

**CREDIT SUISSE AT-1 INSTRUMENTS:
THE HDFC BANK CONTROVERSY**



INDEX

- 01 INTRODUCTION
- 02 THE CONTROVERSY
- 07 POTENTIAL REMEDIES
- 24 ACCESS TO JUSTICE
- 25 REFERENCES
- 35 ABOUT US
- 38 DISCLAIMER
- 39 ABOUT THE AUTHOR
- 40 CONTACT US

LAWYERS OF TOMORROW



CREDIT SUISSE AT-1 INSTRUMENTS: THE HDFC BANK CONTROVERSY

I. INTRODUCTION

1. Recently, some excellent journalistic work revealed a controversy involving Non-resident Indian Customers (“**NRI Customers**”) of HDFC Bank, in relation to the sale of Credit Suisse AT-1 bonds to them by HDFC.

2. It appears that the controversy, which is governed by English law, has already been litigated by some claimants in India, but is likely to finally be resolved before the Dubai International Financial Centre (“**DIFC**”) or a combination of the Bahrain International Commercial Court (“**BICC**”) and Singapore International Commercial Court (“**SICC**”).

3. For those who follow my work, know that I am an English Barrister who specialises in international dispute resolution. I have the right of audience before several courts including, DIFC, BICC, SICC, and all courts and tribunals in India. This makes the present controversy fall squarely within my expertise, and it encourages me to write this commentary.

4. The views expressed in this piece are not meant to be a legal opinion. I also don’t intend to take sides. All I propose to do is lay down the facts, as they are available in the public domain, and provide an overview of how this Indian international dispute may be resolved in the near future within the Asian international disputes corridor.

5. What I hope to convey through this endeavour is that this corridor provides exceptional forums like DIFC, BICC and SICC for



the Indian diaspora and multinationals to resolve their disputes predictably and efficiently.

II. THE CONTROVERSY

6. In March 2023, the complete write-down of the Credit Suisse AT-1 bonds by the Swiss Financial Market Supervisory Authority (“**FINMA**”) resulted in the erosion of approximately CHF 16 billion in investor value.¹

7. While this write-down has triggered global scrutiny of this decision, and invocation of investment arbitration by the bondholders,² the investor accounts and the media reports³ put HDFC Bank Limited (“**HDFC**”) at the centre of this controversy.

8. The Credit Suisse AT-1 bonds write-down in 2023 caused substantial losses to HDFC NRI Customers. HDFC is a renowned banking name in India and holds substantial fixed deposits from Indian middle-class and high-income customers. Some of these were NRIs, who, while residents out of India (in cities like Dubai, Manila, Colombo, Johannesburg), were maintaining Foreign Currency Non-Resident (“**FCNR**”) deposits with HDFC in India. The controversy came into sharper focus in 2025, when subsequent regulatory developments and public reportings drew renewed attention and scrutiny to the circumstances in which those instruments had been sold to these NRIs.

9. Since at least 2020, India has prohibited the sale of Credit Suisse AT-1 bonds to retail investors. However, NRIs, being residents outside India, can purchase these products from HDFC through other markets like the UAE or Bahrain.



10. NRI Customers allege that HDFC used its reach in the Middle East to convince them to convert their FCNR deposits in India into Credit Suisse AT-1 bonds, held through its branches in Dubai (including DIFC) or Bahrain. In some cases, HDFC also provided leverage to customers, enabling them to purchase more bonds than their FCNR deposits.

11. From the publicly reported investor accounts, there appear to be three categories of NRI Customers.⁴ Those:

- (a) who, while not onboarded by the HDFC DIFC branch, were provided financial services by the DIFC branch, but were formally onboarded in Bahrain only;
- (b) who were onboarded by the HDFC DIFC branch, but were wrongly classified for the purpose of onboarding by the DIFC branch; and
- (c) who were onboarded by the HDFC Bahrain branch, were provided financial services by the Dubai branch, but were wrongly classified for the purpose of onboarding by the Bahrain branch.

12. These NRI Customers have largely two types of claims against HDFC.

13. **First**, unlicensed activity by HDFC in dealing with NRI Customers in Dubai (including DIFC) or Bahrain.

14. This claim would include customers in all three categories at [11]. The core issue is whether HDFC was involved in selling, advising, or arranging AT-1 bonds through the Dubai (including DIFC) or Bahrain branch, though it was not permitted to service them either in Dubai or Bahrain.



15. The NRI Customers make two arguments:

- (a) **First**, AT-1 bonds could not have been sold to these NRI Customers as they did not meet the financial or expertise thresholds required to sell these instruments.⁵
- (b) **Second**, while the NRI Customers were required to fill up the relationship opening form and complete other formalities of KYC verification,⁶ they allege that they were either incorrectly classified as professional clients⁷ or were asked to sign a blank KYC form on which the bank later falsified their net worth to classify them as accredited or professional investors.⁸

16. There is at least some information or admissions in the public domain which may support these arguments.

- (a) HDFC has confirmed that it operates in West Asia through branches in Dubai, where the Bahrain customer engagement typically happens in Dubai, while transactions are booked in Bahrain.⁹
- (b) In September 2025, HDFC disclosed to the National Stock Exchange of India Limited and BSE Limited that its DIFC branch¹⁰ is prohibited by the Dubai Financial Services Authority (“**DFSA**”)¹¹ from conducting certain activities (“**DFSA September Notice**”).¹² The disclosure explains that the DFSA’s concerns were *inter alia* that the HDFC DIFC branch was carrying on financial services for customers who were not onboarded by the DIFC branch, and that there were issues with the onboarding of customers at the DIFC branch.¹³
- (c) HDFC has drawn up a Staff Accountability Report, which concludes that “a high number of regulatory breaches specific to dealing with non-onboarded customers in DIFC

had been identified for a considerable amount of time.”¹⁴

- (c) While acknowledging that they had identified certain gaps in client-onboarding requirements at its DIFC branch in the UAE,¹⁵ HDFC noted that their assessment was that it was a technical lapse in documentation and regulatory interpretation.¹⁶

17. **Second**, mis-selling: This includes customers in any of the categories at [11] above, who allege mis-selling of the AT-1 bonds.

