

Kluwer Arbitration Blog

Ascendancy of Institutional Arbitration in the Gulf: Abu Dhabi Adds New International Arbitration Centre

Arno Janssens (arbitrateAD) · Wednesday, January 24th, 2024

The past decade has seen the Gulf ascend as a nexus for international arbitration. Arbitration has proliferated in the region's many special economic zones, from the United Arab Emirates' ("UAE") [Abu Dhabi Global Market \("ADGM"\)](#) to the Kingdom of Saudi Arabia's King Abdullah Economic City. The latest iteration of that trend has translated into the emergence of new arbitration centres – and the transformation of old ones – across the Arabian Peninsula. The start of 2024 was no exception to this phenomenon. While eyes were focused on [Abu Dhabi's record-breaking fireworks display](#), the new year also brought a new arbitral institution: the [Abu Dhabi International Arbitration Centre](#), known as [arbitrateAD](#).

Set to start operations on 1 February 2024, [arbitrateAD](#) is the latest addition to the region's expanding institutional landscape. Its launch follows an eventful year for institutional arbitration in the Gulf, marked by the opening of the [Saudi Center for Commercial Arbitration \("SCCA"\)](#)'s first overseas office in the [Dubai International Financial Centre \("DIFC"\)](#) the release of the [new 2023 SCCA arbitration rules](#), the inauguration of the [Russian Arbitration Centre's first overseas office](#) in the DIFC, and significant reforms at the [Dubai International Arbitration Centre \("DIAC"\)](#), including the appointment of a new Arbitration Court, Registrar, and Executive Director.

Abu Dhabi's Institutional Facelift

Until the opening of the [ICC Court of Arbitration's fifth overseas case management office in the ADGM](#) in 2021, the UAE's capital hosted only one arbitral institution: the [Abu Dhabi Commercial Conciliation and Arbitration Centre \("ADCCAC"\)](#). Founded in 1993, ADCCAC offered case management services, hearing rooms, and a set of arbitration rules that were last updated in 2013. Over the last few years, ADCCAC faced growing criticism over its outdated arbitration rules, lack of global outlook, and facilities that paled in comparison to those of the ADGM freezone.

In response, the [Abu Dhabi Chamber of Commerce and Industry \("Chamber"\)](#) launched an initiative to improve the quality and efficiency of international dispute resolution in the Emirate. Arbitration experts from across the globe were tasked with establishing a new arbitration institute under the name [arbitrateAD](#).

In its [press release](#), the Chamber clarified that ADCCAC would continue to administer ongoing cases under the ADCCAC rules. From 1 February 2024, the [Abu Dhabi International Arbitration Centre](#) will assume responsibility over all new cases, including those based on arbitration clauses

that refer to the ADCCAC rules.

Institutional Arbitration in a Competitive Gulf

The overhaul of Abu Dhabi's arbitration arena represents the latest crescendo in the ever more competitive international dispute resolution environment in the Gulf, a development that is welcomed by many of the institutions' users.

The challenge for arbitral institutions – whether young, old, or revamped – will be to stand out amongst their peers. A popular way of doing so is promulgating an innovative set of arbitration rules. The 2023 SCCA Arbitration Rules (commented on in a previous [blog post](#)) increased the threshold amount in dispute for expedited proceedings to approximately USD 1.07 million – a response to the growing criticism directed at DIAC's significantly lower threshold of around USD 270,000. An increased reliance on technology and an emphasis on limiting the environmental impact of arbitrations are other aspects in which SCCA seeks to compete.

DIAC, too, has shifted gears with its new set of arbitration rules that entered into effect on 21 March 2022. DIAC's 2022 Arbitration Rules no longer require filing hardcopies, allow arbitral awards to be signed electronically, and provide the necessary flexibility for remote hearings and case management conferences.

ArbitrateAD's arbitration rules are set to be published on 1 February 2024. Its provisions on the monetary threshold for expedited proceedings will roughly correspond to those of SCCA, with the shortened timeline applying to cases below approximately USD 1.36 million in value. Contrary to the SCCA Arbitration Rules, which set the timeline for rendering expedited awards at 6 months ([Appendix II, Article 10\(2\)](#)), arbitrateAD has chosen to adopt a shorter deadline that will be made public together with the issuance of its rules. The arbitrateAD rules further emphasise the tribunal's discretion in choosing the way in which the hearing is conducted, including the use of modern technologies such as the [metaverse](#).

