



# A New Player in Town - Abu Dhabi launches arbitrateAD

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In a significant development for dispute resolution in Abu Dhabi and the region, the Abu Dhabi Chamber of Commerce and Industry (the Chamber of Commerce) announced the formation of a new international arbitration centre on 20 December 2023. The new centre, known as Abu Dhabi International Arbitration Centre (arbitrateAD), and its rules will replace the Abu Dhabi Commercial Conciliation and Arbitration Centre (ADCCAC) and its rules. This change will take effect from 1 February 2024 when new cases will start to be administered by arbitrateAD.

## Overview of Key Changes

ArbitrateAD notes independence, transparency, expertise, and efficiency as its core values. Key practical changes include:

1. A new institutional framework for arbitration in Abu Dhabi;
2. Enhanced case management facilities including e-filing and bespoke hearing venues; and
3. New arbitration rules – yet to be published.

We consider some of these developments in further detail below.

## Development of the institutional framework for arbitration in Abu Dhabi before arbitrateAD

ADCCAC was originally established by the Chamber of Commerce in 1993.

ADCCAC's institutional framework was established pursuant to ADCCAC's Charter, which came into force by virtue of a resolution of the Chamber of Commerce (the **Charter**). The Charter provides that ADCCAC would be an adjuvant to the Chamber of Commerce, as ADCCAC was established as a "special body" in the Chamber of Commerce.

The framework for the offices responsible for ADCCAC's governance and management is provided for in the Charter. The respective offices include bodies of the Chamber and functionaries of ADCCAC comprising: the honorary Chairman of ADCCAC (being the President of the Chamber of Commerce's Board); the Committee of Trade Convention and Arbitration of the Chamber of Commerce; the General Manager of ADCCAC; the General Counsellor of ADCCAC; the General Secretary of Disputes and Cases; and the General Assembly of Conciliation and Arbitration. The Charter sets out the functions of the respective offices in ADCCAC's operations and in administering arbitrations.

ADCCAC's procedural rules (**ADCCAC Rules**) were also promulgated in 1993. The ADCCAC Rules were relatively narrow in scope and unsophisticated. The ADCCAC Rules anticipated that arbitrations would be conducted in a manner that was, in many respects, more like the process (as it then was) before the UAE's Civil Courts. This was perhaps to be expected in circumstances in which the intention of ADCCAC was to assist members of the Chamber of Commerce in resolving their commercial disputes.

Two decades later, the ADCCAC Rules underwent a significant modernisation with the issuing of "new" ADCCAC Rules in 2013. The 2013 ADCCAC Rules were a significant upgrade on the 1993 ADCCAC Rules. However, they did not greatly change ADCCAC's institutional framework.

Following the introduction of the 2013 ADCCAC Rules, ADCCAC and the Chamber of Commerce sought to improve the efficiency and transparency with which cases were

administered. However, the organisational structure and small administration team were not conducive to efficiency and at times this frustrated users more familiar with other international arbitral institutions.

In 2013 the Abu Dhabi Global Market (**ADGM**) was founded as a financial freezone in Abu Dhabi. ADGM introduced a different regime pursuant to which business could be conducted in Abu Dhabi. This was not a development anticipated by ADCCAC's institutional framework.

In 2017 ADGM established its own arbitration centre, the ADGM Arbitration Centre, with state-of-the-art hearing facilities. The ADGM Arbitration Centre is not an arbitral administering institution and it does not have its own rules. As such it is complementary to ADCCAC, but its facilities with the latest technology are not strictly required for hearings of the nature anticipated by the ADCCAC Rules.

### **A new institutional framework**

Currently the details of how arbitrateAD will work in practice are still limited, but there does appear to be a clear shift away from ADCCAC's previous institutional framework and a drive to achieve efficiency in line with one of its core values. More particularly, it is apparent that arbitrateAD will be introducing a new arbitration infrastructure to Abu Dhabi that is more aligned with the approach followed by the leading global institutions administering international arbitrations.

The new institutional structure introduced by arbitrateAD comprises an independent Board of Directors that includes senior representatives of the Abu Dhabi Chamber of Commerce, the CEO of ADGM, together with independent and respected individuals that are authorities on international arbitration.

In addition to the independent Board, arbitrateAD will have a Court of Arbitration that we anticipate will function along the lines of similar arbitration courts established by other well-known international arbitration institutions. The individual appointed as the President of arbitrateAD's Court of Arbitration is also a well-known and respected expert on international arbitration.

ArbitrateAD has appointed as its Executive Director the former Secretary General of the SCC Arbitration Institute. This appointment confirms that arbitrateAD is also pursuing the efficient management of arbitrations in line with current best practice in international arbitration.

The institutional architecture of arbitrateAD and the individuals already appointed to the Board and Court of Arbitration will ensure that, as a matter of fact and perception, arbitrateAD will be seen as a more neutral and efficient dispute resolution forum for purposes of international disputes.

The importance that has been placed on ensuring that arbitrateAD delivers on its core values and its mission to deliver world class dispute resolution services in Abu Dhabi is clear from the support given to arbitrateAD by very senior officials of the Abu Dhabi Chamber of Commerce and ADGM, and the involvement of internationally recognised authorities in international arbitration.

### **Enhanced case management facilities**

ArbitrateAD's other offerings, in line with its core value of efficiency, will include the provision of institutional support to ad hoc arbitrations, venues to host hearings and the

apparent adoption of electronic filing. Again, this is a significant change from ADCCAC's offering.

Practitioners familiar with ADCCAC arbitrations will, for example, be aware of the difficulties that arose from the requirement under the ADCCAC Rules for multiple 'hard' copies of requests for arbitration to be physically delivered to ADCCAC when commencing arbitrations. A system of electronic filing should therefore greatly aid efficient case management.

Further detail on arbitrateAD's offerings and whether this will, say, involve the ADGM Arbitration Centre as the default place for hearings will only become apparent in due course.

## **New arbitration rules**

ArbitrateAD has confirmed that it will be introducing new rules. The new rules are yet to be published. However, the introduction of arbitrateAD's rules presents an opportunity to address key issues which were previously missing from the ADCCAC Rules - such as consolidation of arbitrations, expedited proceedings and emergency arbitration.

Such changes will ensure that arbitrateAD's rules are more in line with other modern arbitration rules.

## **What happens to existing and new cases?**

It has been confirmed that existing cases will continue to be administered by ADCCAC up until 1 February 2024. From 1 February 2024 new disputes will then be administered by arbitrateAD. The implication is that parties who commence arbitration pursuant to an ADCCAC arbitration agreement after 1 February will have their disputes resolved subject to arbitrateAD's rules.

Past changes in the rules of both the Dubai International Arbitration Centre and the DIFC-LCIA have resulted in well published disputes. In the circumstances parties that have agreed ADCCAC arbitration clauses will be well advised to consider whether amendments to their existing arbitration agreements are necessary as further information regarding ArbitrateAD's rules become available.

ADCCAC currently handles a relatively small number of cases in comparison to other local arbitration institutions. The launch of arbitrateAD, which follows ongoing and significant reforms in the Abu Dhabi legal market, will help to further cement Abu Dhabi as a business and investor friendly jurisdiction, and provide a robust onshore alternative for international arbitration in the regional market.

For further information on how this change may affect you, please contact the authors [Alfred Thornton](#), [Jennifer Eakins](#) or [Khaled AlMulla](#).

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