18. NRI Customers with long-standing relationships with HDFC alleged that the bank took advantage of this faith to lure them into making investments.¹⁷

- (a) They allege that HDFC staff or relationship managers in Dubai (including the DIFC)¹⁸ and Bahrain branches persuaded the NRI Customers to shift FCNR deposits from India to Bahrain.¹⁹
- (b) They claim that despite asking their relationship managers to suggest low-risk investment products with fixed returns, commensurate to their conservative risk appetite, HDFC offered Credit Suisse AT-1 bonds and represented them as secure, safe, low-risk, super FDs, or capital-protected with fixed maturity and high returns²⁰ (including a promise of around 10 to 13% returns).²¹
- (c) They claim to have neither been provided with any brochure nor prospectus of the bonds by HDFC nor told that these were AT-1 bonds.²²
- (d) They further allege that they were also advised to take a loan for investments against a lien on their term deposits,²³ and have noted that they are continuing to make interest payments on the loans as on date.²⁴



- (e) When investors tried to exit from the investment as the investment value was down,²⁵ their HDFC relationship managers assured that the bonds were capital protected and there was no reason to worry about temporary price fluctuations,²⁶ and that the prices were rebounding.²⁷

19. There is at least some information or admissions in the public domain which may support the investors' grievance.

- (a) In March 2026, the media reports regarding the termination of employees²⁸ prompted an exchange of queries and a formal clarification by HDFC.²⁹
- (b) In that clarification, HDFC linked the employment action back to the DFSA September Notice and said that, based on the investigating officer's findings and the Disciplinary Committee's recommendations, the GNRC (Governance, Nomination and Remuneration Committee) pronounced staff-accountability actions, including the removal of the three employees from service.³⁰ The Times of India has noted that this action was pursuant to an internal probe into the alleged mis-selling of Credit Suisse AT-1 bonds to NRI clients at its UAE operations.³¹
- (c) While the copy of the DFSA's decision is not public,³² The Economic Times has reported that they have reviewed the copy of the order. They note that before issuing the order, DFSA drew upon HDFC's own ethics committee's findings, which acknowledged that the incorrect practices had been deliberate in nature, and that HDFC's compliance team had been aware of lapses regarding the mis-selling of AT-1 bonds since at least 2020.³³
- (d) In March 2026, HDFC's part-time Chairman, Mr. Atanu Chakraborty, resigned³⁴ and subsequently cited the AT-1

episode as one of the reasons for his resignation.³⁵ HDFC has maintained that there is no link between Mr. Chakraborty's departure and the bond mis-selling controversy).³⁶ They claim that in all cases, leverage was provided at the request of the clients, proper disclosures were made, and consents were obtained.³⁷

III. POTENTIAL REMEDIES

20. It is worth noting that three NRI Customers filed a complaint against HDFC in India with the National Consumer Disputes Redressal Commission ("NCDRC"). The Indian consumer court dismissed the case as outside the territorial jurisdiction of India, on account of the dispute resolution clause in the agreements with the customers.³⁸

21. While opening the account in Bahrain, the customers, *inter alia*, signed a Master Services Agreement ("MSA"). The MSA appears to be governed by English law, and the dispute resolution clause provides for parties to refer the disputes to the courts of Bahrain.³⁹ Additionally, the NCDRC Decision suggests a possibility of an arbitration agreement in related agreements signed with the MSA.⁴⁰ This contractual framework would include customers who interacted with the bank through its DIFC branch or other branches of HDFC, but were eventually onboarded in Bahrain for the AT-1 bonds transaction.

22. Besides this, certain clients were directly signed into DIFC. These customers are likely to have DIFC Courts as chosen courts for dispute resolution.⁴¹

23. Therefore, Bahrain and DIFC are the two potential jurisdictions to bring the claims.



A. Bahrain

[i] Jurisdiction

24. The MSA for customers onboarded in Bahrain (see [11(a)] and [11(c)] above) provides for disputes to be referred to the courts of Bahrain. Therefore, the proceedings against HDFC may be brought in Bahrain, and the courts in Bahrain have jurisdiction over the claims from customers onboarded in Bahrain.

25. In Bahrain, the most attractive forum for the customers would be the BICC.⁴² This is because the MSA is governed by English law, and the Indian customers and HDFC may prefer BICC, which acts as the first instance court, and comprises international jurists and legal experts including Sir Christopher Greenwood (former judge of the ICJ) and Sir Vivian Ramsey who are English qualified, and Justice Sanjay Kishan Kaul (former judge of the Supreme Court of India) and Dr. Pinky Anand who are Indian qualified.⁴³ Similarly, the appellate court of the BICC, *i.e.*, the SICC,⁴⁴ also comprises international judges⁴⁵, including Justice Lord Mance, Justice Lord Neuberger and Justice Sir Bernard Rix, who are former English Judges, and Justice Sikri, a former judge of the Supreme Court of India.

26. The BICC was established pursuant to Article 2 of the Agreement between the Kingdom of Bahrain and the Republic of Singapore on Appeals from the Bahrain International Commercial Court ("**BICC-SICC Treaty**"), to hear disputes relating to international commercial matters in Bahrain.

27. As per Article 3(1)(a) of the BICC-SICC Treaty, BICC's jurisdiction is based on two factors, *i.e.*, the dispute that is international and commercial in nature, and parties have



designated the courts of BICC or Bahrain under an exclusive choice of court agreement.

28. Under Article 10 of the BICC Law, the BICC's jurisdiction is fundamentally consent-based, as the parties must either expressly submit their dispute to the BICC or the defendant must subsequently accept its jurisdiction expressly or impliedly once the case is brought before it.⁴⁶

29. While the MSA does not expressly confer jurisdiction on the BICC, they refer the disputes to the courts of Bahrain. This choice of conferring jurisdiction over the courts of Bahrain under a choice of court agreement would mean the BICC, since the dispute is of an international commercial nature.

30. The existing jurisprudence in the DIFC supports this interpretation, where references to the "courts of Dubai" in dispute resolution clauses have been interpreted as including the DIFC Courts.⁴⁷

[ii] Potential interim reliefs, case management, and procedural reliefs

31. The investors may apply to the BICC for interim reliefs seeking against the debit and demand of interest (and penal interest, if levied) on the leveraged loan during the currency of the proceedings.

32. As per Article 19 of the BICC Law, *r/w* Article 32(1) of the BICC Procedural Rules, the Deputy Member of the Dispute Resolution Tribunal may issue any necessary orders or decisions in a matter requiring urgent intervention. Further, as per Article 32(3) of the BICC Procedural Rules, the Deputed Judge must refer all pending



matters before them to the Dispute Resolution Tribunal once constituted, or as soon as the exceptional circumstances contemplated by Article 32(1) no longer apply, at which point the Dispute Resolution Tribunal will assume all the powers of the Deputed Judge.

33. Additionally, Article 8 may be invoked to request pre-action disclosure. In terms of Article 8 of BICC Procedural Rules,⁴⁸ in the absence of any express provision in the Rules or in any applicable law relating to a substantive or procedural matter, BICC is empowered to consider the same if the same would be just, expeditious, and economical to dispose of the proceedings.

34. The disclosure may be sought in two principal categories:

- (a) Documents relating to the alleged incorrect classification:
This category can include KYC records, account-opening materials, sanction letters, suitability or profiling documents, internal investigation regarding the investor profile, and related internal records that the HDFC would maintain. The absence of such documents may itself be relevant in assessing whether HDFC undertook the classification exercise as per the requisite standards.
- (b) The investors may, in the same vein, request for DFSA findings and the internal staff accountability reports discussed at [16] above.
- (c) Documents relating to alleged mis-selling of AT-1 bonds:
This category can include emails, WhatsApp messages, call records, investment proposals, prospectuses, brochures, risk disclosures and other contemporaneous communication between HDFC and the investor. Since the dispute regarding this claim is likely to involve questions of what was

represented or disclosed to the investors at the time of investments, such disclosure may be especially useful in avoiding competing factual narratives and in identifying the documentary record at an early stage.

