceedings, as necessary. The Arbitral Tribunal may extend such period under such conditions as it shall deem appropriate and its decision in this regard shall be final, unless otherwise agreed by the Parties.

Article 42.2 of the UAE Arbitration Law addresses the situation where no arbitral award is issued within the time period specified in Article 42.1. This article provides a mechanism for seeking an extension of the time period or terminating the arbitral proceedings. Let us analyse the key points outlined in this article:

- 1. Request for Extension or Termination: Both the Arbitral Tribunal and either Party have the right to request the Court's intervention if no arbitral award is issued within the timeframe provided for in Article 42.1. This provision ensures that the arbitration process remains accountable and does not face indefinite delays.
- 2. Court's Decision: The Court has the authority to issue a decision either extending the time period for issuing the arbitral award or terminating the arbitral proceedings, depending



on the circumstances of the case. This decision is made upon the request of the Arbitral Tribunal or either Party, as the case may be.

- 3. Tribunal's Discretion: If the Arbitral Tribunal makes the request for an extension of the time period, it has the discretion to decide the conditions under which such an extension may be granted. This discretion allows the Tribunal to take into account the specific reasons for the delay and the complexity of the case.
- 4. Finality of Tribunal's Decision: The decision of the Arbitral Tribunal regarding the extension of the time period for issuing the arbitral award is deemed final unless the Parties have agreed otherwise. This finality reinforces the principle of party autonomy in arbitration and avoids unnecessary appeals and delays.

Key Considerations:

- 1. Efficiency and Accountability: Article 42.2 emphasises the importance of maintaining efficiency in the arbitration process by ensuring that the Tribunal issues the award within the agreed-upon timeframe. It also encourages accountability by allowing either Party to seek intervention from the Court if necessary.
- 2. Reasonable Extensions: The provision for requesting an extension recognises that certain cases may require additional time to reach a fair and reasoned award. The Tribunal's discretion in determining the conditions for the extension ensures that extensions are granted based on justifiable reasons.
- 3. Party Autonomy: The finality of the Tribunal's decision regarding the extension of the time period reinforces the Parties' autonomy in shaping the arbitration proceedings and minimising court intervention.
- 4. Balancing Interests: Article 42.2 seeks to strike a balance between the need for timely resolution of disputes and the recognition that some cases may involve complexities that require more time for a thorough analysis and decision-making.

Overall, Article 42.2 enhances the efficiency and effectiveness of the arbitration process by providing a mechanism for addressing delays in issuing arbitral awards and ensuring that parties have a means to seek appropriate intervention when necessary.

### 42.3. Where the Court has issued a decision terminating the arbitral proceedings, either party may bring an action before the court originally competent to entertain it.

Article 42.3 of the UAE Arbitration Law deals with the consequences of the Court issuing a decision terminating the arbitral proceedings. Let us analyse the key points outlined in this article:

1. Termination of Arbitral Proceedings: If the Court issues a decision terminating the arbitral proceedings, it means that the arbitration process is brought to an end without a final arbitral award being issued. This termination may happen when the time period for issuing the award has expired, and no extension has been granted, or for other valid reasons as determined by the Court.



- 2. Right to Resort to Court: In the event of the termination of the arbitral proceedings by the Court, either party retains the right to bring an action before the court that was originally competent to entertain the dispute. This means that the parties can pursue the dispute through the court system instead of continuing with arbitration.
- 3. Judicial Proceedings: By allowing parties to bring an action before the court after the termination of the arbitral proceedings, the law preserves the parties' access to the court system to seek a resolution for their dispute. This ensures that the termination of arbitration does not leave the parties without a forum to address their claims.

Key Considerations:

- 1. Finality of Termination: The termination of the arbitral proceedings by the Court effectively ends the arbitration process, and the parties cannot revive it or seek a subsequent arbitral award for the same dispute.
- 2. Resort to Court: Article 42.3 upholds the principle of party autonomy, allowing the parties to choose between arbitration and court litigation to resolve their dispute, even after the termination of the arbitral proceedings.
- 3. Court's Competence: The article clarifies that the party can bring the action before the court that was originally competent to handle the dispute. This ensures consistency in jurisdiction and that the case remains within the same court system.
- 4. Flexibility in Dispute Resolution: The provision provides parties with the flexibility to switch from arbitration to court litigation if they find that arbitration is not a suitable means to resolve their dispute, either due to the termination or for other reasons.

Overall, Article 42.3 ensures that parties have recourse to the court system if the arbitral proceedings are terminated, allowing them to seek resolution through the courts after the failure of the arbitration process. It upholds the parties' right to choose the dispute resolution method that best suits their needs and preferences.

### ARTICLE (43) RULING ON PRELIMINARY QUESTIONS

43.1 If, in the course of arbitral proceedings, a question outside the scope of the Arbitral Tribunal's jurisdiction arises or if a document submitted to it is challenged for forgery, or if criminal proceedings in respect of that document or for any other criminal act have been instituted, the Arbitral Tribunal may continue reviewing the merits of the dispute if it deems that the decision on this matter, on the forgery of the document, or on the other criminal act is not indispensable for issuing an award on the merits of the dispute. Otherwise, the Arbitral Tribunal shall stay the proceedings until a final judgment is issued in this respect. A stay shall interrupt the running of the time limit for issuing the arbitral Tribunal is notified of the removal of the cause of the stay.

Article 43.1 of the UAE Arbitration Law addresses specific situations that may arise during arbitral proceedings and how the Arbitral Tribunal should handle them. Let us analyse the key points outlined in this article:

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- 1. Questions Outside Arbitral Tribunal's Jurisdiction: If a question arises during the arbitral proceedings that falls outside the scope of the Arbitral Tribunal's jurisdiction, the article provides guidance on how to handle such a situation.
- 2. Challenge to Document's Authenticity: If a document submitted to the Arbitral Tribunal is challenged for forgery, or if criminal proceedings related to the document or any other criminal act have been initiated, the Arbitral Tribunal must assess the impact of this challenge on the ongoing proceedings.
- 3. Continuation of Proceedings: The Arbitral Tribunal has the discretion to continue reviewing the merits of the dispute even if a question of jurisdiction or document authenticity is raised, as long as the decision on these matters is not essential for issuing an award on the merits of the dispute.
- 4. Stay of Proceedings: However, if the decision on the jurisdictional issue or the authenticity of the document is deemed indispensable for the final award on the merits of the dispute, the Arbitral Tribunal must stay the proceedings until a final judgment is issued on these matters.
- 5. Time Limit for Arbitral Award: During the stay of proceedings, the time limit for issuing the arbitral award is interrupted. The time limit will resume running from the day following the date on which the Arbitral Tribunal is notified of the removal of the cause of the stay.

Key Considerations:

- 1. Jurisdictional Questions: The article recognises that during arbitral proceedings, certain issues may arise that challenge the jurisdiction of the Arbitral Tribunal to decide on a particular matter. The Tribunal is given the authority to assess the significance of such issues in relation to the overall dispute.
- 2. Document Authenticity and Criminal Proceedings: If a document submitted as evidence is challenged for forgery, or if criminal proceedings related to the document or other criminal acts are initiated, the Arbitral Tribunal must consider the potential impact on the proceedings.
- 3. Discretion of the Arbitral Tribunal: The article grants the Arbitral Tribunal the discretion to determine whether it can proceed with the dispute despite jurisdictional challenges or document authenticity issues or whether a stay is necessary.
- 4. Protecting the Integrity of the Process: The provision ensures that the arbitral proceedings are fair and just by allowing the Tribunal to address issues that may affect the validity of evidence or the Tribunal's jurisdiction over the dispute.

Overall, Article 43.1 aims to strike a balance between addressing important issues during arbitral proceedings while ensuring the expeditious and fair resolution of the main dispute. It gives the Arbitral Tribunal the authority to decide whether to continue the proceedings or to stay them temporarily, depending on the nature and significance of the challenges presented.

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### **ARTICLE (44) NOTIFICATION OF ARBITRAL AWARD**

44.1 Subject to Article 47 of this Law, the Arbitral Tribunal shall notify the Parties of the award by communicating, to each party, an original or a copy of the arbitral award, signed by the arbitrators, within 15 days from the date of issue of the award.

Article 44.1 of the UAE Arbitration Law deals with the notification of the arbitral award to the parties involved in the arbitration proceedings. Let us analyse the key points outlined in this article:

- 1. Obligation to Notify the Parties: The article imposes a duty on the Arbitral Tribunal to notify the parties involved in the arbitration about the award. The notification process is crucial to inform the parties about the outcome of the dispute resolution process.
- 2. Timeline for Notification: The article sets a specific time frame for the Arbitral Tribunal to notify the parties of the award. According to the UAE Arbitration Law, the notification should be made within 15 days from the date of issuance of the award.
- 3. Communication of the Award: The Arbitral Tribunal must communicate the award by providing each party with an original or a copy of the arbitral award. This ensures that all parties have access to the content and details of the award.
- 4. Signature Requirement: The arbitral award must be signed by the arbitrators involved in the proceedings. The signatures of the arbitrators signify their agreement and endorsement of the award.

Key Considerations:

- 1. Timely Notification: The requirement for the Arbitral Tribunal to notify the parties promptly within 15 days of issuing the award emphasises the importance of timely communication and the need to avoid undue delays.
- 2. Award Documentation: The article specifies that the parties should receive either an original or a copy of the arbitral award. This is essential for record-keeping, enforceability, and ensuring transparency in the arbitration process.
- 3. Importance of Signatures: The signature of the arbitrators on the award is crucial as it signifies their agreement and authenticity of the decision. The presence of the arbitrators' signatures adds credibility to the award.
- 4. Article 47 Exception: The provision is subject to Article 47 of the UAE Arbitration Law, which deals with the correction and interpretation of the award, and the additional award in case of omissions or errors.

