JAL 2.0: THE DIFC COURTS REBOOT

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I. INTRODUCTION

1. The most consequential legal development in the DIFC over the past year has undoubtedly been the enactment of the Dubai International Financial Centre Courts Law No. 2 of 2025 ("New JAL"), issued on 10 March 2025. Long anticipated and widely discussed, the New JAL takes precedence over any conflicting provisions of the two foundational instruments – the DIFC Courts Law (Law No. 10 of 2004) ("Old Court Law") and the DIFC Judicial Authority Law (Law No. 12 of 2004) ("Old JAL"), until new superseding resolutions and regulations are issued.

2. While early speculation suggested sweeping changes (including rumours that the conduit jurisdiction might be abolished), the final text instead refines and integrates key provisions, unifying procedural and enforcement norms under a single legislative umbrella. It codifies well-established judicial practices while introducing notable reforms aimed at strengthening the Courts' institutional coherence and international legitimacy. For legal practitioners, litigants, and international stakeholders, the result is a more streamlined and transparent judicial structure – one that reflects the DIFC Courts' maturation as a globally respected commercial forum.

3. This chapter provides an overview of the key developments introduced under the New JAL, with particular focus on its structural reforms, jurisdictional clarifications, and their implications for enforcement and dispute resolution strategies within and beyond the DIFC.

II. JURISDICTION

4. Article 14 of the New JAL consolidates and expands the jurisdictional gateways previously set out in Article 5(A)(1) of the Old JAL. The purpose of this consolidation is to provide a clearer and more comprehensive statutory foundation for the DIFC Courts, aligning with judicial development. Some key developments are as follows:

(a) The "any written law" gateway, formerly contained in Article 5(A)(1)(e) of the Old JAL, has been retained and broadened under Article 14(7) of the New JAL. Whereas the earlier provision was limited to "DIFC Laws and DIFC Regulations," the new version also extends jurisdiction to any legislation in force in the Emirate of Dubai, and any international treaty or convention to which the UAE is a party or has acceded. This expansion effectively embeds the DIFC Courts within the broader legal fabric of Dubai and the UAE, reinforcing their function as an internationally aligned common law forum.

(b) Articles 14(5) and 14(6) of the New JAL explicitly confer jurisdiction on the DIFC Courts over the ratification or recognition of all arbitral awards (both domestic and foreign); and in aid of arbitration where there is a nexus with the DIFC, whether through the seat, place, or governing law. Under the previous regime, this jurisdiction was exercised through the residual "any written law" gateway. By codifying it explicitly, the New JAL closes interpretive gaps and reinforces the DIFC Courts' role as a hub for arbitration-related litigation and enforcement.

(c) Articles 14(A)(1) to (4) of the New JAL, which retain the jurisdictional gateways in Articles 5(A)(1)(a) to (d) of the Old JAL, expand the DIFC Courts' jurisdictional scope beyond general civil and commercial matters to expressly include employment-related claims; and trust instrument disputes. This codification ensures the DIFC Courts' continued appeal to private wealth, fiduciary, and professional service structures seeking a predictable legal environment within the UAE.

(d) Article 14(C) of the New JAL is a key addition granting the DIFC Courts' express discretion to decline jurisdiction in two defined scenarios: (i) where the matter (though within the DIFC Courts' jurisdiction) is subject to a written agreement conferring jurisdiction on another court; or (ii) where another court has already issued a final, enforceable judgment capable of execution within the DIFC. This statutory discretion codifies the principle of judicial comity with other courts. Especially in the context of the UAE's multi-layered system, where situations of conflict have been common, such a provision is designed to minimise conflict between parallel judicial processes and to foster procedural harmony between the DIFC Courts and the domestic courts of Dubai and the other Emirates. This provision was recently tested in *UIC v IPMR*,[i] where the DIFC Courts granted an indefinite stay after a Sharjah court had already ruled on the substantive merits. Analysing the objective of Article 14(C), the DIFC CFI held that conducting parallel proceedings would be duplicative and violative of the principle of comity between UAE courts. This development underscores the growing maturity of inter-court cooperation within the UAE's judicial framework.[ii]

5. Article 19 of the New JAL complements Article 14 by delineating the specific matters falling within the jurisdiction of the DIFC CFI, subject to the jurisdictional gateways set out in Article 14.