- (d) The investors may, in the same vein, request for the recommendations by the Disciplinary Committee, findings of the internal investigations, the internal ethics committee's findings, and the staff accountability reports (see [19] above).

35. Similarly, as BICC Procedural Rules do not have any provision for a Group Litigation Order ("**GLO**") or a representative action, Article 8 may be invoked by the customers to allow an opt-out class action. How the court would design is still to be seen, but the consideration would remain to develop a process which is just, expeditious, and economical to the customers and HDFC.

[iii] Merits

36. HDFC is licensed by the Central Bank of Bahrain ("**CBB**") in Bahrain. HDFC is recorded on the CBB register as a conventional bank licensee (wholesale branch).⁴⁹ Accordingly, HDFC's conduct would also fall to be assessed under Bahrain's regulatory framework.

37. The relevant regulator in Bahrain is the CBB, established under the Central Bank of Bahrain and Financial Institutions Law.⁵⁰ The CBB licenses and supervises regulated financial services in Bahrain and issues the regulations governing banks and other financial institutions operating in Bahrain. These regulations are contained in the CBB Rulebook, divided by sector and licence category.⁵¹

38. CBB Rulebook defines regulated banking services as including, providing credit,⁵² dealing in financial instruments as an agent,⁵³



managing financial instruments,⁵⁴ arranging deals in financial instruments,⁵⁵ and advising on financial instruments.⁵⁶ Given that HDFC is licensed as a conventional wholesale bank licensee in Bahrain and is providing regulated financial services, the applicable volume of the Rulebook is Volume 1 (Conventional Banks), which contains the provisions on, *inter alia*, business conduct, customer classification, complaints, and enforcement.⁵⁷

39. Module BC-8 of Volume 1 contains business conduct standards for investment business activities applicable to licensees.⁵⁸ These standards apply in the case of overseas banks operating in Bahrain through a branch presence, to the business and customers of the branch.⁵⁹ Accordingly, HDFC, being a conventional wholesale bank licensee operating in Bahrain through a branch, is required to adhere to the business conduct standards set out in Module BC-8.

40. Volume 1 also regulates customer classification⁶⁰ and draws a distinction between accredited and retail customers.⁶¹ A customer would be classified as accredited if the customer is holding financial assets of USD 1 million or more.⁶² A customer who does not meet that standard is categorised as a retail customer.⁶³ It is worth noting that a conventional bank licensee has an obligation to take reasonable steps to obtain sufficient information for proper customer classification.⁶⁴ Additionally, the conventional bank licensee is obligated to notify the customer that he is being classified as an accredited investor and provide a written warning that he will not benefit from the specific protections afforded to retail investors.⁶⁵

41. HDFC Bahrain's website notes that it arranges investment products solely for the accredited investors.⁶⁶ However, NRI



Customers claim they were retail investors and not accredited investors. If the investors were in fact misclassified and were not notified of that classification, customers may allege that HDFC's failure to properly classify and notify them constitutes a breach of these obligations. Moreover, servicing them in Bahrain would in fact be an unlicensed activity.

42. The distinction between retail and accredited customers is of significance, as the obligations on the conventional bank licensee when dealing with retail customers are comparatively stringent and include regulations in relation to promotional material and suitability.⁶⁷

43. If the obligations at [40] to [42] and [46] are breached by HDFC, Module BC-9 of Volume 1 provides a complaint route to customers.⁶⁸ A customer may first complain internally to the bank for resolution⁶⁹ and, if the response remains unsatisfactory, refer the matter to the Consumer Protection Unit at the CBB.⁷⁰ Further, Module EN of Volume 1 enables the CBB to investigate and, where appropriate, take supervisory or enforcement action against a licensee.⁷¹

44. While there is no direct private right of action available to the customers against breach of these regulations, a claim may be made against HDFC for contractual breaches and negligence, depending on the terms of the relevant customer agreement, including the MSA.

45. **With regard to contractual claims**, if the agreements between the customers and HDFC require HDFC to act in accordance with applicable law and/or to exercise reasonable skill and care in providing the relevant services,⁷² conduct amounting to a regulatory breach may also be relied upon as part of a contractual



claim.

46. In fact, HDFC remains subject to overarching obligations including (i) acting with due skill, care and diligence,⁷³ (ii) acting fairly and reasonably,⁷⁴ (iii) identifying the customer's specific requirements and providing sufficient information to enable informed decision-making,⁷⁵ and (iv) disclosing adequate information about risks underlying the financial instrument that are not readily apparent.⁷⁶ This may invoke the principles of agency under English law and their breaches by HDFC.

47. **With regard to tort claims**, if investors in the Credit Suisse AT-1 bonds were indeed mis-classified, they may be able to make a claim for negligence under tort. However, proving such a claim may not be straightforward.

- (a) **First**, the governing law of the tort may be a complicated question. That said, while the governing law for the tort of negligence would remain an interesting question to assess, DIFC (where the customer interactions took place) and India (from where the FCNR deposits were moved to Bahrain) both would be useful applicable laws to deploy such a claim.
- (b) **Second**, the investor may need disclosure of internal records before the position can be properly assessed. The key internal documents are likely to be the bank's onboarding, classification, KYC, and suitability records.
- (c) **Third**, for NRIs with a DIFC nexus, the assessment of knowledge and experience includes consideration of prior participation in relevant markets, the frequency and nature of past dealings, and experience of similar transactions and risks.⁷⁷ If, therefore, an investor had previously invested in an AT-1 bond or entered into similar transactions, it may be HDFC's answer to any allegation of wrong classification.



[iv] Damages

48. With respect to potential remedies for contractual breaches, they may fall to be assessed under English law principles of contractual damages.

49. If the customers are able to establish that, had HDFC complied with its obligations identified at [40] to [42] and [46] and made proper disclosure and risk information, they would not have entered into the investments or the associated lending used to fund or leverage them, the damages claim may extend to the loss on the investments together with consequential fees charged by HDFC and interest paid on the related loan amounts.

50. Additionally, the investors may have remedies in exemplary damages under English law, provided the requisite high thresholds are met.⁷⁸

51. For tortious breaches, damages would depend on the governing law for the tort of negligence, but establishing the same chain of causation of the contractual claims may yield a similar result.

B. DIFC

[i] Jurisdiction

52. Under DIFC law, DIFC Courts have exclusive jurisdiction over civil or commercial claims and applications by or against DIFC Establishments.⁷⁹ A DIFC Establishment includes an entity or business licensed, registered, authorised, or recognised by the DFSA to carry on Financial Services.⁸⁰ HDFC is recorded on the DFSA public register as a “Non-DIFC Company”, and it carries on



regulated business in the DIFC through its DFSA-authorized branch.⁸¹ Therefore, the relevant legal entity in the DIFC remains the HDFC Bank Limited itself.

