

Client Alert



Trial and Global Disputes

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Enhancing Jurisdictional Clarity: Dubai's New Judicial Authority

BACKGROUND

On 18 April 2024, the Ruler of Dubai established the "Judicial Authority for Resolving Jurisdictional Conflicts between the DIFC Courts and the Judicial Bodies in the Emirate of Dubai" (New Judicial Authority). This new body, established by Decree No. 29 of 2024, replaces the Joint Judicial Committee, which had been in operation since 2016.

In recent years, conflicts over jurisdiction between the DIFC Courts and the 'onshore' Dubai Courts have increased, driven by both courts' expansive interpretations of their jurisdictional reach. This has led to instances of parallel proceedings in both courts, undermining the administration of good justice.

The New Judicial Authority, previously operating as the Joint Judicial Committee in a part-judicial and part-advisory capacity, will now address jurisdictional challenges between the DIFC Courts and various "Judicial Bodies"—a newly defined term that includes the Dubai Courts, the Rental Disputes Resolution Centre, judicial committees formed by decree or decision of the Ruler or Chairman, and other bodies recognized as judicial authorities in Dubai. It will determine the appropriate venue for claims and consider the enforceability of conflicting judgments issued on the same matter by the DIFC Courts and other Judicial Bodies.

Consequently, the New Judicial Authority will have a broader scope of responsibilities compared to the Joint Judicial Committee, which previously focused solely on jurisdictional conflicts between the DIFC Courts and the Dubai Courts.

KEY CHANGES

The Decree introduces a system of precedent, whereby decisions made by the New Judicial Authority on points of law are binding on all judicial bodies, including the DIFC Courts. The adoption of this principle, rooted in

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common law, aims to create a more consistent framework for addressing jurisdictional challenges.

The New Judicial Authority will retain the Secretary General of the Joint Judicial Committee, and three judges from both the Dubai courts and the DIFC Courts. To help manage the anticipated increase in the body's workload, the Decree also establishes a new position of "Deputy Chairman", to be held by the Deputy Chief Justice of the DIFC Courts. The President of the Court of Cassation in the Dubai Court will continue to serve as Chairman.

KEY TAKEAWAYS

By establishing a system of precedent, the New Judicial Authority aims to provide greater clarity for parties on the appropriate forum for resolving disputes that are connected to Dubai, and to create a more predictable framework for parties looking to make jurisdictional challenges.

The New Judicial Authority's decisions will form a body of binding precedent on jurisdictional conflicts. Parties should stay informed of these decisions, as the precedent can only be contested before the New Judicial Authority in a separate case, as there is no right to appeal in the courts or Judicial Bodies where the substantive dispute occurs.

Notably, to avoid delays, parties should also reconsider the common practice of initiating parallel proceedings, since the automatic stay on such proceedings while the New Judicial Authority resolves a jurisdictional conflict could extend for over 30 days.

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