

## The UAE Civil Procedure Code, Federal Law No. (11) Of 1992

### Chapter Three

#### ARBITRATION

##### Article (203)

1. The parties to a contract may generally stipulate in the basic contract or by a supplementary agreement that any dispute arising between them in respect of the performance of a particular contract shall be referred to one or more arbitrators and may also agree to refer certain disputes to arbitration under special conditions.
2. No agreement for arbitration shall be valid unless evidenced in writing.
3. The subject of the dispute shall be specified in the terms of reference or during the hearing of the suit even if the arbitrators were authorized to act as amiable compositors; otherwise the arbitration shall be avoid.
4. Arbitration shall not be permissible in matters, which are not capable of being reconciled. An arbitration agreement may be made only by the parties who are legally entitled to dispose of the disputed right.
5. If the parties to a dispute agree to refer the dispute to arbitration, no suit may be filed before the courts. Notwithstanding the foregoing, if one of the parties files a suit, irrespective of the arbitration provision, and the other party does not object to such filing at the first hearing, the suit may be considered, and in such case, the arbitration provision shall be deemed cancelled.

##### Article (204)

1. If a dispute arises between the parties prior to the execution of an agreement between them to refer the same to arbitration, or if one or more of the nominated arbitrators refuses to act as such, withdraws, is dismissed, has his appointment revoked, or is prevented from acting due to an encumbrance, and

no agreement exists between the parties in this respect, the court which has jurisdiction to consider the dispute shall appoint the necessary number of arbitrators at the request of one of the parties filed in the normal procedure for filing a suit. The number of arbitrators appointed by the court shall be equal, or complementary, to the number agreed between the parties to the dispute.

2. The court's decision in respect of the foregoing may not be contested in any way whatsoever.

#### **Article (205)**

1. Unless their names are specifically mentioned in the arbitration agreement or a subsequent document, arbitrators may not be authorized to act as amiable compositors.

#### **Article (206)**

1. An arbitrator may not be a minor, bankrupt, legally incapacitated or deprived of his civil rights due to a criminal offence unless he has been rehabilitated.
2. If there are more than one arbitrators, the number shall, at all times be odd.

#### **Article (207)**

1. The acceptance of the appointment of an arbitrator shall be in writing or may be evidenced by recording the same in the minutes of the sessions.
2. If an arbitrator, after having accepted his appointment, withdraws without good reason, he may be held liable for compensation.
3. No arbitrator may be removed except with the approval of all the parties to the dispute. However, if it is established that the arbitrator has willfully neglected to act in accordance with the terms of reference, despite a written notice to him in this respect, the court which had jurisdiction to consider the dispute may, at

the request of one of the parties, dismiss the arbitrator and order a replacement in the same manner as he was originally appointed.

4. An arbitrator may not be disqualified except for reasons occurring or appearing after his appointment. A request for disqualification must be based on the same grounds on which a judge may be dismissed or deemed unfit for passing judgement. The request for disqualification shall be filed with the court which has jurisdiction to consider the dispute within five days from notifying the parties of the appointment of the arbitrator or from the date on which the reason for disqualification arose or from the time it became known if subsequent to the notification of the appointment of the arbitrator. In all events, the request for disqualification shall not be granted if the court has already passed a judgement or if the hearing of pleadings has been concluded.

#### **Article (208)**

1. Within a maximum period of thirty days from the acceptance of his appointment, the arbitrator shall, without the need to comply with the rules provided under this Law in respect of serving of notices, notify the parties to the dispute of the date of the first hearing scheduled for consideration of the dispute and the venue thereof. The arbitrator shall fix a date for the parties to the dispute to submit their documents, memoranda and pleadings.
2. A decision may be issued on the basis of the documents submitted by only one of the parties to the dispute if the other party fails to submit his documents within the time specified.
3. If there shall be more than one arbitrator, they shall jointly conduct the investigation and each of them shall sign the minutes of sessions.

#### **Article (209)**

1. The hearing of a dispute before the arbitrator shall terminate if a reason for such termination, as stipulated under this Law, exists. Unless the matter has been reserved for award, such termination shall have the legal effects stipulated under the law.
2. If, during the course of arbitration, a preliminary issue, which is outside the powers of the arbitrator, arises or if a challenge has been filed that a document has been counterfeited, or if criminal proceedings have been taken regarding such counterfeiting or for any other criminal act, the arbitrator shall suspend the proceedings until a final judgement on the same has been passed. In addition, the arbitrator shall suspend the proceedings to refer to the President of the competent court the following:
  - a. To pass a judgement in accordance with the law to penalize any witness who fails to appear or refuses to give statement.
  - b. To order a party to submit any documents in its possession which are necessary for the issue of the arbitration award.
  - c. To decide on evidence by commission.

#### **Article (210)**

1. If the parties to the dispute did not specify in the arbitration agreement a date for the issue of the award, the arbitrator shall pass his award within six months from the date of the first arbitration session; otherwise any of the parties shall be entitled to refer the dispute to the court or, if a suit has already been filed, to proceed with the same before the court.
2. The parties to the dispute may, expressly or impliedly, agree to extend the date fixed by agreement or under the law and may authorize the arbitrator to extend the same for a specified period. The court may, at the request of the arbitrator or one of the parties, extend the period specified under the above paragraph for such a period, as the court may deem sufficient to decide on the dispute.

3. The period specified as aforesaid shall cease to run whenever the arbitration is discontinued or terminated before the arbitrator and shall recommence from the date on which the arbitrators are notified of the removal of the reason for which the dispute was discontinued or terminated. If the remaining period is less than a month, it shall be extended to one full month.