53. The DIFC Courts have clarified that this means that they would have jurisdiction not just over the branch of a bank within DIFC, but also the main entity whose branch has been licensed by the DFSA.⁸² Thus, the jurisdiction of the DIFC Courts would extend to HDFC and its “*various branches, wherever located.*”⁸³

54. The customers identified at [11(a)] or [11(b)] may therefore be able to bring claims before the DIFC Courts against HDFC for regulatory violations under the DIFC law and tort for negligence. Customers at [11(b)] may also bring claims for contractual breaches under the client agreement with the DIFC branch,⁸⁴ if such an agreement was entered into. However, customers at [11(a)] may be able to raise contractual claims, subject to there being no exclusive choice of Bahrain Court in the MSAs or arbitration clause between the customers and HDFC.

55. Customers identified at [11(c)], may also bring claims before the DIFC Courts, subject to there being no exclusive choice of Bahrain Court in the MSAs or arbitration clause between the customers and HDFC.

56. HDFC may invoke the principle of *forum non conveniens* and attempt to show that the courts of another jurisdiction may be the more appropriate forum for dispute resolution.⁸⁵ How the DIFC Court will consider this objection when the alternate option may be BICC remains to be seen. But the fact that the NRI Customers invariably interacted with HDFC Dubai (including DIFC) branches for the trade may be a significant factor.



[ii] Collective case management

57. One practical concern for investors may be the cost of pursuing a claim against a large bank. In that context, collective case management may offer one possible route in the DIFC. The DIFC Rules of Court allow both a GLO and representative actions as case management mechanisms.⁸⁶

58. The essential distinction lies in their procedural threshold requirements. A representative action may be brought where more than one person has the 'same interest' in the claim, and one or more persons may sue as representatives of the others. That is an opt-out style mechanism, because the action is brought on behalf of a wider class without each person necessarily having to join at the outset. Although enforcement against a non-party still requires the court's permission, and unless the court otherwise directs, any judgment or order is binding on all persons represented.⁸⁷

59. In a representative action, the 'same interest' requirement is a statutory requirement that cannot be abrogated.⁸⁸ This requirement is to be interpreted purposively, as its function is to ensure that the representative can fairly and effectively protect the interests of the class, and the real obstacle is a true conflict within the group.⁸⁹ The reason why the represented parties need to have the same interest in a claim as the representative claimant is because the represented parties are bound by the result of the representative action.⁹⁰ That said, where different issues arise for different groups, but there is no true conflict, the procedural difficulty may be met by bringing two or more representative claims and combining them in the same action.⁹¹

60. Critically, where a defence applies to some but not others,



representative action may not be appropriate.⁹² If the Court determines that it has to resolve investor-specific questions at the outset, or if HDFC will need to have different defences, the “same interest” requirement may become difficult to satisfy.

61. In that event, a GLO may be the more suitable mechanism. A GLO is used where a number of claims give rise to common or related issues of fact or law. A GLO is an opt-in mechanism (*i.e.*, each investor must take an active step to join the litigation, and does not become part of the group automatically). A GLO application must identify the GLO issues and any smaller groups within the wider cohort. A GLO requires the Chief Justice’s consent and does not entitle claimants to invoke this case management mechanism as a right.⁹³

62. A GLO can be structured around common or related issues while accommodating smaller sub-groups, test claims, questionnaires, and separate trials of common and individual issues. For instance, the common or related issues (applicable to the full group or sub-groups) may include (i) whether HDFC’s classification procedures complied with the applicable DFSA or CBB (Central Bank of Bahrain) requirements, (ii) the proper construction of each different MSA, (iii) whether HDFC acted outside the scope of its DFSA permissions contrary to Article 42(4) of the DIFC Regulatory Law 2004, (iv) the legal principles governing remedies under Article 94 of the DIFC Regulatory Law 2004 and Article 40 of Law of Damages and Remedies 2005 if HDFC is found to have breached DIFC Regulatory Law 2004 (explained below).

63. Additionally, where issues require fact-specific assessment, they can best be tackled by taking test cases representing various parts of the spectrum, with findings providing guidance (though



not strict precedent) for the disposition of other cases.⁹⁴

64. The English Court's decision⁹⁵ offers a useful parallel where the case involved mis-selling and the court accepted that a GLO could be appropriate with common issues involving regulatory breaches, and where individual issues remained, because a substantial common core, the likelihood of additional claimants, and the efficiencies of group-wide determinations justified collective case management. Similarly, the court may grant a GLO even if there is one common issue to be determined.⁹⁶

[iii] Interim reliefs and pre-action disclosures

65. The investors may apply to the DIFC Court for interim reliefs, for example, against the debit and demand of interest (and penal interest, if levied) on the leveraged loan during the currency of the proceedings.

66. Under DIFC law, the applicant must satisfy the Court as to the three threshold requirements, *i.e.*, there is a serious issue to be tried on the merits, the balance of convenience is in favour of the grant of an injunction, and it is just and convenient to grant the injunction.⁹⁷ The DIFC Courts also treat adequacy of damages and the adequacy of the applicant's cross-undertaking as central to that exercise.⁹⁸

67. Additionally, apart from maintaining their own records, to obtain further information as may be available with the bank, the investors may apply for pre-action disclosures to the DIFC Courts.⁹⁹

[iv] Merits

68. Besides the contractual claims that may arise under MSA, NRI Customers may have significant statutory claims in the DIFC.



69. If any part of the arrangement or the Credit Suisse AT-1 bonds' sales process was carried on in or from the DIFC, including discussions with HDFC DIFC's branch's representative, then the conduct falls to be judged by the applicable DIFC laws and rules. The relevant regulator in the DIFC is the DFSA.¹⁰⁰ The principal law and rules governing financial services carried on in or from the DIFC are found in the DIFC Regulatory Law 2004, DFSA General Model Rulebook ("**GEN Rulebook**"), and DFSA Conduct of Business Modules Rules ("**COB Rules**").¹⁰¹

70. **With regards to the unlicensed activity**, the DFSA laws and regulations contain important safeguards to be followed by banks carrying on financial services¹⁰² in or from the DIFC.¹⁰³

- (a) In the DIFC, before carrying on a financial service with or for a person, a bank must classify that person.¹⁰⁴ That classification determines both the applicable level of regulatory protection and the bank's obligations. It also determines which DFSA rules are engaged.¹⁰⁵
- (b) The DFSA follows a risk-based approach. A client must be classified as a "retail client",¹⁰⁶ "professional client", or "market counterparty".¹⁰⁷ Professional client status may arise through three routes: deemed, service-based, or assessed professional client status.¹⁰⁸
- (c) In the case of an individual assessed as a professional client, it is not sufficient merely to show net assets of at least USD 1 million. The individual must also satisfy the DFSA's knowledge and experience requirements.¹⁰⁹
- (d) The COB Rules contain detailed provisions dealing specifically with the assessment of net assets and the assessment of knowledge and experience by the bank.¹¹⁰



