

CLIENT ALERT

Dubai's New Roadmap to Becoming a Leading Hub in International Arbitration: The 2022 Revised DIAC Rules

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The highly anticipated 2022 revised rules of the Dubai International Arbitration Centre ("DIAC") were approved by the DIAC's Board of Directors on February 25, 2022. The revised rules will come into effect starting March 21, 2022 and will govern all new requests for arbitration that are submitted on or after that date.

According to a press release by the DIAC Board of Directors dated March 2, 2022, the revised rules are designed to reinforce Dubai's position as a global center for arbitration and to enhance efficiency, flexibility, and cost-effectiveness. Key changes include provisions relating to consolidation, joinder, expedited proceedings, and an alternative process for appointing arbitrators.

Consolidation and Joinder

Article 8 offers detailed provisions allowing related proceedings to be consolidated. Under Article 8.1 of the revised rules, a party wishing to commence an arbitration under the rules may submit one unique request for arbitration with respect to multiple claims arising out of or in connection with more than one agreement to arbitrate.

Pursuant to Article 8.2, the Arbitration Court may allow the consolidation either if all parties agree or it is satisfied on a prima facie basis. For the latter, there are two highlighted possibilities: (1) either all claims are made under the same agreement to arbitration, or (2) the different proceedings involve the same parties, and the agreements to arbitrate are compatible and there is some commonality between the different arbitrations.

Additionally, Article 9 allows one or more parties to be joined as claimants or respondents. No such provision was provided for under the previous 2007 rules.

Expedited Proceedings

Article 32 adds an optional mechanism for expedited proceedings, applicable under certain circumstances including in cases of exceptional urgency or where the parties otherwise agree in writing.

Deadline for Final Award

Under Article 32.5, the time limit within which the Tribunal must issue the Final Award is three months from the date of the transmission of the file to the Tribunal by the Center, unless extended on exceptional grounds.

New Supervising Body

Furthermore, the DIAC created the “Arbitration Court” which replaces the Executive Committee of the DIAC (under the 2007 rules) and assumes its duties of general supervision (for instance, supervising the implementation of the different ADR rules) as well as case management (for instance, determining requests for recusal, removal, or reconsideration of appointment of arbitrators).

Legal Fees

Another welcome change is that legal fees are part of the costs of the arbitration. This is explicitly mentioned under Article 36, in contrast to the 2007 rules, which were silent on this topic.

Digitalization

According to the institution’s press release, the task force considered the evolving demands of the arbitration world. The “DIAC’s new Arbitration Rules reflect the digitalization of the businesses in the post Covid-era,” per Dr. Bin Hazeem, vice Chairman of DIAC and President of the Court of Arbitration. For instance, the rules offer the option of any appropriate means of virtual communication, including video conferencing, at the different stages of the arbitration (from preliminary meetings to witnesses and hearings).

Arbitrator Appointment

Another flexible solution offered is an alternative process for appointing arbitrators under Article 13. When parties cannot agree on the arbitrators, the Court can intervene by suggesting candidates and allowing parties to list these candidates by order of preference. The same process applies to the appointment of the chairperson of the tribunal.

Conclusion

Putting these new rules into practice may indeed bring the DIAC one step closer to becoming “a leading center for settling disputes locally, regionally and globally” and allow the international arbitration community to fully appreciate the extent of these developments.

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