#### **Article (211)**

1. The arbitrators shall cause the witnesses to take oath. Whoever makes a false statement before the arbitrators shall be deemed to have committed the crime of perjury.

#### **Article (212)**

1. The arbitrator shall issue his award without being bound by any procedures other than those stipulated in this Chapter and those pertaining to calling of the parties, hearing of their pleas and enabling them to submit their documents. Notwithstanding the foregoing, the parties to the dispute may agree on certain procedures to be followed by the arbitrator.
2. The arbitrators award shall be in conformity with the provisions of law unless the arbitrator was authorized to reconcile the dispute, in which event he shall not be bound to comply with such rules except in matters which concern public order.
3. The special rules pertaining to immediate enforcement shall apply to arbitration awards.
4. The arbitrators' award shall be issued within the United Arab Emirates; otherwise, the rules applicable to arbitration awards passed in foreign countries shall apply thereto.
5. The arbitrators' award shall be passed by a majority and shall be made in writing and accompanied by the dissenting vote. In particular, the award shall

contain a copy of the arbitration agreement, a summary of the statements of the parties, their documents, the grounds and context of the award, the date and place of issue and the signatures of the arbitrators. Should one or more arbitrators refuse to sign the award, such refusal shall be stated in the award; provided, however, that the award shall be valid if signed by a majority of the arbitrators.

6. Unless otherwise agreed between the parties to the dispute, the award shall be in the Arabic language; otherwise, the award shall, at the time of filing, be accompanied by a legalized translation thereof.
7. The award shall be deemed to have been issued from the date of signing the same by the arbitrators.

#### **Article (213)**

1. When arbitration is conducted through court, the arbitrators shall, within fifteen days following the issue of their award, file with the competent court the award together with the original terms of reference, minutes of sessions and documents. They shall also file with the court a copy of the award to be delivered to each of the parties within five days from the date of filing of the original copy thereof. The court clerk shall prepare a report on the said filing to be submitted to the judge or the head of the department, as the case may be, so as a hearing may be convened within fifteen days for the purpose of approving the award. The parties of the dispute shall be notified of the date fixed for the hearing as aforesaid.
2. Where the arbitration is conducted in connection with an appeal suit, the filing shall be made with the court, which has jurisdiction to consider the appeal.
3. Where arbitration is conducted between the parties to a dispute outside the court, the arbitrators shall provide each party with a copy of their award within five days from the date of the issue of the same. The court shall, at the request

of one of the parties filed within the normal course of filing the suit, consider whether the award shall be approved or nullified.

#### **Article (214)**

1. While considering the request for approving the arbitrators' award, the court may refer the same back to the arbitrators to reconsider any issues which they have omitted or to clarify the award if it was not specific to the extent that the enforcement of the same is not possible. Unless otherwise decided by the court, the arbitrators shall, in both cases, issue their revised award within three months from the date of their notification of the court's decision.
2. The decision of the court may not be contested except upon the passing of the final judgment in respect of the approving or nullifying of the award.

#### **Article (215)**

1. The arbitrators' award may not be enforced unless the same has been approved by the court with which the award was filed; provided that the court has reviewed the award and the terms of reference and ensured that there is no encumbrance to such enforcement. The said court shall, at the request of one of the parties concerned, correct the material errors in the arbitrators award in accordance with the legally prescribed manners applicable to correction of errors.
2. The Execution Judge has the jurisdiction to all the matters related to the execution of the arbitrators' awards.

#### **Article (216)**

1. The parties to a dispute may, at the time of consideration of the arbitrators award, request the nullification of the same in the following events:

- a. If the award was issued without, or was based on invalid terms of reference or an agreement which has expired by time prescription, or if the arbitrator has exceeded his limits under the terms of reference.
  - b. If the award was issued by arbitrators who were not appointed in accordance with the law, or by only a number of the arbitrators who were not authorized to issue the award in the absence of the others, or if it was based on terms of reference in which the dispute was not specified, or if it was issued by a person who is not competent to act as an arbitrator or by an arbitrator who does not satisfy the legal requirements.
  - c. If the award of the arbitrators or the arbitration proceedings become void and such voidness affected the award.
2. A request for nullification of the award shall not be rejected on the grounds of a waiver by a party of its right to the same prior to the issue of the award.

#### **Article (217)**

1. The award of the arbitrators may not be contested by any manner of appeal.
2. The judgement approving the arbitrators' award may be contested in any of the appropriate manners of appeal.
3. Notwithstanding the preceding paragraph, the award shall not be appealable if the arbitrators were authorized to reconcile the dispute or, if the parties have expressly waived their rights to file an appeal or if the disputed amount was not in excess of Dirhams ten thousand.

#### **Article (218)**

1. The arbitrators shall estimate their fees and arbitration expenses and may decide that such amount, in whole or in part, be borne by the party against whom the award was issued. The court may, at the request of one of the parties,



amend the said estimation taking into account the efforts of the arbitrators and the nature of the dispute.

### **Local Laws Concerning Arbitration**

1. Arbitration in disputes arising out of contracts to which Dubai Government or any of its subsidiary departments is a party.
2. Agreements and Conventions relating to Arbitration to which UAE is a party.
3. Agreement for Judicial Cooperation and Recognition and Execution of Arbitral Award in Civil and Commercial Matters between UAE and France, 1991.

Agreement of Encouragement and Protection of Investment between the members of the Organization of the Islamic Conference (Chapter (2) concerning Arbitration).