6. In the context of interim measures, the DIFC Courts often laboured to establish jurisdiction for freestanding interim relief by invoking the "any written law" gateway, interpreting DIFC laws and regulations to support applications connected to anticipated or foreign proceedings.[iii] Article 15 of the New JAL appears to now resolve this by introducing an entirely independent basis for this jurisdiction, including those in aid of foreign proceedings or foreign-seated arbitrations. Notably, unlike Article 19**,** Article 15 is not subject to the jurisdictional gateways set out in Article 14. This provision thus seems to represent a significant development, transforming what was previously a matter of judicial creativity into a legislative mandate. However, the scope and practical operation of this seemingly freestanding jurisdiction were recently the subject of debate and appeal in *Trafigura v Gupta.*[iv]

III. ENFORCEMENT AND EXECUTION

7. One of the most notable changes introduced by the New JAL is the complete revamp of the enforcement framework, set out in Articles 29 to 34. Under the Old JAL, Article 7 governed execution both within and outside Dubai.

8. **Enforcement Judge**: Under Article 29, the Enforcement Judge is to be appointed from among the DIFC Courts' judges by order of the Chief Justice. The Judge will supervise all enforcement matters, assisted by bailiffs and other designated officers. This creates a single point of judicial accountability for all enforcement proceedings within the DIFC.

9. Article 31 defines the wide jurisdiction of the Enforcement Judge, granting authority over the enforcement of local and foreign judgments and orders affixed with the executory formula, ratified arbitral awards, and orders of DIFC-seated tribunals. Most notably, Article 31(4) extends this jurisdiction to include interim measures issued by foreign courts, such as worldwide freezing orders ("WFOs").

10. This expanded approach was partly tested in *Trafigura v Gupta,*[v] although the underlying application was primarily for a freestanding freezing order in support of ongoing English proceedings. It appears that no ENF claim was made for the direct enforcement of the English WFOs obtained, and it is unclear whether the requisite executory formula had been affixed to those orders. where the applicant sought to enforce a foreign WFO under Article 31(4). The CFI, on an *ex parte* basis, first refused jurisdiction to grant a freestanding injunction, but then also considered the application on the assumption that it sought enforcement of the existing English orders. The CFI declined jurisdiction on the basis that enforcement under Article 31 of the New JAL required a DIFC nexus. On appeal, the decision was set aside with the observation that *"it would be surprising if the [New JAL] had the effect of contracting the jurisdiction and powers of the Court in this respect".*[vi] After the return date, the Court of Appeal upheld the DIFC Courts' jurisdiction to issue a freestanding freezing order in support of foreign proceedings since this appears to have been the primary application by the applicant. However, the direct enforcement of foreign interlocutory orders under Article 31(4) remains to be tested.

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11. A distinctive feature of the new framework is the power of the Enforcement Judge to stay enforcement for a specified period where the judgment debtor is impecunious, with the stay lifted once the inability ceases (Article 29). This discretionary power introduces a degree of equitable flexibility into the enforcement regime.

12. Article 34 provides that, subject to Article 14, decisions of the Enforcement Judge may be appealed *"directly to the Court of Appeal"* in accordance with the RDC. It remains unclear whether this eliminates the need for permission to appeal under RDC 44.5 or whether procedural amendments will follow to reconcile the two provisions.

13. As of this writing, no formal appointment of an Enforcement Judge has been publicly announced. Nevertheless, DIFC judges have been applying the New JAL's enforcement provisions in recent cases involving arbitral awards and court judgments, suggesting that they may be acting in the capacity of the Enforcement Judge pending formal notification.

14. **Enforcement Writ**: Under Article 7 of the Old JAL, limited enforcement to judgments, decisions, and orders rendered by the DIFC Courts, and arbitral awards ratified by the Court. By contrast, Article 30 of the New JAL provides that "*compulsory enforcement shall only be permissible under an Enforcement Writ.*"[vii] The Enforcement Writ is broadly defined to also include judgments, decisions, and orders of the DIFC Courts; arbitral awards (domestic and foreign) ratified by the DIFC Courts; certified documents; and settlement agreements either approved by the DIFC Mediation Centre or ratified by the DIFC Courts. The expansion aligns with the provision of the Singapore Convention

on Mediation. It also contains a catch-all category encompassing "*[o]ther documents to which any applicable law grants an enforcement status.*" This formulation marks a clear expansion from the Old JAL, consolidating all enforceable instruments within a single statutory concept. A format for an Enforcement Writ is anticipated in the RDC.

15. **Execution in Dubai:** Under Article 7(3) of the Old JAL, enforcement of DIFC judgments and ratified arbitral awards outside the Centre was routed through the competent entity in Dubai, with a simple directive that the merits were not to be reconsidered. The provision worked in practice but depended heavily on administrative cooperation between the DIFC and Dubai Courts.

