

Dubai announces plans to establish Emirates Maritime Arbitration Centre: Do they hold water?

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In an ambitious stride to become the leading maritime hub in the Middle East, the Emirate of Dubai is set to establish the Emirates Maritime Arbitration Centre, which in shorthand will be known as "EMAC". Plans for the anticipated establishment of the Centre have recently been announced by Sheikh Hamdan bin Rashid Al Maktoum, the Crown Prince of Dubai.

The announcement, which was made on 15 September 2014, comes timely in light of Dubai's commitment to create an integrated legal framework for the maritime sector following the launch of the Dubai Maritime Sector Strategy (DMSS) by the Dubai Maritime City Authority (DMCA) in 2007. The establishment of the EMAC is anticipated to contribute specialist dispute resolution capabilities to the wider maritime industry and services offering currently available in the Emirate. This, in turn, is hoped to attract further investment in the local maritime sector and its industry-specialist off-shots, such as maritime insurance and maritime finance.

Sultan Ahmed bin Sulayem, Chairman of Dubai Ports, Customs and Free Zone Corporation and President of DMCA, has welcomed the Crown Prince's announcement and is quoted to have said:

"The new initiative, which serves as a fundamental pillar in Dubai's legal maritime system, is [...] expected to help raise investor trust and confidence across the local maritime segment. The presence of a maritime-based arbitration panel will also play a major role in attracting more ship owners to Dubai, which can lead to enhanced integration, coordination and harmonisation of its vital economic sectors like maritime insurance, national courts, aviation, hospitality, banking, financial sectors, the public and private judicial systems and other sectors."

(quoted from DMCA, "Newly-launched Emirates Maritime Arbitration Centre aims to position Dubai as a World-class Maritime Hub", 18 September 2014)

Mr. Amer Ali, Executive Director of the DMCA, echoed these positive sentiments, commenting:

"Dubai's maritime community has long expressed a growing need to attract and recruit

more ship owners into the emirate, since they will represent the basic foundation of a successful maritime industry. Looking to address this challenge, the DMCA has established EMAC, a first-of-its-kind centre in the region that aims to resolve maritime disputes quickly. The most common disputes would include affreightment, cargo shipping, shipbuilding and repair contracts, in addition to used ships sale contracts, assurance and reinsurance contracts, marine collisions and other disputes related to marine loss adjusting, maritime assistance and rescue. This new initiative is expected to strengthen investor and stakeholder trust in Dubai's maritime system, which at the same time will raise the competitiveness of the local maritime industry."

(quoted from DMCA, "Newly-launched Emirates Maritime Arbitration Centre aims to position Dubai as a World-class Maritime Hub", 18 September 2014)

It is presently unknown what shape and format the EMAC will take. It also remains to be seen what institutional rules the EMAC Rules of Arbitration will ultimately be modeled on, but there can be little doubt that the founders of the Centre will look at other leading arbitration rules in the maritime dispute resolution industry for guidance and inspiration. It has also not yet been decided where the Centre is to be located, whether in mainland Dubai or the increasingly popular off-shore Dubai International Financial Centre (DIFC), which offers a common law alternative to the otherwise civil-law dominated UAE. For the avoidance of doubt, choice of the DIFC as the seat of EMAC arbitrations will trigger the application of the stand-alone DIFC Arbitration Law as the prevailing curial law and empower the DIFC Courts to exert their curial functions in support of the individual arbitration reference.

What is certain, however, is that in order to hold water the EMAC Rules of Arbitration will need to compare favourably to the sets of rules that are presently on offer in other internationally leading maritime arbitration centres, including in particular London and New York. Provided this is the case, there is all reason to believe that the establishment of the EMAC will further assist in promoting Dubai to become a *primus inter pares* of the most coveted maritime dispute resolution centres in the world.

Further coverage on the workings and precise institutional set-up of EMAC will follow once further detail becomes known.