Kluwer Arbitration Blog

2024 in Review: MENA

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The Middle East and North Africa ("MENA") region entered 2024 amidst continuing political and economic instability. In spite of these challenging circumstances, the past year brought significant advancements in the international dispute resolution space—building on those already achieved in 2023. 2024 saw Abu Dhabi launch the brand new Abu Dhabi International Arbitration Centre (as discussed here and here), the Cairo Regional Centre for International Commercial Arbitration ("CRCICA") release a new set of arbitration rules (as discussed here), Bahrain sign a groundbreaking bilateral treaty with Singapore establishing a new international commercial court, and Qatar issue a new set of arbitration rules for the first time in more than a decade (as discussed here). In tandem with these developments, MENA courts around the region contributed with a number of positive arbitration decisions. From legislative amendments to institutional expansion and jurisprudential developments, the region continues to grow as a global hub for international dispute resolution.

Institutional Arbitration

2024 marked an important milestone for institutional arbitration in the MENA region. As the ripple effect of Dubai's Decree No. 34/2021 continued to propagate, Abu Dhabi established the new Abu Dhabi International Arbitration Centre (branded as "arbitrateAD"). ArbitrateAD is a reorganisation of the Abu Dhabi Commercial Conciliation and Arbitration Centre and features a new set of arbitration rules, a new court of arbitration, and a new secretariat. It registered 43 cases in 2024 despite only starting operations on 1 February 2024. Nominated for the Global Arbitration Review's Best Development award, the arbitrateAD Rules catapult Abu Dhabi to the forefront of international dispute resolution in the region.

While Abu Dhabi facelifted its arbitration offering, the Qatar International Centre for Conciliation and Arbitration ("QICCA") announced the launch of a new set of arbitration rules (discussed here). The 2024 QICCA Rules introduce a strengthened and comprehensive set of procedural provisions, marking a significant departure from its 2012 predecessor. The 2024 QICCA Rules entered into force on 1 January 2025.

On 6 March 2024, the Saudi Center for Commercial Arbitration ("SCCA") and the International Centre for the Settlement of Investment Disputes ("ICSID") signed a cooperation agreement "to jointly support the use of arbitration, mediation, and other dispute resolution tools to resolve international investment and commercial disputes." The agreement also unlocks Article 63 of the ICSID Convention, which now allows parties in ICSID proceedings to hold hearings at the

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SCCA's facilities.

On the same day, the SCCA and the Singapore International Arbitration Centre ("SIAC") signed a Memorandum of Understanding under which the institutions commit to co-organising conferences, seminars, and workshops on international arbitration in the Kingdom of Saudi Arabia and Singapore.

Across the Red Sea, the CRCICA released its long-awaited set of arbitration rules that entered into force on 15 January 2024. The CRCICA's new rules continue to be based on the revised United Nations Commission on International Trade Law ("UNCITRAL") Arbitration Rules but include several significant updates, including on joinder and emergency arbitration.

Legislative Updates

On 13 February 2024, India and the UAE signed a new bilateral investment treaty ("India–UAE BIT") (discussed here) which includes a Comprehensive Economic Partnership Agreement, an Intergovernmental Framework Agreement on the India-Middle East-Europe Economic Corridor and various Memoranda of Understanding to link the countries' payment facilities. It is yet to be seen whether the India–UAE BIT will increase the trade and ties between the two countries, and concomitantly, the disputes space.

Shortly after, Bahrain and Singapore signed a groundbreaking bilateral treaty establishing a new Bahrain International Commercial Court ("BICC"), whose appeals will be heard by the Singapore International Commercial Court. The new arrangement comes as Bahrain works to create a *Bahrain Arbitration Bay*—an international disputes complex modelled after Singapore's Maxwell Chambers.

Jurisprudence

Fake Awards

2024 started off with a shocking judgment from the London Commercial Court in which it overturned the enforcement of a GBP 70 million award after discovering that there was, in fact, no arbitration agreement, no arbitration had taken place, and the award itself had been fabricated.