Overall, Article 44.1 ensures that the arbitral award is communicated to the parties within a reasonable time frame after its issuance. The provision contributes to the transparency and legitimacy of the arbitration process by keeping the parties informed of the decision and facilitating compliance with the award.



### **ARTICLE (45) TERMINATION OF ARBITRAL PROCEEDINGS**

### 45.1. Arbitral proceedings are terminated by an award of the Arbitral Tribunal ending the whole dispute.

Article 45.1 of the UAE Arbitration Law addresses the termination of arbitral proceedings. Let us analyse its key elements:

- 1. Termination of Arbitral Proceedings: The article states that arbitral proceedings come to an end when the Arbitral Tribunal issues an award that resolves the entire dispute between the parties. This award marks the conclusion of the arbitration process and brings finality to the matter under consideration.
- 2. Scope of Termination: The termination of the arbitral proceedings is specifically related to the "whole dispute". It implies that the award should encompass all the issues and claims that were raised and presented by the parties during the arbitration. Once the award is rendered, no further consideration of those claims is required, and the parties are bound by the decision of the Arbitral Tribunal.

Key Considerations:

- 1. Finality: The provision emphasises the final and binding nature of the arbitral award. Once the award is issued, the parties are expected to abide by its terms and are precluded from raising the same issues in subsequent proceedings.
- 2. Whole Dispute Resolution: The award must settle all the disputes between the parties that were the subject of the arbitration. It ensures that all aspects of the dispute are addressed and resolved comprehensively.
- 3. Legal Certainty: By terminating the proceedings through a conclusive award, the article promotes legal certainty and stability in the resolution of disputes. This allows the parties to move forward with confidence, knowing that the matter has been conclusively resolved.

Overall, Article 45.1 plays a vital role in the arbitration process by signalling the conclusion of the proceedings through the issuance of a final award. This provision aligns with the principles of efficiency and effectiveness in dispute resolution, encouraging the parties to present their cases effectively and aiding in the timely resolution of disputes.



45.2. The Arbitral Tribunal shall also terminate arbitral proceedings in the following cases:

(a) If the Parties agree on the termination of the Arbitration in accordance with this Law;

(b) If the claimant withdraws its claim, unless the Arbitral Tribunal decides, on the application of the respondent, that the latter has a legitimate interest in continuing the proceedings until the dispute is settled; or

(c) If the Arbitral Tribunal finds that the continuation of the proceedings has for any reason become unnecessary or impossible.

Article 45.2 of the UAE Arbitration Law outlines additional circumstances under which the Arbitral Tribunal may terminate arbitral proceedings. Let us analyse each of these cases:

- 1. Agreement of the Parties: The first scenario involves the termination of arbitral proceedings when the parties agree to it in accordance with the UAE Arbitration Law. This implies that the parties have the autonomy to mutually decide to end the arbitration process by reaching a settlement or through other means of agreement.
- 2. Claimant's Withdrawal: The second scenario pertains to situations where the claimant chooses to withdraw its claim during the arbitration proceedings. In such cases, the Arbitral Tribunal may terminate the proceedings, thereby concluding the dispute resolution process.

Exception: However, there is an exception to this rule. If the respondent can demonstrate a legitimate interest in continuing the proceedings until the dispute is settled, the Arbitral Tribunal may decide to allow the continuation of the case despite the claimant's withdrawal.

3. Unnecessary or Impossible Proceedings: The third scenario for termination arises when the Arbitral Tribunal finds that the continuation of the proceedings has become either unnecessary or impossible for any reason.

Key Considerations:

- 1. Party Autonomy: Article 45.2 recognises the significance of party autonomy in arbitration. It allows the parties to have control over the process and reach agreements on terminating the proceedings if they find it suitable or necessary.
- 2. Balancing Interests: The provision in scenario (b) demonstrates the importance of considering both parties' interests. If the respondent can show a legitimate interest in continuing the proceedings, the Arbitral Tribunal takes that into account to ensure fairness and protect the respondent's rights.
- 3. Efficiency and Practicality: By permitting the termination of proceedings in scenarios where continuation is unnecessary or impossible, the article promotes efficiency in dispute resolution. It prevents the wastage of time and resources in pursuing disputes that no longer serve a practical purpose.

Overall, Article 45.2 provides flexibility in terminating arbitral proceedings under specific circumstances, keeping in mind the parties' interests and the practicality of continuing the arbitration



process. It aligns with the principles of effectiveness and efficiency in arbitration, contributing to the timely resolution of disputes.

### **ARTICLE (46) COSTS OF ARBITRATION**

46.1. Unless otherwise provided by the agreement of the Parties, the Arbitral Tribunal shall assess the costs of arbitration which shall include: the fees and expenses incurred by any member of the Arbitral tribunal in the exercise of his duties and the costs for experts appointed by the Arbitral Tribunal.

Article 46.1 of the UAE Arbitration Law addresses the issue of cost allocation in arbitration. It states that unless otherwise agreed by the parties, the Arbitral Tribunal shall assess the costs of arbitration, which typically include the following components:

- 1. Fees and Expenses of Arbitrators: This refers to the compensation and expenses incurred by the arbitrators for their services in the arbitration proceedings. Arbitrators are professionals who preside over the dispute resolution process, and they are entitled to be remunerated for their time and expertise.
- 2. Costs for Experts Appointed by the Arbitral Tribunal: In some cases, the Arbitral Tribunal may appoint experts to assist in the resolution of complex technical or scientific issues relevant to the dispute. The costs associated with the engagement of such experts, including their fees and expenses, are also part of the arbitration costs.

Key Considerations:

- 1. Default Rule: Article 46.1 establishes a default rule for cost allocation in arbitration. In the absence of an agreement between the parties regarding cost sharing, the Arbitral Tribunal is tasked with assessing and determining the costs.
- 2. Flexibility: The provision allows for flexibility in cost allocation. Parties can still agree to a different approach for cost sharing if they wish to do so, either through the arbitration agreement or by subsequent agreement during the proceedings.
- 3. Fairness and Reasonableness: The Arbitral Tribunal is responsible for assessing the costs in a fair and reasonable manner. The costs should be commensurate with the complexity of the case, the time spent by the arbitrators and experts, and the expenses incurred during the arbitration process.
- 4. Transparency: The Arbitral Tribunal is expected to provide a clear breakdown of the assessed costs to the parties, ensuring transparency in the cost allocation process.

It is worth noting that Article 46.1 only addresses the general costs of arbitration, and other costs related to the legal representation of the parties, administrative fees, and any other costs incurred outside the arbitration proceedings may need to be dealt with separately as per the agreement of the parties or the rules of the arbitral institution, if applicable.



46.2. The Arbitral Tribunal may order that any or all of the costs referred to in paragraph 1 of this article be borne by one of the Parties. The Court may, at the request of a party, adjust the arbitrators' estimate of their fees or expenses commensurate with their efforts, the nature of the dispute, and the arbitrator's experience.

Article 46.2 of the UAE Arbitration Law addresses the authority of the Arbitral Tribunal to order the allocation of costs and the role of the Court in adjusting the arbitrators' fees and expenses. Here is a closer analysis of the key points:

- 1. Discretion in Cost Allocation: Article 46.2 empowers the Arbitral Tribunal to exercise its discretion in determining how the costs of arbitration, as mentioned in paragraph 1 of Article 46.1, should be borne by the parties. This means that the Tribunal has the authority to decide whether the costs should be split equally between the parties or allocated in a different manner, depending on the circumstances of the case.
- 2. Factors Considered: The provision states that the Court, at the request of a party, may adjust the arbitrators' estimate of their fees or expenses. This adjustment is to be made commensurate with various factors, including:
  - a. The efforts exerted by the arbitrators in resolving the dispute.
  - b. The nature and complexity of the dispute being arbitrated.
  - c. The experience and expertise of the arbitrators.
- 3. Ensuring Reasonable Compensation: By allowing the Court to adjust the arbitrators' fees and expenses, the UAE Arbitration Law seeks to ensure that arbitrators are fairly compensated for their work while maintaining a balance between the costs incurred and the complexity of the case.
- 4. Dispute Resolution Mechanism: If there is any disagreement between the parties or the arbitrators regarding the proposed fees and expenses, the Court can intervene to resolve the dispute and reach a reasonable and just decision.
- 5. Impact on Cost Allocation: The Court's adjustment of arbitrators' fees and expenses may also have an impact on the overall cost allocation in the arbitration. The Arbitral Tribunal, in light of the adjusted fees, may take this into consideration while determining how the costs of arbitration should be borne by the parties.

Overall, Article 46.2 reflects the aim of the UAE Arbitration Law to ensure transparency, fairness, and reasonableness in the cost allocation process. It allows for an assessment of costs that is proportional to the efforts expended by the arbitrators and the complexity of the dispute, providing a mechanism for parties to address any concerns regarding arbitrators' fees and expenses.