Another way for institutions to stand out is to attract global talent to their court and secretariat. The revamping of DIAC included the appointment of [Robert Stephen](#), the former Registrar of the DIFC-LCIA, as Registrar of the centre. [Christoffer Coello Hedberg](#), former Counsel at the SCC Arbitration Institute, joined the institution as Deputy Registrar. DIAC's arbitration court seats renowned arbitration experts such as [Albert Jan van den Berg](#) and [Wendy Miles KC](#). This message was not lost on Abu Dhabi. [Kristin Campbell-Wilson](#), former Secretary-General of the SCC, heads the Abu Dhabi International Arbitration Centre as Executive Director. Its board includes arbitration guru [Gary Born](#) and its Court of Arbitration is presided by [Maria Chedid](#), the global chair of Arnold & Porter's International Arbitration Practice Group. Its court further includes former judge of the International Court of Justice and Prime Minister of Jordan, [Awn Shawkat Al-Khasawneh](#), who will be serving alongside the former Attorney General of the United Kingdom, [Lord Peter Goldsmith KC](#).

New Institutions and Old Arbitration Clauses

The rise, fall, and rebirth of arbitral institutions raise important questions as to the impact on existing arbitration agreements. On 6 November 2023, a US Louisiana District Court judge refused to enforce a DIFC-LCIA clause in US court proceedings ("**Louisiana proceedings**") on the grounds that the joint venture between the Dubai government and the LCIA was "no longer available" after the ruler of Dubai abolished it by [Decree No. 34 of 2021](#) ("**Decree No. 34**"). The

judge refused to give effect to Decree No. 34's Article 6, which put DIAC in charge of administering DIFC-LCIA arbitrations as the latter's replacement.

The transformation of Abu Dhabi's arbitration landscape differs from the scenario considered by the Louisiana District Court judge for two reasons. First, prior to the dissolution of the DIFC-LCIA, parties were at liberty to include either the DIFC-LCIA or DIAC in their arbitration clause. Both bodies were in operation simultaneously. This allowed parties to make a deliberate choice in favor of one institution or the other. By defaulting disputes to DIAC after the abolishment of the DIFC-LCIA, Decree No. 34 effectively reversed this choice for arbitration clauses that pointed to the abolished centre. In contrast, ADCCAC and arbitrateAD have never been simultaneously available arbitration fora between which the parties could choose. ArbitrateAD instead acts as ADCCAC's improved successor, not unlike the "modernizations and innovations" that SCCA – like many other arbitral institutions – has implemented in recent years. Whereas the "main objective" of Decree No. 34 was to "consolidate the institutional arbitration offering in the Emirate of Dubai," the rationale behind the changes in Abu Dhabi is to increase the quality and efficiency of its institutional arbitration offering. To that end, arbitrateAD features an entirely new team, a new set of arbitration rules, and safeguards that ensure the institution's full independence and impartiality.

Second, unlike the joint venture that constituted the DIFC-LCIA, ADCCAC is not a separate legal entity from the Chamber. Established as a department of the Abu Dhabi Chamber, ADCCAC carries out dispute resolution services for the Chamber's members and the global business community. The legal entity of which ADCCAC forms a part – i.e., the Chamber – was not and will not be dissolved. This organisational structure is legally different from the dissolved joint venture that made up the DIFC-LCIA.

With the Louisiana proceedings [stayed](#) pending the appeal that was lodged against the District Court judge's order, the significance of this debate as well as its practical implications remain to be seen.

Conclusion

With arbitrateAD, Abu Dhabi joins its Gulf counterparts in modernising institutional arbitration. The launch of the new arbitration centre is indicative of a regional trend towards increased competition, enhanced arbitration rules, and a growing focus on environmental sustainability in dispute resolution. Time will tell how this competitive environment will influence the performance and appeal of these institutions on the international stage.


To make sure you do not miss out on regular updates from the Kluwer Arbitration Blog, please subscribe [here](#). To submit a proposal for a blog post, please consult our [Editorial Guidelines](#).

Profile Navigator and Relationship Indicator

Access 17,000+ data-driven profiles of arbitrators, expert witnesses, and counsels, derived from


Kluwer Arbitration's comprehensive collection of international cases and awards and appointment data of leading arbitral institutions, to uncover potential conflicts of interest.

Learn how **Kluwer Arbitration** can support you.



Newly updated

Profile Navigator and Relationship Indicator Tools

 Wolters Kluwer

Request your free trial now →

This entry was posted on Wednesday, January 24th, 2024 at 9:41 am and is filed under [ADGM](#), [Arbitration institution](#), [MENA](#)

You can follow any responses to this entry through the [Comments \(RSS\)](#) feed. You can leave a response, or [trackback](#) from your own site.