16. Article 32 of the New JAL retains the same principle – that onshore execution shall not involve a review of the merits – but significantly strengthens the institutional framework. It requires the DIFC Enforcement Judge to seek the assistance of the Dubai enforcement judge, who must (i) execute in accordance with local procedures, (ii) keep the DIFC Enforcement Judge informed of all actions taken, and (iii) transfer collected funds to the DIFC Courts. This represents a shift from administrative coordination to judicially supervised inter-court cooperation, ensuring transparency, accountability, and consistency in cross-border enforcement within Dubai's dual-court system.

17. Article 29 of the New JAL further strengthens the enforcement regime by obliging all authorities and competent entities in Dubai to proceed with the enforcement of an Enforcement Writ "*by force, if so required.*"

18. **Part 45 Claim:** In a recent unreported decision, [2025] DIFC ENF 053, the Deputy Chief Justice confirmed that the DIFC Courts have jurisdiction to enforce a disclosure order issued by a foreign court under Article 31(4) of the New JAL. Significantly, he held that such enforcement need not be commenced by a Part 7 or Part 8 claim, but may be brought directly under Part 45 (ENF) of the RDC. This pragmatic interpretation illustrates the Courts' willingness to apply the New JAL flexibly to achieve its underlying objective of efficient enforcement.

IV. ADMINISTRATIVE AND OTHER REFORMS

19. Beyond the jurisdictional and enforcement reforms, the New JAL introduces a series of institutional and administrative refinements aimed at strengthening the DIFC Courts' governance framework. Many of these changes consolidate existing practice rather than create new powers, but together they reflect a maturing judicial system that is increasingly self-regulatory and policy-driven.

Institutional Reforms

20. **Mediation Centre:** Article 13 of the New JAL formally establishes a Mediation Centre to promote amicable resolution of disputes, marking an important institutional enhancement to the DIFC Courts' dispute resolution framework. The President of the DIFC Courts is empowered to determine its operational framework, functions, and procedures.

(a) Importantly, settlement agreements approved by the Mediation Centre now fall within the statutory definition of an "Enforcement Writ", granting them direct enforceability before the DIFC Courts (and Dubai). This integration of mediation outcomes into the enforcement regime represents a major step toward embedding mediation as a mainstream dispute resolution tool within the DIFC's judicial architecture.

(b) Read together with the arbitration-friendly provisions of the New JAL, this reform positions mediation as a complementary mechanism within tiered dispute resolution clauses. Parties may now structure their contracts to include DIFC-based mediation as an intermediate step before arbitration or litigation, with the assurance that any resulting settlement can be swiftly and effectively enforced in the DIFC.

21. **DIFC Courts Affair Committee:** A new Courts Affairs Committee, chaired by the Chief Justice, is also established in Article 22 of the New JAL. Its mandate includes policy coordination, proposing and reviewing laws relating to the DIFC Courts, and consideration of matters referred by the President. It shall also exercise powers delegated by the Ruler or the President. This committee can operate alongside and take the assistance of existing advisory bodies such as the Court Users' Committee and the Rules Committee. The creation of this body indicates a more formalised governance structure and a growing emphasis on institutional self-review.

Judicial and Procedural Reforms

22. **Venue and Conduct of Proceedings**: While physical proceedings are ordinarily held within the DIFC, the Chief Justice is now expressly empowered under Article 4 of the New JAL to authorise hearings outside the DIFC. The Courts may also, at any stage, direct that proceedings (or any part of them) be conducted

elsewhere, while ensuring that DIFC laws, regulations, and rules continue to apply. Although this flexibility existed under the Old Court Law (subject to party consent), it is now clearly codified, providing practical adaptability for complex or cross-jurisdictional cases.

23. **Role and Powers of the Chief Justice:** Whereas under the previous laws the Chief Justice's authority was confined to procedural and administrative oversight, Article 10 of the New JAL expands this to include policy formation, draft law proposals, and public consultation. Read alongside the creation of the Courts Affairs Committee, these provisions formalise the Chief Justice's leadership in the governance and strategic development of the DIFC Courts, marking their transition from a procedural forum to an institution with policy autonomy and legislative influence.