### 46.3. No requests may be made to the Court to review the quantum of costs, if fixed by agreement.

Article 46.3 of the UAE Arbitration Law sets a limitation on parties' requests to the Court regarding the quantum of costs in arbitration proceedings. Here is an analysis of the key points:



- 1. Limited Scope of Review: The provision specifies that parties cannot make requests to the Court to review the quantum of costs if the costs have been fixed by agreement. In other words, if the parties have already agreed upon the allocation of costs in their arbitration agreement or through any subsequent agreement during the arbitration process, they cannot later seek the Court's intervention to reconsider or modify the agreed-upon costs.
- 2. Preserving Party Autonomy: By restricting parties from seeking the Court's review of agreed costs, the UAE Arbitration Law upholds the principle of party autonomy in arbitration. Parties are generally free to determine the allocation of costs and other procedural matters in their arbitration agreement, and this provision seeks to maintain the integrity of the parties' contractual agreements.
- 3. Ensuring Finality: The provision contributes to the finality of arbitral awards and decisions. Once the parties have agreed upon the quantum of costs, this agreement is binding, and they cannot later challenge or seek to modify it through court proceedings. This helps in expediting the resolution of disputes and reducing the potential for prolonged litigation over procedural matters.
- 4. Encouraging Efficient Dispute Resolution: By limiting the scope of court intervention in cost allocation, the UAE Arbitration Law encourages efficient dispute resolution. When parties are confident that their agreed-upon costs will be upheld, they are more likely to focus on the merits of the case and strive for a swift resolution through arbitration.
- 5. Legal Certainty: This provision provides legal certainty to the parties involved in the arbitration process. It clarifies that once a cost allocation agreement is in place, it will be honoured and not subject to further challenges, promoting stability and predictability in arbitration proceedings.

In summary, Article 46.3 reinforces the significance of party agreements in arbitration proceedings, particularly concerning the allocation of costs. It limits court interference in this aspect to maintain the autonomy and finality of the arbitration process.

### ARTICLE (47) WITHHOLDING DELIVERY OF AWARD PENDING PAYMENT OF FEES

# 47.1. Subject to the arbitrators' right of recourse against the Parties for their fees and expenses, the Arbitral Tribunal may withhold delivery of its final award to the Parties if the costs of arbitration have not been fully paid up.

Article 47.1 of the UAE Arbitration Law addresses the issue of the payment of arbitration costs and its impact on the delivery of the final award. Here is an analysis of the key points:

- 1. Arbitrators' Right of Recourse: The provision acknowledges the arbitrators' right of recourse against the parties for their fees and expenses. This means that if the parties fail to fully pay the arbitrators' fees and expenses, the arbitrators have the right to seek recovery directly from the parties for the unpaid amounts.
- 2. Withholding Final Award: The main thrust of Article 47.1 is that the Arbitral Tribunal may withhold delivery of the final award to the parties if the costs of arbitration have not been fully paid up. In other words, if any party has not fulfilled its financial obligations regarding



the costs of the arbitration, the Arbitral Tribunal may delay the issuance of the final award until the outstanding fees are settled.

- 3. Encouraging Timely Payment: By allowing the Arbitral Tribunal to withhold the final award, the provision serves as a mechanism to incentivise timely payment of arbitration costs. It ensures that parties honour their financial obligations, thereby promoting the efficient and orderly conduct of arbitration proceedings.
- 4. Protecting Arbitrators' Interests: By recognising the arbitrators' right of recourse for their fees and expenses, the provision aims to protect the interests of the arbitrators and ensure that they are adequately compensated for their services. This contributes to maintaining the quality and professionalism of the arbitral process.
- 5. Upholding Procedural Fairness: The provision also ensures procedural fairness by not allowing the delivery of the final award until all parties have met their financial obligations. This helps prevent one party from potentially gaining an advantage by delaying or defaulting on payment.
- 6. Promoting the Finality of Awards: By linking the issuance of the final award to the full payment of arbitration costs, the provision reinforces the finality of arbitral awards. It encourages parties to comply with their financial responsibilities and contributes to the enforceability of the award once it is issued.

In summary, Article 47.1 of the UAE Arbitration Law emphasises the importance of timely payment of arbitration costs and the recognition of the arbitrators' right to be compensated. By allowing the Arbitral Tribunal to withhold the final award until all costs are fully paid, the provision aims to maintain procedural fairness, efficiency, and the integrity of the arbitration process.

47.2. Where the Arbitral Tribunal has refused to deliver its award in accordance with paragraph 1 of this article, a Party may make an application to the Court, after giving notice to the other Parties and the Arbitral Tribunal, to compel the Arbitral Tribunal to release its award to the Parties, upon proof of full payment of the fees and expenses requested by the Arbitral Tribunal or those specified by the Court in accordance with Article 46 of this Law.

Article 47.2 of the UAE Arbitration Law deals with a situation where the Arbitral Tribunal has refused to deliver its award due to unpaid arbitration fees and expenses. Let us analyse the key points of this provision:

- 1. Right to Seek Court Intervention: Article 47.2 provides a remedy for a party if the Arbitral Tribunal withholds the delivery of its award because of non-payment of arbitration fees and expenses. If a party can demonstrate that it has fully paid the requested fees and expenses, it may seek court intervention to compel the Arbitral Tribunal to release the award to the parties.
- 2. Notice to Parties and Arbitral Tribunal: Before making an application to the court, the party seeking to compel the release of the award must give notice to the other parties and the Arbitral Tribunal. This ensures transparency and provides an opportunity for all concerned parties to be aware of the application and respond if necessary.

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- 3. Proof of Full Payment: To be successful in compelling the release of the award, the party making the application must provide evidence of having made full payment of the fees and expenses demanded by the Arbitral Tribunal. This is to ensure that the financial obligations towards the arbitration process have been duly met.
- 4. Court's Role in Determining Fees: Article 47.2 also refers to Article 46 of the UAE Arbitration Law, which pertains to the assessment and allocation of arbitration costs. If there is any dispute regarding the fees and expenses demanded by the Arbitral Tribunal, the court may have a role in determining the appropriate amount based on the provisions of Article 46.
- 5. Ensuring Enforcement and Finality: By providing a mechanism for a party to seek court intervention when an award is withheld due to unpaid fees, this provision aims to ensure the enforcement and finality of the arbitral award. It encourages parties to promptly settle any financial obligations related to the arbitration process, thereby safeguarding the efficiency and integrity of the arbitral proceedings.

In summary, Article 47.2 of the UAE Arbitration Law allows a party to apply to the court to compel the Arbitral Tribunal to release its award when the tribunal has withheld it due to unpaid arbitration fees and expenses. By doing so, the provision seeks to maintain the enforceability and finality of the award while ensuring that all parties meet their financial responsibilities in the arbitration process.

### **ARTICLE (48) CONFIDENTIALITY OF ARBITRATORS' AWARDS**

48.1 Arbitrators' awards are confidential any cannot be published in whole or in part except with the written consent of the Parties. Publication of judicial rulings dealing with an arbitral award shall not constitute a breach of this rule.

Article 48.1 of the UAE Arbitration Law addresses the confidentiality of arbitrators' awards and sets guidelines on their publication. Let us analyse the key points of this provision:

- 1. Confidentiality of Arbitrators' Awards: According to Article 48.1, arbitrators' awards are considered confidential. This means that the contents of the award, in whole or in part, should not be disclosed or made public without the written consent of the parties involved in the arbitration.
- 2. Requirement of Written Consent: Before an arbitrator's award can be published, parties to the arbitration must provide their written consent. This provision ensures that the parties have control over the confidentiality of the award and that their agreement to its publication is obtained explicitly.
- 3. Exception for Judicial Rulings: Article 48.1 makes an exception for judicial rulings that deal with an arbitral award. Such judicial rulings, even if they contain information from the award, are not considered a breach of the confidentiality rule. This exception allows for the publication of court decisions that address or refer to the arbitration award without violating the confidentiality requirement.
- 4. Importance of Confidentiality: The confidentiality of arbitrators' awards is a fundamental aspect of arbitration proceedings. It helps maintain the privacy and commercial sensitivity

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of the parties involved, encourages parties to be more forthcoming with evidence and information, and supports the finality and enforceability of the award.

- 5. Preservation of Party Autonomy: By requiring written consent for publication, Article 48.1 respects the autonomy of the parties in deciding whether or not they wish to disclose the details of the award to the public or any interested parties.
- 6. Judicial Oversight: It is worth noting that while the arbitration process and award are confidential by default, some jurisdictions might have specific rules or procedures governing the confidentiality of arbitration awards. Additionally, the courts may play a role in determining whether any specific award should be kept confidential or released, especially if there are concerns about public interest or public policy.

In summary, Article 48.1 of the UAE Arbitration Law emphasises the confidentiality of arbitrators' awards and emphasises that they cannot be published, wholly or partially, without the written consent of the parties involved in the arbitration. The provision acknowledges the importance of confidentiality in arbitration while allowing for judicial rulings that deal with the award to be published without violating the confidentiality rule.

### **ARTICLE (49) INTERPRETATION OF AWARD**

49.1. After the arbitral award is issued, the Arbitral Tribunal has no power to decide any of the issues addressed by the arbitral award. However, within thirty days of receipt of the award, unless other procedures or periods of time have been agreed by the Parties, a Party, with notice to the other party, may request the Arbitral Tribunal to interpret any obscurity or ambiguity in its award.

Article 49.1 of the UAE Arbitration Law addresses the powers of the Arbitral Tribunal after the issuance of the arbitral award. Let us analyse the key points of this provision:

- 1. Limitation on the Arbitral Tribunal's Powers: According to Article 49.1, once the arbitral award is issued, the Arbitral Tribunal loses its authority to decide on any of the issues that were addressed in the award. In other words, the Tribunal's power is limited to the extent of the issues already resolved and decided in the final award.
- 2. Request for Interpretation: Within thirty days of receipt of the award, a Party may make a request to the Arbitral Tribunal seeking an interpretation of any obscurity or ambiguity present in the award. This means that if any part of the award is unclear or subject to multiple interpretations, a party can seek clarification from the Tribunal on the intended meaning of that specific part.
- 3. Time Limit for Request: The right to request an interpretation is time-limited. Unless the Parties have agreed otherwise or specific procedures and periods of time have been agreed upon, the requesting Party must submit its request within thirty days of receiving the award. This is to ensure that parties have a reasonable opportunity to seek clarification promptly after receiving the award.
- 4. Notice to the Other Party: The Party making the request for interpretation is required to give notice to the other party. This ensures transparency and allows both parties to be aware of the request and any subsequent proceedings related to the interpretation.

