

Dubai International Arbitration Centre (“DIAC”) :A Global Hub for Alternative Dispute Resolution in Progress

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On 18 September 2021, the issuance of the Decree No. (34) of 2021 on the Dubai International Arbitration Centre (the “New Decree”) replacing the Decree No. (10) of 2004 was announced by the Ruler of Dubai, Vice President and Prime Minister of the United Arab Emirates, His Highness Sheikh Mohammed bin Rachid Al Maktoum.

The New Decree dissolves the Emirates Maritime Arbitration Centre and the Dubai International Financial Centre Arbitration Institute and merges both Arbitration Centres into DIAC, that aims to become a leading global centre for alternative dispute resolution in the region.

We will highlight hereafter some of the key elements introduced by the New Decree.

First of all, the new objectives, functions and organizational structure of the DIAC shall be organized in three levels:

- **Board of Directors:** It will be composed of no more than nine (9) members, including a Chairman, and a Vice-Chairman of the board. The appointment shall be done by decree of the Ruler of Dubai, for a maximal term of four (4) years that may be renewed for the same period of time. The board shall undertake the overall supervision of the DIAC.
- **Court of Arbitration:** It will be composed of no more than thirteen (13) members, including a Chairman, and a Vice-Chairman of the court. The appointment shall be done by decision of the Board of Directors, for a maximal term of four (4) years, not renewable. The court on its side shall be in charge of undertaking the overall supervision of the Alternative Dispute Resolution Means provided by DIAC.
- **Administrative Body:** This unit shall provide the overall administrative support to the DIAC in the day-to-day affairs under the supervision of the Executive Director.

Secondly, all matters belonging to the two dissolved Arbitration Centres shall be transferred to DIAC, including assets, funds, membership base, staff, and financial allocations. Thirdly, Dubai Courts and DIFC Courts shall continue to hear claims, applications and appeals related to any arbitration proceedings conducted in tribunals of the dissolved Arbitration Centres. Thus, any ongoing arbitration matters shall not be disrupted. Last but not least, the DIAC shall have six (6) months transition period to comply with the new Decree from its effective date. The merger of both Arbitration Centres into DIAC is seen by many as a positive and progressive step to reinforce Dubai’s position as global hub for alternative dispute resolution, for regional and international business communities. By streamlined arbitration procedures and centralized workstreams, we shall see more and more corporate entities and individuals considering Dubai as their seat of arbitration in the future.

Reference:

- Emirates News Agency (<https://wam.ae/en/details/1395302971076>)
- Decree No. (34) of 2021 on the Dubai International Arbitration Centre

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