24. **Appellate Court Composition**: Article 17(A) of the New JAL provides that in "exceptional cases", upon the decision of the Chief Justice, the Court of Appeal may consist of five-judge circuit rather than the usual three. The law also expressly allows dissenting opinions to be recorded in judgments, enhancing transparency and jurisprudential depth. While it remains to be seen what constitutes "exceptional", this mechanism could reduce the likelihood of conflicting appellate rulings.

25. **Small Claims Tribunal (SCT):** The New JAL formally incorporates the Small Claims Tribunal into the statutory composition of the DIFC Courts at Article 16, aligning the Court's structure with its current operational reality. Under the previous regime, the SCT operated as a procedural creation under the RDC and Practice Direction No. 1 of 2007. Its express inclusion under the New JAL reinforces its institutional legitimacy and ensures

continuity in the DIFC Courts' multi-tiered judicial framework. and provides legislative support for the Chief Justice's authority to determine its monetary threshold and procedural scope under Article 20. It further clarifies the hierarchy of appeals under Article 21.

26. **Judicial Immunity**: Article 39 of the New JAL formally codifies judicial independence and immunity. It provides that judges *"shall not be liable for any act or omission in the performance of their duties,"* except as permitted. This replaces the previously implied protection under the Old Court Law.

27. **Appointment of assessors, receivers, and provisional liquidators**: Article 24 of the New JAL removes the requirement for assessors to take an oath before commencing duties, and extends the authority to appoint receivers and provisional liquidators to any DIFC Court, rather than limiting it to the CFI. This amendment provides procedural efficiency, especially in insolvency and enforcement contexts.

28. **Legal interest**: Article 9 of the New JAL clarifies that all judgments of the DIFC Courts may accrue legal interest, harmonising the statute with existing practice under Practice Direction No. 4 of 2017, which sets a 9% simple interest rate from the date of judgment. Under Article 39 of the Old Court Law, this applied only to damages-related awards; the clarification ensures consistency across all monetary judgments.

Substantive and Ancillary Provisions

29. Contempt: The contempt regime has been significantly reinforced under Article 35 of the New JAL, which now codifies a detailed framework identifying six specific instances of contempt. Each of these attracts a mandatory fine, in addition to any other penalties prescribed under applicable legislation. This marks a shift from the previous regime, under Article 43 of the Old Court Law, where the DIFC Courts exercised discretionary powers to make orders which may include the imposition of fines. In addition to the mandatory fine, the Courts remain empowered to take such additional measures as necessary to ensure the administration of justice, or to refer matters to the Attorney General of Dubai where appropriate.

30. **Applicable law**: The New JAL marks a quiet but significant recalibration of the DIFC Courts' conflict-of-laws regime. Under Article 6 of the Old JAL, the Courts were obliged to apply DIFC law unless the parties had chosen another governing law, and even then, that choice was subject to public policy and morality limitations. Article 23 of the New JAL removes this qualification, granting parties unrestricted autonomy to select the governing law of their contracts, and separating the choice-of-law analysis from public-policy review, which typically arises at the enforcement stage.

V. CONCLUSION

31. The New JAL represents a phase of consolidation rather than upheaval. It codifies established judicial practice while introducing targeted reforms, particularly in enforcement, jurisdiction, and institutional governance, that strengthen the DIFC Courts' coherence and autonomy.

32. However, the practical operation of several provisions remains to be tested. Corresponding amendments to the RDC and the

notification of the Enforcement Judge will be essential to operationalise the new enforcement regime. Likewise, judicial interpretation will be required for matters such as defining the contours of the Enforcement Judge's powers and the scope of Article 15. The coming year will therefore be critical in determining how seamlessly the New JAL translates from legislative promise into procedural practice.

References:

[i] *Union Insurance Company PJSC v International Precious Metals Refiners LLC* CFI 064/2022 (12 May 2022)

[ii] We further examine the Court's approach to conflicts between the Dubai and DIFC Courts in an upcoming paper.

[iii] *Carmon v. Cuenda* [2024] DIFC CA 003 (26 November 2024); *(1) Lateef & Anr v Liela & Anr* [2020] ARB 017 (13 December 2021); *Jones and Ors v Jones* [2022] CFI 043 (14 September 2022); *U.S. SEC v Wintercap SA & Ors* [2019] CFI 003 (20 December 2020)

[iv] *Nadil v Nameer*, DIFC CFI (1 April 2025); *Nadil v Nameer* DIFC CA (13 June 2025); *Trafigura Pte Ltd. & Anr. v Prateek & Ginni Gupta [2025] DIFC CA 001 (22 September 2025)*

[v] *Trafigura Pte Ltd. & Anr v Prateek & Ginni Gupta* [2025] DIFC CA 001 (22 September 2025)

[vi] A DIFC nexus requirement would undermine the DIFC Court's long-standing role as a conduit jurisdiction, a concept that has been central to the enforcement framework. Last year, we discussed DIFC Court's role as a conduit extending not only to the UAE but also to the wider Middle East region (see here).