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- 5. Scope of Interpretation: The provision specifically allows the Arbitral Tribunal to interpret obscurities or ambiguities in the award. It does not grant the Tribunal the power to modify or reconsider the substantive issues already decided in the award. The purpose is to clarify the award, not to alter its substance.
- 6. Binding Nature of the Award: Once the arbitral award is issued, it remains binding on the parties, and neither party can re-litigate the issues that were already decided by the Tribunal. The provision ensures the finality and enforceability of the award.

In summary, Article 49.1 of the UAE Arbitration Law outlines the limitations on the powers of the Arbitral Tribunal after the issuance of the award. It clarifies that the Tribunal cannot decide any further issues addressed in the award but allows a party to request interpretation if there are obscurities or ambiguities in the award. This provision strikes a balance between finality and clarity, ensuring that parties have an opportunity to seek clarification on any unclear aspects of the award without reopening substantive issues.

# 49.2. If the Arbitral Tribunal considers the request for interpretation to be justified, it shall give an interpretation in writing within thirty days after receipt of the request and may extend, if necessary, this period of time by a further fifteen days.

Article 49.2 of the UAE Arbitration Law addresses the procedure for responding to a request for interpretation made by a Party. Let us analyse the key points of this provision:

- 1. Justified Request: If the Arbitral Tribunal finds that the request for interpretation made by a Party is justified, it is required to respond to the request.
- 2. Written Interpretation: The response to the request for interpretation must be given by the Arbitral Tribunal in writing. This ensures that the clarification provided is in a formal and documented manner.
- 3. Time Limit for Response: The Arbitral Tribunal is given a specific time limit within which it must provide the interpretation. The response should be given within thirty days from the date of receipt of the request. This time frame is aimed at ensuring a prompt resolution of the request for clarification.
- 4. Extension of Time: The Arbitral Tribunal has the authority to extend the time for providing the interpretation if it deems it necessary. The extension can be up to an additional fifteen days beyond the initial thirty-day period.
- 5. Prompt Resolution: By specifying a time limit for providing the interpretation, the provision ensures that the requesting Party receives the clarification promptly, which is important to avoid any unnecessary delay in the proceedings or enforcement of the award.
- 6. Limited Scope: It is important to note that the provision addresses only the request for interpretation and not a request to modify or reconsider the substance of the award. The interpretation is intended to clarify any obscurities or ambiguities in the award but does not grant the Arbitral Tribunal the power to modify the award's substance.



Overall, Article 49.2 of the UAE Arbitration Law sets out a clear and time-bound procedure for the Arbitral Tribunal to respond to requests for interpretation made by a Party. It ensures that if the request is justified, the Tribunal provides a written interpretation promptly, thus contributing to the efficiency and finality of the arbitral process.

### 49.3. The interpretation shall form part of the relevant award and shall be subject to the rules applicable thereto.

Article 49.3 of the UAE Arbitration Law addresses the status and application of the interpretation provided by the Arbitral Tribunal in response to a request made by a Party. Let us analyse the key points of this provision:

- 1. Interpretation Part of the Award: The interpretation provided by the Arbitral Tribunal in response to the Party's request becomes an integral part of the relevant arbitral award. This means that the interpretation is treated as if it was included in the original award from the beginning.
- 2. Subject to Applicable Rules: The interpretation, being part of the award, is subject to the same rules and legal framework that govern the original award. This ensures consistency and coherence in the application of the law and procedural rules throughout the award, including the interpretation.
- 3. Binding Nature: As part of the award, the interpretation provided by the Arbitral Tribunal is binding on the Parties. It must be followed and complied with, just like any other aspect of the award.
- 4. Finality: Once the interpretation is part of the award, it contributes to the finality of the arbitral process. The Parties are expected to adhere to the clarified meaning of the award as provided by the Arbitral Tribunal.
- 5. Certainty and Clarity: By including the interpretation as part of the award, the provision aims to enhance certainty and clarity in the parties' understanding of the award. Any obscurity or ambiguity in the original award is resolved by the Tribunal's clarification.

Overall, Article 49.3 reinforces the importance of the interpretation being treated as an integral part of the award, subject to the same rules and binding effect. This ensures that any ambiguities or uncertainties in the original award are adequately addressed and that the award remains consistent, enforceable, and effective in resolving the dispute between the Parties.

### ARTICLE (50) CORRECTION OF MATERIAL ERRORS IN AWARD

50.1. The Arbitral Tribunal shall decide, on its own initiative or upon request of a party, with notice to the other party, to correct any material errors in its award, whether clerical or in computation. The request shall be submitted within thirty days of receipt of the award, unless other procedures or periods of time have been agreed by the Parties. The Arbitral Tribunal shall make the correction



within thirty days after it issues the award or receives the request for correction, as the case may be. The Arbitral Tribunal may extend, if necessary, this period of time by a further fifteen days.

Article 50.1 of the UAE Arbitration Law deals with the correction of material errors in the arbitral award. Here are the key points of this provision:

- 1. Correction of Material Errors: The article allows the Arbitral Tribunal to correct any material errors in its award, whether they are clerical or relate to computation. The purpose of this provision is to rectify mistakes that might have occurred in the award, which could affect the intended outcome of the arbitration.
- 2. Initiative or Request: The Arbitral Tribunal can correct errors on its own initiative or upon the request of a party. If a party wishes to seek corrections, it must make a formal request to the Tribunal.
- 3. Timely Request: The request for correction must be submitted within thirty days of the receipt of the award, unless the Parties have agreed to other procedures or timeframes. This ensures that the correction process is timely and efficient.
- 4. Timeframe for Correction: The Arbitral Tribunal is required to make the correction within thirty days after issuing the award or receiving the request for correction, whichever is applicable. If necessary, the Tribunal can extend this period by an additional fifteen days.
- 5. Notice to Other Party: If a party requests the correction, it must give notice to the other party, ensuring transparency and an opportunity for both parties to be informed and heard on the matter.
- 6. Scope of Correction: The correction is limited to material errors, such as mistakes in computation or typographical errors, that may affect the substance of the award. The Arbitral Tribunal does not have the power to reconsider or change the merits of its decision.

Overall, Article 50.1 ensures that any material errors in the award can be promptly rectified, contributing to the finality and enforceability of the arbitral process. By allowing the Arbitral Tribunal to correct such errors, the law aims to enhance the accuracy and integrity of the arbitral awards issued in the UAE.

### 50.2. The Arbitral Tribunal shall make the correction in writing and notify the Parties within fifteen days from the date of issue.

Article 50.2 of the UAE Arbitration Law outlines the procedural aspect of the correction process for material errors in the arbitral award. Here are the key points of this provision:

1. Correction in Writing: The Arbitral Tribunal is required to make the correction in writing. This means that any amendments or revisions to the award must be formally documented in writing to ensure clarity and accuracy.



- 2. Timeframe for Correction: The correction must be made within fifteen days from the date of issue of the award. This timeframe ensures that the correction process is carried out promptly after the issuance of the award.
- 3. Notification to the Parties: Once the correction is made, the Arbitral Tribunal must notify the Parties of the correction. This notification ensures that the Parties are aware of the corrections made and provides them with updated and accurate information regarding the contents of the award.

By providing a specific timeframe for the correction and mandating written communication of the corrections to the Parties, Article 50.2 aims to promote transparency and efficiency in the correction process. It ensures that any material errors are promptly addressed, and the revised award is communicated to the Parties in a clear and timely manner.

## 50.3. The correction shall form part of the relevant award and shall be subject to the rules applicable thereto.

Article 50.3 of the UAE Arbitration Law addresses the status of corrections made to the arbitral award. Here is the analysis of this provision:

- 1. Part of the Relevant Award: The correction made under Article 50.1 (addressing material errors) shall be considered as an integral part of the original arbitral award. This means that the corrections will be deemed to be included in the award itself, and they will be treated as if they were part of the initial decision rendered by the Arbitral Tribunal.
- 2. Subject to Applicable Rules: The corrections made in accordance with Article 50.1 are subject to the same rules that apply to the original arbitral award. This ensures that the corrections are treated with the same legal effect and enforceability as the initial award. Any rules, procedures, or conditions that were applicable to the original award will also apply to the corrected version.

By stating that the correction becomes part of the relevant award and is subject to the same rules, Article 50.3 clarifies the legal status of the correction. It confirms that the correction should be treated as an intrinsic part of the award and reinforces its enforceability and finality. This provision ensures that any necessary corrections made by the Arbitral Tribunal are duly incorporated into the award, without altering the overall legal effect of the decision.

## ARTICLE (51) ADDITIONAL AWARD

# 51.1. Within thirty days of receipt of the award, a party, with notice to the other party, may request the Arbitral Tribunal to make an additional award as to claims presented in the arbitral proceedings but omitted from the award.

Article 51.1 of the UAE Arbitration Law addresses the possibility of requesting an additional award for claims presented in the arbitral proceedings but omitted from the initial award. Here is the analysis of this provision:



- 1. Request for Additional Award: Under this article, a party to the arbitration may make a request to the Arbitral Tribunal for an additional award. The purpose of this request is to address claims that were raised and presented by the parties during the course of the arbitral proceedings but were not addressed or included in the original award.
- 2. Time Limit: The party making the request for an additional award must do so within thirty days of receiving the initial award. This time limit is critical as it provides a specific window for the parties to seek a resolution for any claims that may have been overlooked or omitted from the original award.
- 3. Notice to the Other Party: The requesting party must provide notice of its intention to seek an additional award to the other party involved in the arbitration. This ensures transparency and gives the other party an opportunity to respond or raise any objections, if necessary.