- (e) The classification exercise is therefore intended to be a structured one, and not a box-ticking exercise based on wealth alone.
- (f) Additionally, DFSA rules state that for a bank to deal with a retail client, it must have an endorsement on its license for the same.¹¹¹ HDFC DIFC branch does not have such an endorsement. Rather, its client agreement itself notes that it is authorised to deal only with professional clients.¹¹²
- (g) A further point of consideration that may arise under the DFSA's suitability framework is the DFSA rules, which prohibit HDFC from recommending a financial product¹¹³ unless there is a reasonable basis to consider that the recommendation is suitable for the particular client.¹¹⁴ That assessment must take into account the client's needs and objectives, financial situation and, where relevant, the client's risk tolerance, knowledge, experience and understanding of the risks involved.¹¹⁵
- (h) Lastly, if the HDFC DIFC branch was arranging deals in investments or advising on financial products for retail clients, it would be acting outside the scope of its license in breach of Article 42(4) of the DIFC Regulatory Law 2004.¹¹⁶

71. If retail investors were wrongly serviced through the DIFC branch, they may be able to make a claim under the aforesaid DFSA framework. The DIFC framework provides a direct civil route where a person intentionally, recklessly or negligently breaches duties imposed by the DFSA regime or commits a fraud or dishonest conduct in connection with a matter arising under such DFSA laws, rules, and regulations.¹¹⁷

72. However, proving such a claim may not be straightforward. The key documents are likely to be the bank's onboarding,



classification, KYC, and suitability records. An investor may therefore need disclosure of those internal records before the position can be properly assessed (see [67] above). Further, the assessment of knowledge and experience includes consideration of prior participation in relevant markets, the frequency and nature of past dealings, and experience of similar transactions and risks.¹¹⁸ If, therefore, a customer had previously invested in an AT-1 bond or entered into similar transactions, it may be HDFC's answer to any allegation of wrong classification.

73. **With regards to mis-selling**, if the Credit Suisse AT-1 bonds were presented as suitable or relatively safe income products, or even as "super FDs", without a fair and balanced explanation of their true nature and risks, it may provide a basis for a claim.

74. The DFSA framework requires a bank to take reasonable steps to ensure that any communication relating to a financial product or financial service is clear, fair and not misleading.¹¹⁹ This also applies to marketing material and inducement-type communications.¹²⁰ If, therefore, the product was introduced by HDFC, including to correctly classified professional clients, in deposit-like or low-risk terms without a fair explanation of the risks of leverage, write-down and loss, that may give rise to a potential claim for breach of the relevant DFSA laws and regulations.

75. At the same time, NRI Customers should approach this issue with care. Much will depend on the actual documentation and communications in the individual case. It is possible that the relevant agreements (including the MSA), sanction letters, prospectuses or other materials contained sufficient risks or warnings or broader disclosure language. The existence of such material, if provided to the NRI Customers by HDFC, may



materially affect any allegation that the communication was misleading or incomplete. The real question is likely to be whether the disclosures, taken as a whole, were fair, balanced and properly brought to the investor's attention at the time of the investment decision.

[v] Damages

76. Article 94 of the DIFC Regulatory Law 2004 provides that a person who intentionally, recklessly or negligently breaches duties imposed by the DFSA is liable to compensate the affected person for the loss or damage caused and otherwise to restore that person to the position they were in before the conduct occurred. If liability is established, the investors may be able to recover compensation for their entire loss, including the transaction fees and interest that they paid on the leveraged loan.

77. Another potential remedy is Article 40(2) of the Law of Damages and Remedies 2005. Under this provision, if it is established that the conduct producing the actual damages was deliberate and particularly egregious or offensive, the investors can claim up to three times the actual damages suffered. Interestingly, based on this provision, the DIFC Court, in a similar factual scenario case of *Al-Khorafi*,¹²¹ awarded the investors twice the losses that they sustained.

78. An investor may also seek relief under Article 65 of the DIFC Regulatory Law 2004. It provides that an agreement made in breach of the DIFC regulatory framework may not be enforceable by the party in breach, and the affected investor may seek recovery of money paid or property transferred under it, together with compensation for the loss directly resulting from it.



IV. ACCESS TO JUSTICE

79. While the NRI Customers may want to recover the sums lost and explore avenues, the litigation may prove to be expensive, leaving them with no recourse. However, there may be certain tools enabling access to justice. For instance, DIFC has a separate Pro Bono Programme which provides access to justice for those who are financially in need and who have legal issues that fall within the DIFC Courts' jurisdiction.¹²² The Programme offers services, including full case management and representation in court proceedings.¹²³

80. Another option is to explore litigation funding. Litigation funding can materially improve access to justice. In broad terms, third-party litigation funding involves a professional funder agreeing to finance all or part of the costs of investigating and pursuing a claim (including legal fees, court or tribunal fees, expert fees, document management expenses and hearing-related costs) in return for an agreed share of any recovery if the case succeeds. If the case does not succeed, the funder will bear the loss of the capital it has deployed, and the funded claimant will not be required to repay that sum to the funder. However, it is important to note that funding is not extended merely because the underlying loss is substantial or serious. A litigation funder makes an investment decision and will ordinarily finance only those claims that appear legally arguable, well-documented, commercially proportionate and realistically enforceable. In the present mis-selling context, the documentary record would therefore be of central importance.¹²⁴

81. Our profile on litigation funding (available [here](#)) explains the process and our experience.

Prateek Bagaria
Partner, Singularity Legal



References:

- ¹ FINMA, "FINMA approves merger of UBS and Credit Suisse", 19 March 2023, accessible [here](#). Also, see FINMA, "FINMA provides information about the basis for writing down AT-1 capital instruments", 23 March 2026, accessible [here](#), which provides the list of affected AT-1 instruments.
- ² Global Arbitration Review, "Switzerland hit with first treaty claim over Credit Suisse", 4 December 2025, accessible [here](#)
- ³ see Economic Times, "HDFC Bank faces regulatory scrutiny over alleged mis-selling of Credit Suisse bonds in UAE", 29 May 2025, accessible [here](#); Times of India, "HDFC sacks employees for AT1 bond mis-selling", 21 March 2026, accessible [here](#)
- ⁴ NDTV Profit, "The Curious Case Of Alleged AT-1 Bonds Misselling By HDFC Bank", 25 May 2023, accessible [here](#); Khaleej Times, "UAE: India's HDFC Bank under review for allegedly selling risky bonds to some clients", 27 June 2025, accessible [here](#) NDTV Profit, "HDFC Bank faces EOW Complaints on misuse of NRI Fixed Deposits", 14 July 2025, accessible [here](#). Khaleej Times has confirmed that it has reviewed the documents and confirmed the alleged discrepancy (see [here](#))
- ⁵ Khaleej Times, "UAE: India's HDFC Bank under review for allegedly selling risky bonds to some clients", 27 June 2025, accessible [here](#)
- ⁶ [3], *Pankaj Sinha v. HDFC Bank* (NC/CC/55/2024) dated 24 March 2026 ("NCDRC Decision")
- ⁷ Bloomberg, "Credit Suisse AT1 Bond Fallout Hits India's Most Valuable Bank", 29 June 2024, accessible [here](#); Khaleej Times, "UAE: India's HDFC Bank under review for allegedly selling risky bonds to some clients", 27 June 2025, accessible [here](#); Khaleej Times, "UAE: India's HDFC Bank officials summoned after alleged sale of risky bonds to some clients", 12 July 2025, accessible [here](#); Khaleej Times, "Dubai authority bars HDFC Bank's DIFC branch from taking new clients", 27 September 2025, accessible [here](#)
- ⁸ Khaleej Times, "UAE: India's HDFC Bank under review for allegedly selling risky bonds to some clients", 27 June 2025, accessible [here](#)