Recovery of Legal Fees

On 5 February 2024, the Dubai Court of Cassation issued a heavily-criticised decision which upheld an earlier judgment of the Dubai Court of Appeal that set aside an arbitration award issued under the 2021 ICC Rules (discussed here). The Dubai Court of Cassation Court ruled that the tribunal exceeded its jurisdiction by awarding legal fees, holding that neither the ICC Rules nor the UAE Federal Arbitration Law granted the tribunal the authority to do so.

The apparent mishap was rectified on 15 November 2024, when the Dubai Court of Cassation departed from its prior position and confirmed that the ICC Rules entitle the arbitral tribunal to award legal costs, including costs paid by a party to its legal representatives (Case No. 756/2024 (Commercial)).

Enforceability of Interim Awards

On 22 March 2024, the Dubai International Financial Center ("DIFC") Court of Appeal affirmed the enforceability of a provisional award ordering interim relief where the seat of the arbitration was not the DIFC. The case concerned a London-seated arbitration under the Dubai International Arbitration Centre ("DIAC")'s 2022 Rules. The DIFC Court of Appeal considered that the ordinary understanding of an "award" was anything that was partial, interim, or final. Accordingly, the DIFC Court of Appeal held that the consistent use of "award" to describe both interim and final awards throughout the DIFC Arbitration Law No. 1 of 2008 meant that there was no reason in principle why interim awards "should not be treated as an award for the purposes of enforcement."

The DIFC-LCIA Saga Continues

Judgments stemming from the Dubai Decree No. 34/2021 continued to arise in 2024.

In *DFL v DFM* [2024] SGHC 71, the Singapore High Court enforced a DIAC award rendered under a clause referring to the now-defunct DIFC-LCIA Arbitration Centre. Crucially, the Singapore High Court did not enforce the award based on the validity of the DIAC's jurisdiction over DIFC-LCIA clauses (discussed in detail here). It only enforced the award based on the respondent's failure to expressly raise jurisdictional objections in an application for interim relief, which amounted to a waiver of those objections.

The Singapore High Court's judgment made express reference to the intensely-debated U.S. District Court for the Eastern District of Louisiana's ("U.S. District Court") decision in *Baker Hughes v. Dynamic Industries*. Agreeing with the Louisiana judgment, the Singapore High Court held that the "Parties' submission to arbitration is purely contractual. They cannot be compelled to submit to arbitration under a set of rules that they did not agree to. The Decree [No. 34 of 2021] could not force an arbitration under the DIAC Rules on the respondent without his agreement." The Singapore Court of Appeal confirmed the Singapore High Court's judgment in *DFL v DFM* [2024] SGCA 41.

The Singapore courts' approach is all the more notable now that the U.S. Court of Appeals for the Fifth Circuit quashed the U.S. District Court's decision in *Baker*. While noting that the DIAC was "functionally identical" to the DIFC-LCIA "in many key respects," the U.S. Court of Appeals held that the underlying agreement only stipulated a set of rules (i.e., the DIFC-LCIA arbitration rules) rather than the DIFC-LCIA as a forum.

The Singapore and U.S. District Court approaches contrast with those of the DIFC and the Abu Dhabi courts. In 2024, the Abu Dhabi Commercial Court of Appeal (Case No. 449/2024) upheld a decision of the Court of First Instance (Case No. 1046/2023) in which it determined that arbitration agreements referring to the DIFC-LCIA are valid and enforceable, and that the DIAC acts as the former's successor. Judge Michael Black KC of the DIFC Courts agreed, holding that Decree No. 34/2021 did not render a DIFC-LCIA arbitration agreement void. In similar vein, the recent decision of the Abu Dhabi Court of Cassation (Case No. 1273/2024) also upheld the Abu Dhabi Court of Appeal's decision (Case No. 18/2024) which annulled a DIAC arbitration award that declined jurisdiction because the parties had agreed to a DIFC-LCIA arbitration.