The purpose of Article 51.1 is to offer a mechanism for addressing any unintentional omissions or oversights in the initial arbitral award. It allows the Arbitral Tribunal to rectify the situation by rendering an additional award to resolve the claims that were inadvertently left out. By providing a specific time limit and requiring notice to the other party, this article strikes a balance between the need for a fair and efficient resolution and the importance of ensuring procedural fairness and the opportunity for the other party to respond.

# 51.2. If the Arbitral Tribunal considers the request referred to in section 1 of this article to be justified, it shall make the additional award within sixty days after receipt of the request and may extend, if necessary, this period of time by a further thirty days.

Article 51.2 of the UAE Arbitration Law outlines the procedure and time frame for the Arbitral Tribunal to make an additional award when the request for such an award, as mentioned in Article 51.1, is deemed justified. Here is the analysis of this provision:

- 1. Justified Request: This article stipulates that if the Arbitral Tribunal finds the request for an additional award, as presented in Article 51.1, to be justified, it is required to proceed with making such an award. The term "justified" implies that the Arbitral Tribunal must determine whether the claims presented in the arbitral proceedings but omitted from the initial award have a valid basis for further consideration and resolution.
- 2. Time Frame for Additional Award: Once the Arbitral Tribunal deems the request to be justified, it is obligated to render the additional award. According to Article 51.2, the Arbitral Tribunal must issue the additional award within sixty days from the receipt of the request. However, if the Tribunal finds it necessary due to complex circumstances or other valid reasons, it may extend this period by an additional thirty days.

The purpose of Article 51.2 is to ensure a prompt and efficient resolution of any justified claims that were not addressed in the original award. By providing a specific time frame for the Arbitral Tribunal to render the additional award, the law emphasises the importance of expeditiously concluding the arbitration process once a valid request for an additional award is made. This time frame strikes a balance between efficiency and giving the Arbitral Tribunal sufficient time to review the relevant evidence and arguments to make a well-considered and reasoned additional award.



## 51.3. The additional award shall form part of the relevant award and shall be subject to the rules applicable thereto.

Article 51.3 of the UAE Arbitration Law addresses the status and treatment of the additional award that the Arbitral Tribunal is required to make pursuant to Article 51.1. Here is the analysis of this provision:

- 1. Integration with the Relevant Award: According to Article 51.3, the additional award forms an integral part of the relevant award. This means that the additional award is not treated as a separate or independent decision but is instead considered an extension or supplement to the initial award. By being integrated into the relevant award, the additional award is binding on the parties, just like the original award, and has the same legal effect.
- 2. Subject to Applicable Rules: The provision specifies that the additional award is subject to the same rules that apply to the relevant award. These rules refer to the procedural and substantive requirements set out in the UAE Arbitration Law for the issuance and enforcement of arbitral awards. The additional award must comply with the legal framework governing the arbitration process and must be consistent with the law and the terms of the arbitration agreement.

Overall, Article 51.3 ensures that the additional award is treated as an inseparable part of the entire arbitration process and that it receives the same legal recognition and enforceability as the initial award. This approach helps maintain the coherence and integrity of the arbitration proceedings while allowing the Arbitral Tribunal to address any omitted claims or issues that have been found to be justified, providing a comprehensive resolution to the dispute between the parties.

## 51.4. Should the Arbitral Tribunal not issue the arbitral award in accordance with this article and Articles 49 and 50 of this Law, the interested party shall submit a request to the Court to do so.

Article 51.4 of the UAE Arbitration Law establishes a remedy for situations where the Arbitral Tribunal fails to issue an arbitral award in accordance with the provisions outlined in Articles 49, 50, and 51.1 of the Law. Here is the analysis of this provision:

- 1. Remedial Measure: Article 51.4 provides a remedial measure to address the situation where the Arbitral Tribunal does not issue an additional award (as per Article 51.1), fails to correct material errors in the award (as per Article 50), or omits to interpret any obscurity or ambiguity in the award (as per Article 49). If the Arbitral Tribunal does not take the required action within the specified timeframes for these matters, the interested party can seek assistance from the Court to remedy the situation.
- 2. Request to the Court: The provision specifies that the interested party must submit a request to the Court to obtain the necessary action from the Arbitral Tribunal. In other words, the party seeking the additional award or correction must apply to the Court for an order instructing the Arbitral Tribunal to issue the required decision within the statutory timeframes.



By including this provision, the UAE Arbitration Law ensures that parties have recourse to the Court in case the Arbitral Tribunal does not fulfil its obligations regarding additional awards, corrections, or interpretations. This safeguard helps maintain the effectiveness and efficiency of the arbitration process, ensuring that any issues or omissions in the arbitral award are addressed promptly and appropriately.

## **ARTICLE (52) BINDING FORCE**

52.1 An arbitral award made in accordance with this Law shall be binding on the Parties, shall constitute res judicata, and shall be as enforceable as a judicial ruling, although to be enforced, a decision confirming the award must be obtained from the Court.

Article 52.1 of the UAE Arbitration Law addresses the enforceability and binding nature of an arbitral award made in accordance with the provisions of the law. Here is the analysis of this article:

- 1. Binding Nature: The article establishes that an arbitral award made in accordance with the UAE Arbitration Law shall be binding on the parties involved in the arbitration. This means that both parties are legally obligated to comply with the terms and decisions set forth in the award.
- 2. Res Judicata: The article further states that the arbitral award shall constitute res judicata. Res judicata is a legal principle that essentially means the matter has been judged and finally decided, and it prevents the same dispute from being relitigated between the same parties. In other words, once an arbitral award is issued, the dispute is considered conclusively settled, and the parties cannot bring the same issues before another tribunal or court.
- 3. Enforceability: The article recognises that the arbitral award has the same level of enforceability as a judicial ruling. This means that the award can be enforced by the parties as if it were a judgment of a court. However, to enforce the award, the prevailing party must obtain a decision confirming the award from the Court. This step is typically required to enforce the award's terms and obtain remedies or satisfaction from the losing party.
- 4. Judicial Confirmation: In the UAE, as in many other jurisdictions, an arbitral award does not automatically have the power of enforcement. Instead, the successful party must seek confirmation of the award from the local courts, which then issue a decision confirming the enforceability of the award. This decision acts as an execution instrument, allowing the successful party to enforce the award's terms through court-executed measures.

In summary, Article 52.1 ensures that arbitral awards made in accordance with the UAE Arbitration Law have binding and conclusive effects on the parties involved, and they can be enforced through a court decision confirming the award's enforceability. This reinforces the legitimacy and effectiveness of arbitration as an alternative dispute resolution mechanism in the UAE.

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### **ARTICLE (53) CHALLENGING ARBITRAL AWARDS**

53.1. An arbitral award can only be challenged by an action for setting aside before the Court or during the pendency of an application to confirm the award. The party seeking to set aside the award must establish any of the following circumstances:

(a) that no Arbitration Agreement exists or such agreement is void or has lapsed under the law to which the Parties have subjected it or, failing any indication thereon, under this Law.

(b) that a party, at the time of conclusion of the Arbitration Agreement, was incompetent or under some incapacity under the law governing his capacity.

(c) that a person does not have the legal capacity to dispose of the disputed right under the law governing his capacity, as provided for in Article 4 of this Law.

(d) that a party to the Arbitration fails to present its case because it was not given proper notice of the appointment of an Arbitrator or of the arbitral proceedings or because the Arbitral Tribunal breached due process or for any other reason beyond his control.

(e) that the arbitral award excludes the application of the Parties' choice of law for the dispute.

(f) that the composition of the Arbitral Tribunal or appointment of any Arbitrator was not in accordance with this Law or the agreement of the Parties.

(g) that the arbitral proceedings were marred by irregularities that affected the award or the arbitral award was not issued within the specified time frame.

(h) that the award contains decisions on matters not falling within the terms of the submission to arbitration or beyond its scope, provided that, if the decisions on matters submitted to Arbitration can be separated from those not so submitted, only that part of the award which contains decisions on matters not submitted to Arbitration may be set aside.

Article 53.1 of the UAE Arbitration Law outlines the grounds and procedures for challenging an arbitral award. Let us analyse this article in detail:

- 1. Grounds for Challenging the Award: The article states that an arbitral award can only be challenged through an action for setting aside before the Court or during the pendency of an application to confirm the award. To succeed in challenging the award, the party seeking to set it aside must establish one or more of the following circumstances:
  - a. Non-existence, Voidness, or Lapse of Arbitration Agreement: The party may challenge the award if it can prove that there was no valid arbitration agreement between the parties, or if the agreement is void or has lapsed under the applicable law or the UAE Arbitration Law.
  - b. Incompetence or Incapacity of a Party: The award can be challenged if one of the parties was incompetent or under some legal incapacity at the time of concluding the arbitration agreement, as determined by the law governing their capacity.



- c. Lack of Legal Capacity to Dispose of Disputed Right: If a person lacks the legal capacity to dispose of the disputed right under the applicable law, the award can be challenged.
- d. Failure to Present Case or Breach of Due Process: If a party was not given proper notice of the appointment of an arbitrator or of the arbitral proceedings, or if the Arbitral Tribunal breached due process, leading to the party's failure to present its case, the award can be challenged.
- e. Exclusion of Choice of Law: The award can be challenged if it excludes the application of the law chosen by the parties for resolving the dispute.
- f. Incorrect Composition of Arbitral Tribunal: If the composition of the Arbitral Tribunal or the appointment of an arbitrator was not in accordance with the UAE Arbitration Law or the parties' agreement, the award may be challenged.
- g. Irregularities in Arbitral Proceedings: The award can be challenged if the arbitral proceedings were marred by irregularities that affected the award, or if the award was not issued within the specified time frame.
- h. Decisions on Matters Not Submitted to Arbitration: If the award contains decisions on matters that were not submitted to arbitration or were beyond the scope of the submission, those parts of the award may be set aside.
- 2. Challenging Procedure: The article stipulates that a party seeking to challenge an award must do so through an action for setting aside before the Court or during the pendency of an application to confirm the award. This provides the aggrieved party with the opportunity to seek judicial review of the award's validity and ensure that the arbitration process adhered to the law and proper procedures.