References:

⁹ Mint, "HDFC ex-chair suggests sale of Credit Suisse perpetual bonds drove rift with bank", 30 March 2026, accessible [here](#)

¹⁰ Financial services provided by HDFC DIFC branch as per its license, available [here](#)

¹¹ DFSA is the independent regulator of financial services conducted in or from DIFC (see [here](#))

¹² HDFC's letter to BSE Limited and National Stock Exchange of India Limited dated 26 September 2025, accessible [here](#). The disclosure states that the DIFC branch is prohibited from (a) soliciting or conducting any business with new clients who had not completed onboarding prior to the DFSA September Notice in relation to advising on financial products, arranging deals in investments, arranging or advising on credit, arranging custody, and (b) soliciting, onboarding or engaging in any financial promotions with any new client

¹³ HDFC's letter to BSE Limited and National Stock Exchange of India Limited dated 26 September 2025, accessible [here](#). The letter notes that the DFSA's investigation is ongoing.

¹⁴ Economic Times, "Dubai regulator probe found HDFC's DIFC branch kept quiet for 5 years, failed to meet integrity standards", 3 April 2026, accessible [here](#)

¹⁵ The Indian Express, "HDFC Bank cracks down on executives in Credit Suisse AT-1 bonds mis-selling case", 21 March 2026, accessible [here](#)

¹⁶ Mint, "HDFC ex-chair suggests sale of Credit Suisse perpetual bonds drove rift with bank", 30 March 2026, accessible [here](#)

¹⁷ [2], NCDRC Decision

¹⁸ Khaleej Times, "UAE: India's HDFC Bank under review for allegedly selling risky bonds to some clients", 27 June 2025, accessible [here](#); Economic Times, "HDFC Bank faces regulatory scrutiny over alleged mis-selling of Credit Suisse bonds in UAE", 29 May 2025, accessible [here](#)



References:

¹⁹ Times of India, "HDFC sacks employees for AT1 bond mis-selling", 21 March 2026, accessible [here](#); [2] and [3], NCDRC Decision; Economic Times, "HDFC Bank faces regulatory scrutiny over alleged mis-selling of Credit Suisse bonds in UAE", 29 May 2025, accessible [here](#); Economic Times, "Dubai regulator probe found HDFC's DIFC branch kept quiet for 5 years, failed to meet integrity standards", 3 April 2026, accessible [here](#). The complaints allege that deposits worth roughly INR 25-30 crore had been misused through HDFC's Middle East operations to fund Credit Suisse AT-1 positions (see [here](#))

²⁰ [38] and [56], NCDRC Decision; NDTV Profit, "The Curious Case Of Alleged AT-1 Bonds Misselling By HDFC Bank", 25 May 2023, accessible [here](#); Bloomberg, "Credit Suisse AT1 Bond Fallout Hits India's Most Valuable Bank", 29 June 2024, accessible [here](#); Khaleej Times, "UAE: India's HDFC Bank under review for allegedly selling risky bonds to some clients", 27 June 2025, accessible [here](#); Economic Times, "Dubai regulator probe found HDFC's DIFC branch kept quiet for 5 years, failed to meet integrity standards", 3 April 2026, accessible [here](#); NDTV Profit, "HDFC Bank faces EOW Complaints on misuse of NRI Fixed Deposits", 14 July 2025, accessible [here](#)

²¹ NDTV Profit, "HDFC Bank faces EOW Complaints on misuse of NRI Fixed Deposits", 14 July 2025, accessible [here](#); The Indian Express, "HDFC Bank fires three senior executives over alleged mis-selling of Credit Suisse's AT1 bonds", 20 March 2026, accessible [here](#)

²² [18], NCDRC Decision; NDTV Profit, "The Curious Case Of Alleged AT-1 Bonds Misselling By HDFC Bank", 25 May 2023, accessible [here](#); Bloomberg, "Credit Suisse AT1 Bond Fallout Hits India's Most Valuable Bank", 29 June 2024, accessible [here](#)

²³ [5], NCDRC Decision; Bloomberg, "Credit Suisse AT1 Bond Fallout Hits India's Most Valuable Bank", 29 June 2024, accessible [here](#); Khaleej Times, "UAE: India's HDFC Bank under review for allegedly selling risky bonds to some clients", 27 June 2025, accessible [here](#)

²⁴ [23], NCDRC Decision



References:

- ²⁵ [62], NCDRC Decision
- ²⁶ NDTV Profit, "The Curious Case Of Alleged AT-1 Bonds Misselling By HDFC Bank", 25 May 2023, accessible [here](#); Khaleej Times, "UAE: India's HDFC Bank under review for allegedly selling risky bonds to some clients", 27 June 2025, accessible [here](#)
- ²⁷ Khaleej Times, "UAE: India's HDFC Bank under review for allegedly selling risky bonds to some clients", 27 June 2025, accessible [here](#). The investors were also called upon multiple times to put up additional funds against his investments, in the form of margin calls (see [here](#))
- ²⁸ The Hindu, "HDFC Bank fires three staff after chairman exit over ethical concerns", 21 March 2026, accessible [here](#)
- ²⁹ Rediff, "HDFC Bank Ltd - Clarification sought from HDFC Bank Ltd", accessible [here](#)
- ³⁰ HDFC's letter to BSE Limited and the National Stock Exchange of India Limited dated 23 March 2026, accessible [here](#) and [here](#) respectively
- ³¹ Times of India, "HDFC sacks employees for AT1 bond mis-selling", 21 March 2026, accessible [here](#)
- ³² The Decision Notice is not published on the DFSA website (see [here](#))
- ³³ Economic Times, "Dubai regulator probe found HDFC's DIFC branch kept quiet for 5 years, failed to meet integrity standards", 3 April 2026, accessible [here](#)
- ³⁴ HDFC's letter to BSE Limited and National Stock Exchange of India Limited dated 18 March 2026, accessible [here](#). Mr. Chakraborty noted the basis of his resignation as "[c]ertain happenings and practices within the bank, that I have observed over last two years, are not in congruence with my personal Values and Ethics."
- ³⁵ Economic Times, "Dubai regulator probe found HDFC's DIFC branch kept quiet for 5 years, failed to meet integrity standards", 3 April 2026, accessible [here](#)



References:

³⁶ Economic Times, “Dubai regulator probe found HDFC’s DIFC branch kept quiet for 5 years, failed to meet integrity standards”, 3 April 2026, accessible [here](#)

³⁷ Bloomberg, “Credit Suisse AT1 Bond Fallout Hits India’s Most Valuable Bank”, 29 June 2024, accessible [here](#); Khaleej Times, “UAE: India’s HDFC Bank under review for allegedly selling risky bonds to some clients”, 27 June 2025, accessible [here](#)

³⁸ [89], NCDRC Decision

³⁹ [44], NCDRC Decision

⁴⁰ [45], NCDRC Decision

⁴¹ [31.1], [HDFC DIFC Client Agreement](#)

⁴² Legislative Decree No. 9 of 2024 with respect to Bahrain International Commercial Court (“BICC Law”)

⁴³ [Leadership and Governance, BICC](#)

⁴⁴ Agreement between the Government of the Kingdom of Bahrain and the Government of the Republic of Singapore on Appeals from the Bahrain International Commercial Court. Article 17 of the BICC Law r/w Article 5 of the BICC-SICC Treaty provides for the appeal to a designated body of judges from Singapore International Commercial Court.

⁴⁵ [Judges, SICC](#)

⁴⁶ Article 10, BICC Law

⁴⁷ [89] & [91], (1) *Ashok Kumar Goel* (2) *Sudhir Goyel* (3) *Manan Goel* (4) *Prerit Goel v Credit Suisse (Switzerland) Limited* [2021] DIFC CA 002; [49] & [52(2)], *Valentyna Plewka Kolesnik v Emirates NBD Bank* [2024] DIFC SCT 242 (31 October 2024), [40]-[89] *Emirates NBD Bank PJSC v (1) Rashed Abulaziz Almkhawi* (2) *Abdulaziz Rashed Abdulaziz Mohammed Almkhawi* (3) *Hessa Rashed Abulaziz Almkhawi* (4) *Shamma Rashed Abulaziz Almkhawi* [2025] DIFC CFI 039 (10 April 2026).

⁴⁸ Bahrain International Commercial Court Procedural Rules (Issued by the Court Counsel on 2 February 2026)



References:

⁴⁹ CBB Register; As per CBB Register (permitted activities for licenses), HDFC is authorised in Bahrain to carry on activities relating to (i) Deposit taking, (ii) Lending, (iii) Raising of funds from banks/financial institutions/corporates and public, (iv) Distribution of third party financial products like mutual funds and insurance etc., (v) Letters of credit and guarantees, (vi) Investments, and (vii) Forex trading.

⁵⁰ Article 2, Decree No. 64 of 2006 with respect to promulgating the Central Bank of Bahrain and Financial Institutions Law ("CBB Law")

⁵¹ Article 39, CBB Law; CBB has categorized regulations applicable to different areas of financial services activities into 7 Volumes. The CBB Rulebook can be accessed here.

⁵² Regulation LR-1.3.18 (Volume 1)

⁵³ Regulation LR-1.3.22 (Volume 1)

⁵⁴ Regulation LR-1.3.27 (Volume 1)

⁵⁵ Regulation LR-1.3.40 (Volume 1)

⁵⁶ Regulation LR-1.3.1(Volume 1)

⁵⁷ Volume 1 of the Rulebook applicable on Conventional Banks can be accessed here

⁵⁸ Module BC-8, Investment Business Activities (Volume 1)

⁵⁹ Regulation BC-8.1.4 (Volume 1)

⁶⁰ Regulation BC-8.4, Customer Classification (Volume 1)

⁶¹ Regulation BC-8.4.3 (Volume 1)

⁶² Regulation BC-8.4.6 (Volume 1)

⁶³ Regulation BC-8.4.10 (Volume 1). As per Regulation BC-8.4.9 (Volume 1), a retail customer may voluntarily elect to be treated as an accredited investor provided the retail customer satisfies the prescribed criteria. In this instance, the conventional bank licensee must obtain a signed declaration to that affect prior to any provision of regulated banking services.

⁶⁴ Regulation BC-8.4.3 (Volume 1)

⁶⁵ Regulation BC-8.4.7 (Volume 1)



References:

⁶⁶ [Bonds, Investments, HDFC Bahrain Bank](#)

⁶⁷ For instance, some of the obligations on the licensee while dealing with retail customers includes (i) guidance and warning on risks involved when dealing with financial instruments subject to high volatility in normal conditions, and (ii) duty to periodically assess the suitability of the customers' investments and advise the customer if those investments are no longer suitable [Regulation BC-8.7.5 (Volume 1)].

⁶⁸ Module BC-9 (Volume 1)

⁶⁹ Regulation BC-9.3 (Principles for effective handling of complaints) (Volume 1)

⁷⁰ Regulation BC-9.5.6 (Volume 1); Customers may file a complaint with the Consumer Protection Unit of the CBB [here](#); CBB's official complaints procedure can be accessed [here](#).

⁷¹ Module EN (Volume 1)

⁷² If the relevant customer agreements do not expressly obligate HDFC to exercise reasonable skill and care, the legal basis for implying such a term into the contract would need to be assessed further.

⁷³ Regulation BC-8.3.1 (a) (Volume 1)

⁷⁴ Regulation BC-8.3.1 (b) (Volume 1)

⁷⁵ Regulation BC-8.3.1 (c) (Volume 1)

⁷⁶ Regulation BC-8.8.4 (Volume 1)

⁷⁷ Definition of accredited investor (Glossary, Part B, Volume 1)

⁷⁸ Additionally, courts may grant exemplary damages where investors allege and prove tortious breaches, including negligence and misrepresentation, against HDFC.

⁷⁹ Article 14, Law No. 2 of 2025

⁸⁰ Article 2, Law No. 2 of 2025 r/w DFSA's public register of firms (see [here](#))

References:

⁸¹ As per the [DFSA register](#), HDFC is authorised in the DIFC to carry on four activities namely, (i) Arranging Deals in Investments, (ii) Advising on Financial Products, (iii) Arranging Custody, and (iv) Arranging Credit & Advising on Credit.