[vii] The precise meaning of *"compulsory enforcement,"* and how it differs from other forms of enforcement, remains unclear.

ABOUT US

Singularity is an Asia and Africa focused international disputes boutique, established in August 2017. Since then, we have handled over US$ 10 billion in cross-border disputes in various sectors, including energy and resources, construction and infrastructure, shipping and maritime, sports and entertainment, international trade and business, and private equity and finance. These disputes have arisen out of business relations and projects in various parts of the world including the Bahamas, British Virgin Islands, Cayman Islands, Canada, Egypt, Hong Kong, India, Israel, Italy, Indonesia, Kazakhstan, Nigeria, Malaysia, Oman, Philippines, Russia, Turkey, UAE, UK, USA, Saudi Arabia, Sierra Leone Singapore and Somalia.

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(c) Chambers & Partners (Global) – Singularity for dispute resolution practice (2025)
(d) Legal 500 (Asia Pacific) - Recognised for Dispute Resolution practise in Arbitration (2025)
(e) Chambers & Partners (Asia Pacific) – Singularity for dispute resolution practice (2025)
(f) AsiaLaw – Recognised for Dispute Resolution, Construction, Banking & Financial Services and Technology & Telecommunications practise areas (2024)

(g) LegalMedia 360 (India) – Recognised for Dispute Resolution practice (Arbitration) (2024)
(h) Ranked as "Most Active in the Enforcement & Annulment of Commercial Arbitration Awards" - Jus Connect's 2023 Rankings

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Singularity Legal is licensed to practice as legal consultants in the UAE, including as solicitors before the courts at Dubai International Financial Centre (DIFC) and Abu Dhabi Global Markets (ADGM).

Our partner, Prateek Bagaria, has also been registered as a Part II lawyer with full rights of audience before the DIFC Courts and will be heading the firm's Middle East practice.

On the firm's entry into the UAE, he said:
"DIFC is an upcoming business and trade hub and has been a priority center for Indian financial institutions, funds, family businesses, multinational corporations, and trading houses, among others, operating in the Asia-Africa corridor. Moreover, in light of the new India-UAE Comprehensive Economic Partnership Agreement (CEPA), business dealings in the DIFC are slated to grow exponentially. We are thrilled to expand our practice to the Middle East, where our clients increasingly require our assistance with their disputes. This expansion will also give the clients more immediate access to the firm's specialists and wider network in the MENA region."

Singularity now has the end-to-end ability to service clients across the UAE, including DIFC and ADGM Courts, covering disputes relating to:

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(c) bank guarantees and insurance
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In view of our remarkable achievements in the Middle East, we have also been ranked as one of the "most active law firms in the enforcement and annulment of commercial awards in the United Arab Emirates".

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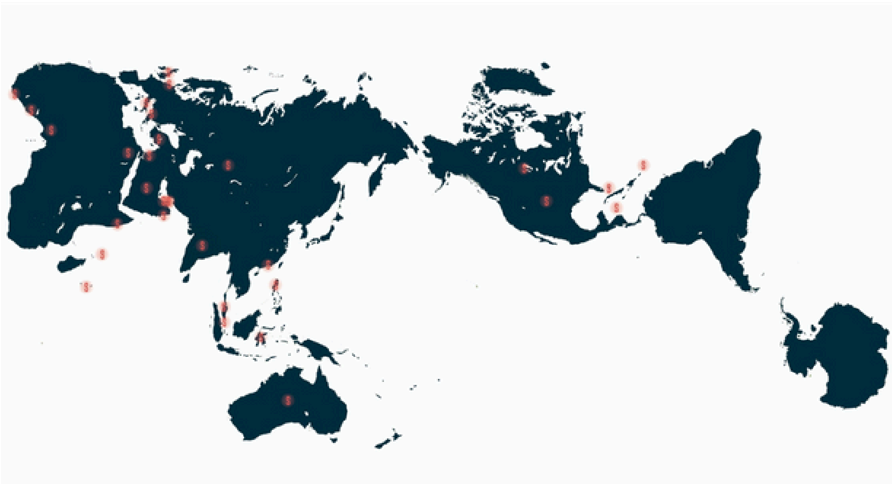

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