In summary, Article 53.1 of the UAE Arbitration Law enumerates the specific grounds on which an arbitral award can be challenged and the procedures that must be followed for such challenges. These provisions aim to strike a balance between the finality of arbitral awards and the need to address any potential defects or irregularities that could affect the award's validity.

### 53.2. The Court shall, on its own initiative, set aside the arbitral award if it finds that:

### (a) The subject-matter of the dispute is not capable of settlement by Arbitration.

### (b) The arbitral award is in conflict with the public order and morality of the State.

Article 53.2 of the UAE Arbitration Law addresses specific situations where the Court is obligated to set aside an arbitral award. Let us analyse this article:

Incapable of Settlement by Arbitration: According to Article 53.2(a), the Court shall set aside the arbitral award if it finds that the subject matter of the dispute is not capable of settlement by arbitration. This means that there are certain types of disputes that, by law or public policy, cannot be resolved through arbitration. For instance, matters involving criminal offenses or certain family law issues may be deemed incapable of settlement by arbitration.



Conflict with Public Order and Morality: Article 53.2(b) states that the Court shall set aside the arbitral award if it is in conflict with the public order and morality of the State. This provision allows the Court to review the award's content and ensures that the award does not violate fundamental principles of law or public policy in the UAE. If the award goes against the country's public order or involves immoral or illegal activities, the Court has the authority to set it aside.

It is essential to note that Article 53.2 establishes mandatory grounds for setting aside an arbitral award, meaning the Court must act on its own initiative when it discovers any of these circumstances. Unlike the grounds for challenging an award listed in Article 53.1, which require a party to initiate the action for setting aside, the Court has an active role in enforcing these specific grounds.

In summary, Article 53.2 of the UAE Arbitration Law provides the Court with the authority to set aside an arbitral award if it determines that the subject matter of the dispute is incapable of settlement by arbitration or if the award is in conflict with the public order and morality of the State. These provisions uphold the integrity of the UAE's legal system and ensure that arbitration remains a viable and effective means of dispute resolution while safeguarding fundamental legal principles and public policy.

## **ARTICLE (54) ACTION TO SET ASIDE AWARD**

### 54.1. The decision of the Court in an action to set aside is final and can only be appealed in cassation.

Article 54.1 of the UAE Arbitration Law addresses the finality and appeal process for the Court's decision in an action to set aside an arbitral award. Let us analyse this article:

According to Article 54.1, the decision of the Court in an action to set aside an arbitral award is final. This means that once the Court renders its decision on the matter, there is no further recourse to challenge that specific decision within the national court system.

However, there is a limited exception to the finality of the Court's decision in an action to set aside. The article states that the decision can be appealed in cassation. Cassation is a legal process in which a higher court reviews the decision of a lower court to ensure that it was correctly made in accordance with the law. In the context of arbitration, cassation is a form of appeal that is available to parties seeking to challenge the Court's decision on specific grounds, such as errors of law or procedural irregularities.

It is important to note that cassation is not a full review of the merits of the case; rather, it is a review of whether the lower court's decision was legally sound. This means that parties cannot re-argue the facts of the case or introduce new evidence during the cassation appeal.

Overall, Article 54.1 of the UAE Arbitration Law ensures that the Court's decision in an action to set aside an arbitral award is final, but it provides an avenue for appeal through the cassation process. This approach balances the need for finality and efficiency in the arbitration process while allowing parties to seek legal review in exceptional cases where there may have been significant legal errors or procedural irregularities in the Court's decision.

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## 54.2. An action to set aside an arbitral award shall be time barred after 30 days from the date of notification of the award by the party seeking to set it aside.

Article 54.2 of the UAE Arbitration Law sets out the time limit within which an action to set aside an arbitral award must be filed. Let us analyse this article:

According to Article 54.2, any action to set aside an arbitral award must be filed within 30 days from the date of notification of the award by the party seeking to set it aside. This means that if a party is dissatisfied with the arbitral award and wishes to challenge it by seeking its annulment or setting it aside, they have a limited period of 30 days from the date they received notice of the award to initiate the action in the relevant court.

The purpose of the time limit is to promote finality and efficiency in the arbitral process. By imposing a relatively short timeframe, the law encourages parties to promptly address any concerns they may have with the arbitral award and seek its annulment, if necessary. It also ensures that parties do not unduly delay the enforcement or execution of the award by filing challenges long after the award has been issued.

It is important to note that the 30-day time limit is strict and typically cannot be extended. Once this period has elapsed, the right to challenge the award through an action to set aside is generally considered time-barred, and the award becomes final and enforceable.

In summary, Article 54.2 of the UAE Arbitration Law establishes a 30-day time limit for parties to file an action to set aside an arbitral award, promoting efficiency and finality in the arbitration process. Parties are encouraged to act promptly if they wish to challenge the award, and once the deadline passes, the award becomes final and enforceable.

# 54.3. A decision to set aside an arbitral award shall extinguish the award in whole or in part depending on whether the award is to be wholly or partially set aside. An interpretation given for the affected part of the award which was set aside, shall be accordingly extinguished.

Article 54.3 of the UAE Arbitration Law deals with the consequences of a decision by the court to set aside an arbitral award. Let us analyse this article:

According to Article 54.3, if the court decides to set aside an arbitral award, the effect of this decision depends on the extent of the annulment. If the court sets aside the entire arbitral award, the award is extinguished in its entirety. This means that the award will no longer have any legal effect, and the dispute will be treated as if it was never arbitrated. The parties will have to seek an alternative resolution method for the dispute.

On the other hand, if the court sets aside only a part of the arbitral award, the annulment will apply only to the affected portion of the award. The remainder of the award will still be valid and enforceable.

Additionally, if the court's decision to set aside the award is based on the interpretation of a specific provision or part of the award, that particular interpretation given by the Arbitral Tribunal for the part of the award that was set aside will also be extinguished. This means that the interpretation will no longer have any legal effect, and the parties will need to look for other ways to resolve the issue.



The purpose of this provision is to ensure that the consequences of setting aside an arbitral award are clear and that the decision does not leave any room for confusion regarding the status of the award and the interpretation given by the Arbitral Tribunal.

In summary, Article 54.3 of the UAE Arbitration Law states that a decision by the court to set aside an arbitral award will extinguish the award in whole or in part, depending on the extent of the annulment. Additionally, any interpretation given for the part of the award that was set aside will also be extinguished. This provision aims to provide clarity and finality to the consequences of setting aside an arbitral award.

# 54.4. Unless otherwise agreed by the Parties, the Arbitration Agreement shall remain in force according to this Law after the arbitral award is set aside unless the setting aside is based on an Arbitration Agreement that does not exist or has lapsed, or is void or incapable of being performed.

Article 54.4 of the UAE Arbitration Law deals with the status of the Arbitration Agreement after an arbitral award has been set aside by the court. Let us analyse this article:

According to Article 54.4, unless the Parties have agreed otherwise, the Arbitration Agreement remains in force even if the arbitral award is set aside by the court. This means that the nullification of the award does not automatically invalidate the underlying Arbitration Agreement itself.

However, there are certain exceptions to this principle. The Arbitration Agreement will not remain in force if the setting aside of the award is based on one of the following grounds:

- 1. Non-existence of the Arbitration Agreement: If the court determines that the Arbitration Agreement never existed or was not properly formed, the Agreement itself would be deemed void, and there would be no basis for continuing the arbitration proceedings.
- 2. Lapse of the Arbitration Agreement: If the court finds that the Arbitration Agreement had lapsed or expired, it would no longer be enforceable, and the parties cannot rely on it to continue the arbitration process.
- 3. Void or Incapable of Being Performed Arbitration Agreement: If the court declares the Arbitration Agreement to be void, illegal, or incapable of being performed, it would not be valid, and the parties cannot rely on it to resolve their disputes through arbitration.

In all these cases, the Arbitration Agreement will not be in force, and the parties would need to seek other means to resolve their dispute. However, if none of these exceptions apply, the Arbitration Agreement would remain valid, and the parties could initiate a new arbitration or resort to arbitration as provided by the original Agreement.

The purpose of this provision is to address the effect of setting aside an arbitral award on the underlying Arbitration Agreement. It aims to ensure that, in cases where the Arbitration Agreement is valid and enforceable, the parties can continue to use arbitration as the chosen method for dispute resolution, even if the previous arbitral award has been set aside.

In summary, Article 54.4 of the UAE Arbitration Law stipulates that, unless agreed otherwise by the parties, the Arbitration Agreement remains in force after the arbitral award is set aside, unless the



setting aside is based on specific grounds such as the non-existence, lapse, or invalidity of the Arbitration Agreement.

## 54.5. An action to set aside is admissible even if the party invoking nullity has waived its right to do so prior to the issuance of the arbitral award.

Article 54.5 of the UAE Arbitration Law addresses the issue of waiver of the right to set aside an arbitral award. Let us analyse this article:

According to Article 54.5, an action to set aside an arbitral award is admissible even if the party invoking nullity has waived its right to do so before the issuance of the arbitral award. This means that even if a party had previously waived or renounced its right to challenge the arbitral award, it can still later seek to set aside the award through a legal action.

The provision allows a party to change its position regarding the challenge of the award and preserves its right to have the arbitral award reviewed by the court for possible nullification. This is particularly significant because parties may initially agree to waive their right to challenge an award as part of a settlement or compromise during or after the arbitration process. However, after further consideration or advice from legal counsel, a party may later decide to challenge the award if it believes there are valid grounds for doing so.

