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# **UAE law update**

فیشت وشرکائه FICHTE & CO

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## **Agenda**



- 1) New UAE Maritime Law (draft)
- 2) New UAE Arbitration Law
- 3) Development in DIF courts

#### **New UAE Maritime Law**



- Federal maritime Chamber. The maritime court and maritime court of appeal will be presided over by specialist maritime judges, and there will be a dedicated case management office for the sector
- Registration For owned vessels registered in the UAE, there needs to be 51% ownership by a UAE-based company or a UAE national; for chartering-in the ownership involvement is 25%. A new electronic ship registration agency will be established
- Marine investment. The UAE will establish a maritime development fund, which will be made available to investors, and will support the development of the sector, with training, research and development. The fund is intended to become self-financing, receiving 20% of ship registration fees and a 5% profit contribution from firms holding a maritime investor licence



- Federal Law No. 6 of 2018 on Arbitration (the Arbitration Law). It repeals Articles 203 to 218 of the UAE Civil Procedure Code (Federal Law No. 11 of 1992) applicable to arbitration, and any other provisions contrary to the Arbitration Law
- The new law is broadly based on the UNCITRAL Model Law on International Commercial Arbitration adopted by the United Nations Commission on International Trade (the UNCITRAL Model Law)
- Consistent with the UNCITRAL Model Law, for example, the Arbitration Law features limited grounds to annul an arbitral award, and provides for the authority of an arbitral tribunal to rule on its own jurisdiction



- The Arbitration Law applies to:
- 1) Any arbitration conducted in the UAE, unless the parties have agreed that the dispute shall be subject to any other arbitration law (always provided that such law does not contravene public policy);
- 2) any international commercial arbitration conducted outside of the UAE, if the parties have agreed that the UAE Arbitration Law shall apply; and
- 3) any arbitration arising from a legal relationship (whether or not contractual), where the relationship is regulated by the laws of the UAE
- It does not apply to arbitration proceedings where the parties have agreed that their arbitration is subject to the DIFC Arbitration Law (DIFC Law No. 1 of 2008), or that the seat of their arbitration shall be the Dubai International Financial Centre (free zone)



- The requirement for an arbitration agreement to be in writing is met if the agreement is contained in a document signed by the contracting parties, or in written correspondence (including email or other electronic correspondence)
- Also incorporation by reference in any commercial contract to any document containing an arbitration clause (e.g. general terms and conditions) is sufficient to constitute an arbitration agreement
- It also seems that under the new regime the authority of a company representative to agree arbitration is to be determined on the basis of the law applicable to the relevant company (e.g., in the case of a company constituted under the laws of Italy, the authority of a company's representative to bind the company to arbitration shall be determined under the relevant laws of Italy)
- In this way, the Arbitration Law imports the ostensible authority of a representative to bind the company to arbitration where the law applicable to the company admits ostensible authority as a basis



- The procedure to enforce an arbitration award in the UAE has been shortened, and enforcement proceedings are now commenced directly before the Court of Appeal. Such application shall be determined within 60 days from the date of the application
- 30-day time limit for a party to challenge the validity of a final arbitration award before the relevant UAE
  Court of Appeal. A challenge may also be made outside of the 30-day time limit if the challenge is heard
  before the Court of Appeal which is hearing the application for ratification of the award.
- It is possible to appeal against an order of the Court of Appeal ratifying an award and declaring it enforceable. The appeal must be made within 30 days of the Court of Appeal's notification of the order

### DIFC courts conduit jurisdiction update



- Possible amendments to Dubai Law No 12 of 2014 aimed at limiting (or preventing) the conduit jurisdiction, so to arrive at the dissolution of the JJC
- Review of the fees structure, involving a gradual payment structure as follows:
- (a) 35% of the relevant filing fee shall be paid within 7 days from the date of filing the Claim;
- (b) the next 35% of the filing fee shall be paid within 10 days from the date of listing the CMC (the 'CMC Portion'); and
- (c) the final 30% of the filing fee shall be paid within 10 days from the date of listing the Pre-Trial Review (the 'Pre-Trial Portion').
- The effect of the above is that if parties settle before the CMC, or before the Pre-Trial Review, they will pay 35% and 70% of the filing fee, respectively

# Thank you



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