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Middle East Investment Boom Lures Disputes Firms To Region

By **Caroline Simson**

Law360 (September 25, 2026, 7:38 PM EDT) -- A flood of capital into the Middle East and an evolution of local arbitral institutions has helped fuel the ascent of the region as a disputes hub, prompting law firms to open new offices and expand existing ones as they seek to capitalize on this localized economic boom.

In interviews over the last few weeks, attorneys told Law360 that an uptick in investment in the region driven in part by sovereign wealth funds has contributed to large scale cross border investment. With such investment inevitably comes disputes, and institutions in the region have stepped up to accommodate a demand for dispute resolution conducted locally.

"We have significant sovereign wealth funds that are active in investing in the region ... so there's been a lot of large scale cross border investment. Naturally, that generates a greater volume of complex cross border disputes," said Akin Gump Strauss Hauer & Feld LLP partner Shane Jury, based in the firm's Dubai office. Jury joined the firm early this year as part of an expansion of its disputes practice into the Middle East.

"I think firms are responding to that trend," he continued. "The second factor has been the rapid maturation of the Gulf and its dispute resolution ecosystem over the last two decades. Really, now the Gulf has a very well-established track record for resolving the most complex cross-border disputes."

Michelman & Robinson LLP partner Akshay Sewlikar echoed those comments, saying the rise of the region as a disputes hub comes down to the fact that the local economy has been growing substantially over the last 10 to 15 years.

"Effectively, the Middle East has been going on both engines, and it still is," he said. "That's a function of where the economy is growing, and arbitration tends to follow where projects are ... where the work has gone, [arbitration] centers have cropped up there and work is improving there."

And it's not just that there are more disputes. Increasingly, even companies from outside the region are becoming more comfortable relying on local institutions.

Despite the fact that some contracts for projects in the Middle East are still relying on English law, those disputes aren't necessarily being heard in the United Kingdom anymore, according to Daniel Burbeary, the office managing partner in Michelman & Robinson's London office.

"Construction has always lent itself to arbitration ... and shipping contracts tend to have arbitration provisions in them," he said. "Once upon a time, it was London [that would be chosen as the arbitral seat]. It's less so now because local centers have recruited in retired specialist judges; local law firms have joined up with international law firms and have recruited in international lawyers who are used to doing these types of projects."

"So there is the capability, I think, locally to do work that perhaps historically wasn't" done locally, he added.

It's a good thing for the local companies, as well, that their international counterparties are starting to feel more comfortable with local institutions.

"When talking about Middle East disputes, it makes sense for the institution and the seat to be somewhere in the region," said Harneys partner Sabrina Devenish. "That's not only because of proximity, enforcement or interim relief — so actual legal and practical questions — but it's also the arbitrators here, who are just very familiar with the local structures."

"The Arab world is a very different world to the Western world, and you need to understand how to navigate it all," she continued. "Yes, it's all law, and it's all based on what the contract says, but one sentence in a contract can be interpreted very differently by a lawyer who has never practiced in the region, than someone who has actually done it."

Harneys, a global offshore law firm, opened a new office in Dubai late last year.

When it comes to arbitral centers within the region, Dubai and other parts of the United Arab Emirates have had something of a head start. An institution called the Dubai International Financial Centre-London Court of International Arbitration was established in 2008 and would become a popular outpost of the U.K.-based institution.

Established in 2004, the DIFC is an independent jurisdiction within the UAE that operates under its own common-law based legal system and regulatory framework. It proved to be an important step in luring investment into the region, which relies fairly heavily on civil law.

So it caused consternation five years ago when lawmakers in Dubai opted to abolish the DIFC-LCIA in favor of the Dubai International Arbitration Centre, which was viewed at the time as a less modern institution. But much of the concern appears to have been unfounded: in the years since then, DIAC has introduced new arbitration rules that "include various modern features of arbitral practice and a revised governance structure," Jury said.

The institution's caseload has also increased: in 2024 — the latest year case statistics were available — DIAC reported a total of 295 cases with a total amount in dispute of AED 9.7 billion (roughly $2.64 billion), up from AED 5.5 billion in 2023.

And while Emirati parties represent the vast majority of those involved in claims at DIAC, the Centre reported in 2024 that parties to arbitrations commenced under the DIAC Rules originated from 53 different countries. That's up from 49 different countries in 2023, according to DIAC's 2024 Annual Report.

But another center in Saudi Arabia is beginning to compete with the UAE institutions, attorneys say. The

Saudi Center for Commercial Arbitration, or SCCA, opened in April 2014. The SCCA said earlier this year that its caseload over the last five years has recorded double-digit growth, averaging 62%, with annual growth reaching 52% by the end of last year.

Additionally, the SCCA has entered into a strategic partnership with the Singapore International Arbitration Centre — widely viewed as one of the world's premiere institutions — to work collaboratively on different initiatives, according to Crowell & Moring LLP partner Chiraag Shah, who **joined his firm** earlier this month and was recruited in part for his experience on matters spanning Africa and the Middle East.

The SCCA also signed an agreement with the International Centre for Settlement of Investment Disputes in 2024 "to jointly support the use of arbitration, mediation, and other dispute resolution tools to resolve international investment and commercial disputes," ICSID said in a statement.

"The Gulf arbitral institutions like the [Qatar International Center for Conciliation and Arbitration], DIAC, [the Abu Dhabi International Arbitration Centre, or arbitrateAD] and SCCA have been working hard to build their profile and reputations," Shah told Law360. "Dubai has long been viewed as a principal foothold for law firms in the region with Abu Dhabi and Riyadh playing a strong 'catch up' game in recent years."

Moreover, choosing to seat an arbitration in the Middle East could have strategic advantages over choosing more "tried and true" cities like London, Paris or Singapore. Shah explained that sanctions imposed as a result of geopolitical instability could make it difficult to conduct arbitrations in such cities.

He pointed as an example to Russia's "Lugovoy Law," under which Russian courts automatically have jurisdiction over disputes concerning sanctioned parties even when those parties have agreed to have their disputes decided elsewhere. In practice, the law allows sanctioned Russian parties to ignore contractual choice-of-court and arbitration clauses, attorney Rinat Gareev wrote in a blog post earlier this year.

So choosing to seat an arbitration in Dubai, as opposed to Paris, could remove potential complications, Shah explained.

"Sanctions have also had a broader impact in terms of compliance issues, administration of arbitration matters and processing of payments etc.," he said. "Against that background, Middle Eastern jurisdictions have emerged as a potentially more attractive, politically neutral alternative."

All of this makes the Middle East an intriguing place for disputes firms to plant a flag, Jury said.

"The region benefits from the maturation of all of these different centers and seats, and in a way, it's quite unique that we have Dubai, Abu Dhabi, Riyadh, Doha, you know, all growing in parallel and maturing and developing, and indeed, even within some of these countries, we have multiple seats," he said. "We have common law, civil law options, and all of that just gives users increasing choice and confidence in the system. So it's an exciting place to work."

--Editing by Emily Kokoll.