The inclusion of Article 54.5 ensures that parties are not precluded from seeking redress through the court system if they genuinely believe there are grounds for setting aside the award, irrespective of any prior waiver they may have made. This provision aims to safeguard the principle of due process and allows parties to have recourse to court review if they believe that the arbitral award suffers from defects or irregularities that warrant annulment.

In summary, Article 54.5 of the UAE Arbitration Law allows a party to bring an action to set aside an arbitral award, even if that party had previously waived its right to do so before the issuance of the award. This provision aims to protect the parties' right to challenge the award and ensures that a prior waiver does not prevent a party from seeking nullification of the award if valid grounds for doing so exist.

54.6. The Court, when asked to set aside an arbitral award may, where appropriate and so requested by a party, suspend the setting aside proceedings for a period of time of up to sixty days in order to give the Arbitral Tribunal an opportunity to take any action or make any amendment to the form of the award as will eliminate the grounds for setting aside without affecting the substance of the award.

Article 54.6 of the UAE Arbitration Law introduces a provision that allows the court, upon request by a party, to suspend the setting aside proceedings for a period of up to sixty days. The purpose of this suspension is to give the Arbitral Tribunal an opportunity to take necessary action or make amendments to the form of the award to eliminate the grounds for setting aside, without affecting the substance of the award.

Let us break down the key points of this article:



- 1. Setting Aside Proceedings: When a party seeks to set aside an arbitral award through a court action, the court is tasked with reviewing the validity and legality of the award based on the grounds for annulment specified in the UAE Arbitration Law.
- 2. Suspension of Proceedings: If a party believes that there are technical or procedural irregularities in the arbitral award that could lead to its annulment, they can request the court to suspend the setting aside proceedings.
- 3. Timeframe: The court may grant a suspension for up to sixty days. This time period allows the Arbitral Tribunal to rectify any defects in the award or make necessary amendments without affecting the substantive rights or merits of the dispute decided in the award.
- 4. Opportunity for the Arbitral Tribunal: During the suspension period, the Arbitral Tribunal is given the opportunity to examine the alleged irregularities and take corrective action. It allows the Tribunal to address any procedural errors, clarify any ambiguities, or correct any technical mistakes in the award.
- 5. Substance of the Award: The provision emphasises that the amendments or actions taken by the Arbitral Tribunal should not impact the substance of the award. In other words, the changes made should be limited to resolving the specific grounds for setting aside, while preserving the underlying decision and reasoning of the award.

This article promotes efficiency in the arbitration process by allowing the Arbitral Tribunal to rectify any technical issues that might have arisen during the arbitral proceedings before the court takes a final decision on setting aside the award. The goal is to maintain the integrity of the arbitral process and to uphold the principle of party autonomy by ensuring that awards are only set aside when there are legitimate grounds to do so.

### **ARTICLE (55) ENFORCEMENT OF AWARD**

55.1. A party looking to enforce an arbitral award shall submit a request for its confirmation and enforcement with the chief justice of the Court, together with the following:

- (a) The original award or a certified copy thereof.
- (b) A copy of the Arbitration Agreement.

(c) An Arabic translation of the arbitral award, attested by a competent authority, if the award is not issued in Arabic.

### (d) A copy of the minutes of deposit of the award in Court.

Article 55.1 of the UAE Arbitration Law outlines the requirements and procedure for a party seeking to enforce an arbitral award in the UAE. Let us break down the key points of this article:

1. Enforcement Request: The article specifies that a party seeking to enforce an arbitral award must submit a formal request for its confirmation and enforcement. The request should be made to the chief justice of the Court.



- 2. Documents Required: The party requesting enforcement must provide the following documents along with the request:
  - a. The original award or a certified copy of the award: This is the core document that contains the decision rendered by the Arbitral Tribunal in the dispute.
  - b. A copy of the Arbitration Agreement: This document establishes the existence of a valid arbitration agreement between the parties and is crucial for confirming the tribunal's jurisdiction.
  - c. Arabic Translation: If the arbitral award is not issued in Arabic, the party must submit an Arabic translation of the award, which should be attested by a competent authority to ensure its accuracy.
  - d. Minutes of Deposit: The party should also include a copy of the minutes of deposit of the award with the Court. This is the record of the submission of the award to the Court after its issuance by the Arbitral Tribunal.

The purpose of these requirements is to ensure that the enforcement request is complete and all necessary documents are provided to the Court for the proper examination of the arbitral award.

It is worth noting that complying with these requirements is essential for initiating the enforcement process, and any deficiencies in the submission may cause delays or complications in the enforcement proceedings. The UAE's Arbitration Law aims to provide an effective and straightforward mechanism for enforcing arbitral awards in the country, and these requirements help ensure a smooth and transparent enforcement process.

# 55.2. The chief justice of the Court or whoever he delegates from among its judges shall order the arbitral award confirmed and enforced within sixty days of submission of the request for its confirmation and enforcement, unless it finds one or more of the grounds for setting aside the award under section 1 of Article 53 of this Law.

Article 55.2 of the UAE Arbitration Law deals with the process of confirming and enforcing an arbitral award in the UAE. Let us analyse the key points of this article:

- 1. Confirmation and Enforcement Order: According to this article, once a party submits a request for the confirmation and enforcement of an arbitral award to the chief justice of the Court (or whoever is delegated by the chief justice from among the judges), the Court must issue an order to confirm and enforce the award.
- 2. Timeframe: The Court is required to issue the confirmation and enforcement order within sixty days from the date of submission of the enforcement request. This timeframe ensures a relatively quick and efficient enforcement process, allowing parties to benefit from the award without unnecessary delays.
- 3. Grounds for Setting Aside: The Court's confirmation and enforcement order will only be refused if the Court finds one or more of the grounds for setting aside the award as specified in section 1 of Article 53 of the UAE Arbitration Law. These grounds for setting aside an award include situations such as the absence of a valid arbitration agreement,

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procedural irregularities, lack of jurisdiction, or violations of public order and morality. If any of these grounds are found, the Court may refuse to confirm and enforce the award.

The provision aims to strike a balance between providing an efficient enforcement mechanism for arbitral awards and safeguarding the integrity of the arbitration process. By setting a specific timeframe for the Court's decision and making it conditional on the absence of grounds for setting aside, the UAE Arbitration Law seeks to ensure that valid arbitral awards are promptly enforced and that parties can benefit from the resolution of their disputes in a timely manner. At the same time, it also provides a level of scrutiny to prevent enforcement in cases where the award is affected by serious defects or violations.

### ARTICLE (56) STAY OF ENFORCEMENT OF AWARD

56.1. An action to set aside an arbitral award does not stay its enforcement. Nevertheless, the Court seized of the action to set aside the award may order a stay of enforcement if so requested by a Party showing good cause.

Article 56.1 of the UAE Arbitration Law addresses the relationship between the setting aside of an arbitral award and its enforcement. Let us analyse the key points of this article:

- 1. Non-Staying of Enforcement: According to this article, an action to set aside an arbitral award does not automatically stay its enforcement. In other words, the mere filing of an action to set aside the award does not prevent the winning party from seeking to enforce the award against the losing party.
- 2. Stay of Enforcement on Request: Despite the non-staying rule, the Court handling the action to set aside the award has the discretion to order a stay of enforcement if a party requests it and shows good cause. This means that the Court may grant a stay of enforcement if the party challenging the award presents valid reasons or circumstances that warrant delaying the enforcement process.

The purpose of this article is to strike a balance between the interests of the parties involved in the arbitration. On one hand, it ensures that a successful party is not unduly delayed in enforcing the award and obtaining the benefits of the arbitration. On the other hand, it allows the party seeking to set aside the award to request a stay of enforcement if there are legitimate grounds for doing so. By giving the Court the power to decide on the stay of enforcement based on good cause, the UAE Arbitration Law provides flexibility in handling such situations and ensures that the enforcement process is fair and efficient.

## 56.2. The Court shall decide the request for a stay of enforcement within fifteen days after the date of the first scheduled hearing.

Article 56.2 of the UAE Arbitration Law specifies the timeframe within which the Court must decide on a request for a stay of enforcement of an arbitral award. Let us analyse this provision:

1. Timely Decision: According to this article, the Court handling the request for a stay of enforcement must make a decision within fifteen days after the date of the first scheduled

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hearing. This means that the Court has a strict time limit within which it must decide whether to grant or deny the stay of enforcement.

2. Efficiency and Expediency: The inclusion of a specific timeframe ensures that the Court deals with the request promptly and efficiently. This provision aims to prevent unnecessary delays in the enforcement process while also giving the Court sufficient time to consider the merits of the request.

By setting a clear timeline for the Court's decision, the UAE Arbitration Law seeks to strike a balance between the need for a quick resolution and the requirement for the Court to make an informed and considered judgment on whether a stay of enforcement is warranted. This approach helps maintain the efficiency of the arbitration process and promotes timely resolution of disputes.

## 56.3. If a stay is ordered, it may require the party seeking the stay to provide a given security or monetary guarantee. The Court then has sixty days from the date of the stay order to decide the action to set aside.

Article 56.3 of the UAE Arbitration Law addresses the conditions and procedures related to a stay of enforcement and the timeframe for the Court's decision on the action to set aside. Let us analyse this provision:

- 1. Security or Monetary Guarantee: If the Court grants a stay of enforcement, it has the authority to require the party seeking the stay to provide a specific security or monetary guarantee. This requirement serves as a safeguard to protect the opposing party's interests in case the award is ultimately set aside or modified. By providing security or a monetary guarantee, the party seeking the stay assures the Court that the opposing party will not suffer significant harm or loss if enforcement is delayed.
- 2. Timeframe for the Court's Decision: The Court has sixty days from the date of the stay order to decide on the action to set aside the arbitral award. This timeframe allows the Court to thoroughly review the grounds for setting aside the award and make a well-informed decision while ensuring that the proceedings remain efficient.