Treaty Arbitration in the MENA region

2024 saw Morocco successfully defeat the bulk of an ICSID claim arising out of the alleged

expropriation of an oil refinery in the port city of Mohammedia, shortly before reportedly defeating a EUR 300 million telecommunications claim brought by a French investor under the 1996 France–Morocco BIT.

Farther east, Libya emerged victorious in a number of enforcement proceedings before the French courts. Libya successfully resisted enforcement of a USD 22 million award in favour of a Turkish contractor that had previously been enforced by the Paris Court of Appeal (discussed here). Mere days before, the Paris Court of Appeal had overturned the enforcement of a EUR 280 million award in favour of a Tunisian investor.

Egypt, in turn, has been on the receiving end of no less than twenty-six treaty arbitrations under the auspices of ICSID. In 2024, Egypt managed to bring down the pending cases to just one—but 2025 might swing the pendulum once more. Its southern neighbour Sudan, by contrast, received its third-ever ICSID case filed by the Qatar National Bank. The war-torn Republic is sued under a debt financing agreement following the Qatar National Bank's win against South Sudan earlier in the year.

For the first time in history, an ICSID committee annulled an award under the Centre's expedited dismissal procedure. The annulled award dismissed a 320 million-USD claim against Kuwait brought by an Egyptian investor over the development of a piece of land located in the Kuwaiti region of Wafra.

Finally, Lebanon's ongoing economic and security crisis led the Emirati Al Habtoor Group to issue a notice of dispute under the 1998 UAE–Lebanon BIT over the alleged freezing of its funds by the Republic's embattled central bank. The summer of 2024 saw Lebanon defeat a Greek investor's EUR 417 million ICSID claim over the construction of an electricity plant. The triumph faded when the Greek contractor applied to annul the award dismissing its claim in November.

Events

In early March 2024, the first-ever Riyadh International Disputes Week took place in the Saudi capital. RIDW hosted 92 official events and welcomed close to 5,000 delegates from 79 countries. Its next edition is scheduled for 23 to 27 February 2025.

The region also welcomed the inaugural UNCITRAL Days for Arab States, a series of events on the role of UNCITRAL in the modernisation of international trade law in the Arab states—both through the Model Law and the UNCITRAL Arbitration Rules.

Later in the year, Qatar hosted the fifth edition of its annual World Conference on International Arbitration in partnership with UNCITRAL and the QICCA. The conference followed shortly after the MENA region's flagship event: Dubai Arbitration Week. This year's edition featured more than 120 different sessions on the official calendar, ranging from panel discussions, debates, and seminars to mock hearings and fireside chats.

Abu Dhabi wrapped up the events calendar for 2024, drawing over 20,000 participants to the annual Abu Dhabi Finance Week. This year's event featured the third edition of RESOLVE, the capital's flagship international dispute resolution conference. Centred around the theme of resilience, thought leaders from across the world discussed class actions against big tech, the legal intricacies of climate disputes, emerging trends in insolvency and restructuring, and regulatory guardrails and ethics for the future for AI-related disputes.

Conclusion

2024 highlighted the MENA region's complex narrative—a tale of persistent political challenges in a shifting global order, but also one of commitment to its international dispute resolution framework. Several states in the region defended treaty claims before ICSID and other tribunals (with varying degrees of success). The ascendancy of institutional arbitration—particularly in the Gulf—continued in 2024 with the launch of arbitrateAD, the new CRCICA and QICCA Arbitration Rules, and new collaborations between the SCCA, ICSID, and SIAC. On the judicial side, Bahrain took the first step towards building its *Bahrain Arbitration Bay* through an unprecedented bilateral treaty with Singapore. The work is not finished, however. The effects of Dubai's Decree No. 34/2021 continue to propagate outward as a stark dichotomy emerges between enforcement outside versus inside the UAE. Additionally, several decisions rendered by MENA courts in 2024—including on the recovery of legal fees—raised eyebrows in the international community. The region's ability to build on its achievements will determine its success in overcoming the challenges that remain.

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