⁸² [57] – [61], *Corinth Pipeworks SA v Barclays Bank Plc* [2011] DIFC CA 002 (22 January 2011)

⁸³ [66], *Corinth Pipeworks SA v Barclays Bank Plc* [2011] DIFC CA 002 (22 January 2011)

⁸⁴ [HDFC DIFC Client Agreement](#)

⁸⁵ [67], *Corinth Pipeworks SA v Barclays Bank Plc* [2011] DIFC CA 002 (22 January 2011)

⁸⁶ Rules 20.35 and 20.72, Rules of DIFC Courts

⁸⁷ Rules 20.38, Rules of DIFC Courts

⁸⁸ [51], *Jalla v Shell International Trading and Shipping Co Ltd* [2021] EWCA Civ 1389

⁸⁹ [71], *Lloyd v. Google LLC*, [2021] UKSC 50

⁹⁰ [51], *Jalla v Shell International Trading and Shipping Co Ltd* [2021] EWCA Civ 1389

⁹¹ [74], *Lloyd v. Google LLC*, [2021] UKSC 50

⁹² [62] – [65], *Emerald Supplies Ltd v British Airways Plc* [2010] EWCA Civ 1284; [46], *Jalla v Shell* [2021] EWCA Civ 1389

⁹³ Rule 20.75, Rules of DIFC Courts

⁹⁴ [34], *Tew v BoS (Shared Appreciation Mortgages) No.1 Plc*, [2010] EWHC 203 (Ch)

⁹⁵ *Mohammed Arif and Others v Berkeley Burke SIPP Administration Limited*, [2017] EWHC 3108 (Comm)

⁹⁶ [34] – [37], *Tew v BoS (Shared Appreciation Mortgages) No.1 Plc*, [2010] EWHC 203 (Ch)

References:

⁹⁷ [26] – [32], *Tysers Insurance Brokers Limited v. Ardonagh Specialty (Mena) Limited T/A Price Forbes DIFC / Price Forbes & Partners & Ors.*, CFI 082/2025 (Decision dated 6 November 2025)

⁹⁸ [19], *Larmag Holding B.V. vs (1) First Abu Dhabi Bank Pjsc (2) FAB Securities LLC*, CFI 030/2019 (Decision dated 2 September 2019)

⁹⁹ Part 28, Rules of the DIFC Courts

¹⁰⁰ [DFSA Website](#)

¹⁰¹ [DFSA Laws and Rules](#)

¹⁰² Financial services include several activities including the four activities that HDFC is authorised in the DIFC (see footnote 63 above). A list is provided at 2.2.2, GEN Rulebook.

¹⁰³ Article 42, DIFC Regulatory Law, 2004

¹⁰⁴ COB Rules 2.1.1 r/w COB Rules 2.3.1. For a branch or group structure, the DFSA rules allows reliance on a client classification made by the head office (see COB Rules 2.4.4). However, the bank must still ensure that the classification it adopts is appropriate for the financial service it is providing (see COB Rules 2.2(11))

¹⁰⁵ COB Rules 2.2(1) r/w Guidance no. 3, COB Rules 2.3.1 and COB Rules 2.2(2)

¹⁰⁶ A person who cannot properly be classified as a professional client or market counterparty is treated as a retail client (COB rules 2.3.2).

¹⁰⁷ COB Rules 2.3.1

¹⁰⁸ COB Rules 2.3.3

¹⁰⁹ COB Rules 2.3.7

¹¹⁰ COB Rules 2.4.2 and COB Rules 2.4.3

¹¹¹ GEN 7.3.1

¹¹² [\[3.3\], HDFC DIFC Client Agreement](#)

References:

¹¹³ Per the DFSA definition of “investments” the Credit Suisse AT1 bonds are likely to be termed as debenture-type financial products (see A2.1.1(1) (a) r/w A2.1.2(1)(b) r/w A2.2.1(b), GEN Rulebook)

¹¹⁴ Guidance no.4, COB Rules 2.3.1

¹¹⁵ COB Rule 3.4.2

¹¹⁶ As noted above, HDFC DIFC is authorised to deal only with Professional Clients and are not authorised to deal with Retail Clients.

¹¹⁷ Article 94, DIFC Regulatory Law 2004

¹¹⁸ Guidance, COB Rules 2.4.3

¹¹⁹ COB Rules 3.2.1

¹²⁰ COB Rules 3.2.4

¹²¹ *Al-Khorafi and Ors. v. Bank Sarasin Alpen (ME) Limited and Bank Sarasin & Co. Ltd.* [2009] DIFC CFI 026 (Decision dated 7 October 2015)

¹²² The DIFC Courts' Pro Bono Programme, see [here](#)

¹²³ Details of the DIFC Pro Bono Programme are available [here](#)

¹²⁴ Account-opening materials, emails, WhatsApp exchanges, call records, sanction or facility papers, investment proposals, prospectuses, risk disclosures, account statements, internal complaints and regulatory correspondence may all be critical in assessing whether the claim is sufficiently robust and viable to justify funding.

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.

We are recognised as market leaders.

(a) Benchmark Litigation (Asia Pacific - India) – Recognised for International Arbitration, White collar crime, Construction, Commercial & Transactions practices and as a "Highly Recommended Firm" (2025)

(b) Benchmark Litigation (Asia Pacific - Singapore) – Recognised for International Arbitration – International Firms and White-Collar Crime practices (2025)

(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

OUR MIDDLE EAST PRACTICE

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:

- (a) construction and infrastructure projects
- (b) shipping and maritime
- (c) bank guarantees and insurance
- (d) debt recovery, enforcement, and insolvency
- (e) intellectual property
- (f) digital assets
- (g) pro bono representation

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”.



ABOUT EXPERT TALK

The Expert Talk initiative seeks to provide quality continued digital education to professionals, through freely accessible webinars, and a digital library of blogs, alerts, insights and talks, on dispute resolution and litigation finance.



DISCLAIMER

The contents of this insight should not be construed as a legal opinion. This insight provides general information existing at the time of preparation. Singularity Legal neither assumes nor accepts any responsibility for any loss arising to any person acting or refraining from acting as a result of any material contained in this insight. It is recommended that professional advice be taken based on the specific facts and circumstances. This insight does not substitute the need to refer to the original pronouncements.





ABOUT THE AUTHOR

PRATEEK BAGARIA
PARTNER

m: +91 98200 25813; +971 5855 25813

e: prateekbagaria@singularitylegal.com

w: www.singularitylegal.com

Prateek is a partner at Singularity Legal. He holds an LL.M in International Disputes Settlement from MIDS, a course jointly organised by University of Geneva and Graduate Institute. He is licensed to plead before courts in India and Dubai International Financial Centre (DIFC).

He specialises in advising energy & resources, construction & infrastructure, shipping & trade companies and institutional investors in shareholder and joint venture disputes, operational disputes and sovereign disputes.

His range of experience includes advising clients in international arbitrations under various rules like ICC, SIAC, LCIA, DIAC, DIFC-LCIA, ICDR, FCC, LMAA, PCA, JAMS, CAS and UNCITRAL and in cross-border disputes before courts in Cayman Islands, India, Indonesia, Israel, Singapore, Switzerland, Turkey, Mauritius, United Arab Emirates, United Kingdom and United States of America; and in investment and tax treaty disputes.

He also acts as a strategic counsel in cross-border investments, joint venture and trade deals. He has a passion for advising on law governing radical technologies and businesses.





South Asia Office

1809-1810, One Lodha Place,
Senapati Bapat Marg,
Lower Parel,
Mumbai - 400013

Tel: +91 22 4976 5861

United Arab Emirates

Level 41, Emirates Towers,
Sheikh Zayed Road,
Dubai, UAE
PO Box 31303

Tel: +971 4313 2043

Singapore Office

138 Market Street,
#24-01 CapitaGreen,
Singapore 048946

Tel: +65 6679 6045

e: singularity@singularitylegal.com

w: www.singularitylegal.com