By imposing a timeframe for both the provision of security or a monetary guarantee and the Court's decision on the action to set aside, the UAE Arbitration Law aims to strike a balance between protecting the rights of parties and facilitating the enforcement process. This approach helps prevent abuse of the enforcement process while ensuring that legitimate challenges to the award can be addressed in a timely manner.

## **ARTICLE (57) RECOURSE AGAINST ENFORCEMENT OF AWARD**

## 57.1 A grievance may be filed against the Court's decision to grant or deny enforcement of an arbitral award before the competent Court of Appeal within thirty days from the date following notification.

Article 57.1 of the UAE Arbitration Law pertains to the procedure for filing a grievance against the Court's decision regarding the enforcement of an arbitral award. Here is the analysis:



- 1. Grievance against the Court's Decision: If a party is dissatisfied with the Court's decision to either grant or deny enforcement of an arbitral award, they have the right to file a grievance against that decision. The purpose of this provision is to provide an avenue for parties to challenge the Court's decision and seek a review by a higher judicial authority.
- 2. Filing Timeframe: The party seeking to file a grievance must do so within thirty days from the date following the notification of the Court's decision. This timeframe is crucial to ensure that the grievance is filed promptly, allowing for a timely review by the Court of Appeal. Failing to file the grievance within this period may result in the loss of the right to challenge the decision.
- 3. Competent Court of Appeal: The grievance must be filed before the competent Court of Appeal. The specific Court of Appeal will depend on the jurisdiction in which the arbitration took place and where the Court's decision was issued.

By allowing parties to file a grievance against the Court's decision, the UAE Arbitration Law aims to safeguard the rights of parties in the enforcement process and provides a mechanism for reviewing the correctness of the Court's decision. The provision helps ensure that parties have recourse to a higher judicial authority if they believe the Court's decision was erroneous or unjust.



#### VI. FINAL PROVISIONS

### **ARTICLE (58) CODE OF PROFESSIONAL CONDUCT AND LISTS OF ARBITRATORS**

## 58.1 The Minister of Economy shall issue a code of professional conduct for arbitrators in consultation with arbitration institutions in the State.

Article 58.1 of the UAE Arbitration Law pertains to the issuance of a code of professional conduct for arbitrators. Here is the analysis:

- 1. Responsibility of the Minister of Economy: According to this provision, the responsibility for issuing a code of professional conduct for arbitrators lies with the Minister of Economy in the UAE. The code aims to establish ethical and professional standards for arbitrators practicing in the country.
- 2. Consultation with Arbitration Institutions: Before issuing the code, the Minister of Economy is required to consult with arbitration institutions operating within the UAE. This consultation process ensures that the code is comprehensive, effective, and reflective of best practices in the arbitration field.

The purpose of this provision is to enhance the integrity, credibility, and professionalism of arbitrators operating in the UAE. By establishing a code of conduct, the UAE aims to ensure that arbitrators maintain high ethical standards and act in a fair, impartial, and transparent manner during arbitration proceedings. This contributes to the overall development and promotion of arbitration as a reliable and effective method of dispute resolution in the country.

## 58.2. The Minister of Justice or the chairman of the competent judicial authority shall produce a list of arbitrators for possible appointment under Article 11 of this Law.

Article 58.2 of the UAE Arbitration Law relates to the production of a list of arbitrators for possible appointment. Here is the analysis:

- 1. Responsibility of the Minister of Justice or Chairman: According to this provision, either the Minister of Justice or the chairman of the competent judicial authority in the UAE has the responsibility to produce a list of arbitrators. This list will consist of qualified individuals who are eligible for potential appointment as arbitrators in arbitration proceedings.
- 2. Purpose of the List: The list of arbitrators is intended to serve as a resource for parties involved in arbitration cases. When parties agree to resolve their dispute through arbitration and need to appoint an arbitrator or a panel of arbitrators, they can select from the pool of qualified individuals on this list.
- 3. Article 11 of the UAE Arbitration Law: The provision mentions Article 11, which likely deals with the appointment of arbitrators by the parties. Details about the specific content of Article 11 were not provided in the previous messages, but it is common for arbitration laws to include provisions related to the appointment of arbitrators.



The creation of a list of qualified arbitrators helps ensure that the selection process is fair, transparent, and efficient. It gives parties confidence that the appointed arbitrator(s) have the necessary qualifications and expertise to handle their specific dispute. Moreover, it contributes to the overall credibility and effectiveness of the arbitration process in the UAE.

## ARTICLE (59) THE TEMPORAL DIMENSION OF THIS LAW

59.1 The provisions of this Law shall apply to any Arbitration which is pending at the time of entry into force of this Law, including any Arbitration arising out of a previously existing Arbitration Agreement, and all proceedings which took place under any prior legislation shall remain valid.

Article 59.1 of the UAE Arbitration Law deals with the application of the law to ongoing arbitrations and agreements made before the law's entry into force. Here is the analysis:

- 1. Retroactive Application: The provision states that the provisions of the UAE Arbitration Law shall apply to any ongoing arbitration that is pending at the time the law comes into force. This means that ongoing arbitration proceedings will be subject to the new rules and regulations introduced by this law, regardless of when the arbitration agreement was entered into or when the arbitration was initiated.
- 2. Pre-existing Arbitration Agreements: The article also applies to any arbitration arising out of a previously existing arbitration agreement. This means that even if the agreement to arbitrate was concluded before the new law took effect, the arbitration proceedings based on such agreements will be governed by the provisions of the UAE Arbitration Law.
- 3. Validity of Prior Proceedings: The provision clarifies that all proceedings that have already taken place under any prior legislation will remain valid. It means that any actions or decisions made in the ongoing arbitration under the previous arbitration law will not be affected or nullified by the application of the new law. However, any subsequent actions or proceedings will be governed by the new law.

The purpose of Article 59.1 is to ensure a smooth transition from the previous arbitration regime to the new one introduced by the UAE Arbitration Law. It aims to bring clarity and consistency to ongoing and future arbitration proceedings while also respecting the validity of any actions taken under the prior law.

## ARTICLE (60) REPEAL OF ARBITRATION PROVISIONS OF THE CIVIL PROCEDURE LAW

## 60.1. Articles 203 – 218 of said Federal Law No. (11) of 1992 are hereby repealed but all proceedings which took place thereunder shall remain valid.

Article 60.1 of the UAE Arbitration Law deals with the repeal of certain articles from a previous federal law and the impact on ongoing arbitration proceedings. Here is the analysis:

1. Repeal of Articles: The provision states that Articles 203 to 218 of Federal Law No. (11) of 1992 are hereby repealed. This means that the specific articles mentioned in the



provision, which were part of the previous arbitration law (Federal Law No. 11 of 1992), are no longer in force and have been abolished.

2. Validity of Prior Proceedings: However, the article clarifies that all proceedings that took place under those repealed articles shall remain valid. This ensures that any arbitration proceedings that were already underway or concluded under the previous arbitration law will not be affected by the repeal. Any actions or decisions made during those proceedings will continue to be recognised and enforced.

The purpose of Article 60.1 is to remove specific provisions from the previous arbitration law, which are now replaced by the new UAE Arbitration Law. It confirms that the old provisions are no longer applicable, but it preserves the validity of any past actions taken under those repealed articles to avoid any disruption or uncertainty in ongoing or completed arbitration proceedings.

### 60.2. Any provision in conflict with this Law is hereby repealed.

Article 60.2 of the UAE Arbitration Law deals with the repeal of conflicting provisions from any other laws or regulations. Here is the analysis:

- 1. Repeal of Conflicting Provisions: The provision states that any provision that conflicts with the new UAE Arbitration Law is hereby repealed. This means that if there are any existing laws, regulations, or provisions in other legislation that contradict or are inconsistent with the provisions of the UAE Arbitration Law, those conflicting provisions are no longer valid or enforceable.
- 2. Ensuring Uniformity: The purpose of Article 60.2 is to ensure the uniformity and consistency of the UAE's arbitration legal framework. By repealing conflicting provisions from other laws, the UAE Arbitration Law becomes the primary and comprehensive source of regulations related to arbitration matters within the country.

Overall, Article 60.2 aims to eliminate any potential contradictions or ambiguities that might arise from the existence of conflicting provisions in different laws and regulations, providing a clear and unified legal basis for arbitration proceedings in the UAE.

### **ARTICLE (61) PUBLICATION AND ENTRY INTO FORCE**

## 61.1 This Law shall be published in the Official Gazette and shall take effect one month from the date following publication.

Article 61.1 of the UAE Arbitration Law deals with the publication and effective date of the law. Let us analyse it:

1. Publication in the Official Gazette: The provision states that the UAE Arbitration Law shall be published in the Official Gazette. The Official Gazette is an official publication where laws, regulations, decrees, and other government-related documents are published for public knowledge and awareness.



- 2. Effective Date: According to Article 61.1, the UAE Arbitration Law will take effect one month from the date following its publication in the Official Gazette. This means that the law will become applicable and enforceable after the specified one-month period has elapsed from the date of publication.
- 3. Public Awareness and Legal Certainty: The publication of the law in the Official Gazette ensures that the legal community, businesses, and the general public are made aware of its existence and content. This promotes legal transparency, certainty, and accessibility to all concerned parties.
- 4. Grace Period for Compliance: The one-month period between publication and the law's effective date allows individuals, businesses, and relevant institutions to familiarise themselves with the new law and make necessary adjustments to ensure compliance.

Overall, Article 61.1 aims to ensure that the UAE Arbitration Law is made public and takes effect after a reasonable grace period, providing stakeholders with sufficient time to adapt to the new legal framework for arbitration in the UAE.







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