## **Kluwer Arbitration Blog**

## The DIFC-LCIA Arbitration Centre re-launches in new location: Bound for a brighter future?

Gordon Blanke (Blanke Arbitration LLC) · Friday, November 20th, 2015

Following a recent announcement of the London Court of International Arbitration (LCIA) (see https://www.lcia.org//News/difc-lcia-arbitration-centre-relaunched-today.aspx), its Dubai-based sister organisation, the Dubai International Financial Centre (DIFC)-LCIA Arbitration Centre, relaunched its operations from a new location in the DIFC with effect from 18 November 2015. The move to the DIFC Gate Building, which has become an iconic landmark of the DIFC, was reportedly motivated by a desire to emphasise the DIFC-LCIA's complete independence from the DIFC Courts. There have been concerns in the past that the caseload and growth of the DIFC-LCIA, which launched for the first time in 2008, were negatively impacted by a general misperception – created by the geographical proximity of the DIFC Courts and the DIFC-LCIA Arbitration Centre – that the DIFC-LCIA was in some way affiliated with the DIFC Courts.

The relocation of the DIFC-LCIA Arbitration Centre marks the completion of the restructuring of the Centre with the assistance of the DIFC Dispute Resolution Authority and the DIFC Arbitration Institute, both originating in Dubai Law No. 7 of 2014, amending certain provisions of Dubai Law No. 9 of 2004, concerning the Dubai International Financial Centre (DIFC) (for previous reporting, see here).

The DIFC-LCIA Arbitration Centre's current docket of a total of twenty-eight past and present references over a period of 8 years since its foundation is moderate by international (and most certainly LCIA) standards. There is a general hope that the restructured Arbitration Centre will attract an increased workload and take the DIFC-LCIA to new levels. With the same objective in mind, the DIFC-LCIA is also currently contemplating the recruitment of a new Registrar, who is anticipated to facilitate the migration of all DIFC-LCIA related casework from the LCIA in London to the DIFC in Dubai. These developments will be accompanied by the imminent revision of the DIFC-LCIA Arbitration Rules to bring them in line with the amendments and improvements introduced by the 2014 LCIA Arbitration Rules. Such improvements include without limitation the introduction of an emergency arbitrator mechanism and provisions governing the consolidation of arbitrations. More controversial will likely be the new provisions on the tribunal's powers to take quasi disciplinary action against the parties' legal representatives for failure to comply with a prevailing set of ethical guidelines set out in annex to the Rules. This being said, it may be worth noting by way of reminder that as regards the choice of seat, bar the parties' agreement to the contrary, a DIFC-LCIA arbitration will be seated in the DIFC by default, hence triggering the application of the DIFC Arbitration Law (DIFC Law No. 1 of 2008 as amended), which in turn is based on the UNCITRAL Model Law, and the curial function of the DIFC Courts.

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Whether the restructured DIFC-LCIA Arbitration Centre will become a serious contender for other arbitration organisations in the region – amongst which the leading onshore Dubai International Arbitration Centre (DIAC) – and whether it will hence be bound for a brighter future will be the proverbial proof of the pudding. There is no doubt an inherent attraction for international investors to seat there arbitrations in the common law DIFC under a set of rules that bears familiarity and provides procedural comfort. Irrespective of the ultimate average number of annual references the restructured DIFC-LCIA will be able to command, the DIFC-LCIA will always offer an interesting and desirable alternative to other onshore arbitration centres and for that reason alone deserves a place on the institutional landscape of arbitration in the UAE and the wider Middle East.

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