

## 09 August 2017

The International Chamber of Commerce ("**ICC**") has announced that it will open a new arbitration centre in the Abu Dhabi Global Market ("**ADGM**"), Abu Dhabi's financial freezone located in the Al Maryah Island, which began operating in 2014. The centre will be known as the **ADGM Arbitration Centre** and is expected to open for business in January 2018.

The ICC is a reputable and leading international arbitral institution with its headquarters in Paris. The ADGM Arbitration Centre will be the ICC's third representative office worldwide – joining Shanghai and Sao Paulo – in addition to the ICC's case management offices in Hong Kong and New York. Notably, this will be the ICC's first office in the Middle East and is a reflection of the increasing recourse to international arbitration in the region.

The opening of the ADGM Arbitration Centre will likely compete with the DIFC-LCIA, the offshore arbitration centre established in Abu Dhabi's neighbouring Emirate of Dubai as well as "onshore" institutions such as the ADCCAC and the DIAC. However, it remains to be seen whether the ADGM Arbitration Centre will become a popular choice for arbitration. The question of enforcement of arbitral awards will likely play an important role in that regard, though the choice of the seat is the more relevant factor for enforcement. It will also be interesting to see if Abu Dhabi state-owned entities opt to choose the ADGM Arbitration Centre for their dispute resolution clauses in contracts which otherwise have no nexus to the ADGM.

We outline below some of the key characteristics of the ADGM:

### Arbitration Regulations

- The ADGM's Arbitration Regulations 2015 are modelled on the UNCITRAL Model Law ("**Model Law**"), which is internationally recognised and widely used by many States as the basis of their own arbitration law.
- There are some departures from the Model Law to account for regional considerations, which will likely make it an even more attractive forum for resolving disputes in the region. These include:

1. **Confidentiality and privacy:** There is limited scope for the disclosure of the

existence of arbitration proceedings and the award. There is a requirement that court proceedings related to arbitration be held in closed court; and

2. **Challenging enforcement of awards:** Parties can agree in advance to dispense of or limit their right to bring an action to set aside an arbitral award, making the award final and not subject to any appeal, thereby reducing the involvement of the courts. However, if a party seeks to enforce the award in the ADGM Courts, the other party could still challenge the validity of the award based upon the grounds specified in the ADGM's Arbitration Regulations 2015.

## English common law

- The ADGM directly adopts English common law (including the principles of equity), as well as a defined list of certain statutes in force in England by reference. It is important to note that not all English statutes apply as ADGM law – only those which have been expressly adopted.
- The English Arbitration Act 1996 has not been adopted and does not apply. Instead, the ADGM Arbitration Regulations 2015 referred to above are applicable.
- The ADGM has its own Court Procedure Rules ("**CPR**") and Regulations. The CPR deals with applications to the court, including applications for the enforcement of an arbitral award.

This announcement, combined with the anticipated enactment of a new federal arbitration law in the UAE later this year, is a welcome development to the UAE's arbitration scene and is in line with the region's efforts to become more arbitration friendly (see our previous alerts on [Qatar](#) and the [Kingdom of Saudi Arabia](#).)

## Contacts



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