

# Procedural Orders in Arbitration: A Turning Point from the UAE's Court of Cassation



### Understanding Arbitration and Its Advantages

Arbitration has been firmly established as the preferred mechanism for resolving commercial disputes, both domestically and internationally. Unlike traditional litigation, arbitration offers confidentiality, flexibility, and a level of procedural efficiency that often cannot be matched in court proceedings. One of the core reasons parties opt for arbitration is the principle of autonomy—it allows them to shape the process to suit the nature of their business relationship. They can agree on the seat of arbitration, the applicable procedural rules, the language, and even the scope of the tribunal's authority.

This emphasis on autonomy is not only contractual but also legislative. The United Arab Emirates, through Federal Law No. 6 of 2018 on Arbitration (the “UAE Federal Arbitration Law”), has created a legal

environment that encourages the use of arbitration by respecting the will of the parties and limiting judicial intervention. The law follows the United Nations Commission on International Trade Law (UNCITRAL) Model Law framework and is designed to preserve the sanctity of the arbitral process while only permitting court involvement on specific, narrowly defined grounds. Within this framework, institutions such as the Dubai International Arbitration Centre (DIAC) play a vital role by providing procedural rules and administrative support that further enhance arbitration's appeal in the region.

### Case Summary and Legal Analysis

In Case No. 1106 of 2024, the appellant sought to nullify an arbitral award rendered under the DIAC Rules in arbitration case No. 220024. Three primary arguments were raised:

(1) the award lacked reference to the procedural orders issued by the tribunal; (2) it was issued after the expiration of the agreed time frame; and (3) the tribunal allegedly exceeded its authority in awarding legal fees and costs without explicit authorization.

While each of these points was addressed by the Court, the primary legal significance of the case lies in the Court's handling of the procedural orders—specifically, its rejection of the argument that their omission rendered the award invalid. This dimension of the case serves as a benchmark for how tribunals may approach procedural documentation in final awards going forward.

Historically, arbitral tribunals—particularly those operating under DIAC and similar institutions—were inclined to document every procedural step meticulously.

Procedural orders often acted as a running narrative of the arbitration, outlining directions on submissions, expert appointments, hearings, and other interlocutory matters. These documents, though technically separate from the final award, were frequently cited or appended to preempt potential annulment claims based on alleged procedural unfairness. The result was sometimes an imbalance between substance and form: awards that were legally dispositive might occupy only ten pages, while the procedural annexes could span over a hundred.

However, this case marked a shift from exhaustive procedures in matters of the procedural orders to a more focused adjudication. The arbitral tribunal chose not to replicate or restate the procedural orders within the final award, a decision that the appellant sought to characterize as a fundamental defect. The Court of

Cassation firmly rejected this view, clarifying that there is no requirement under the UAE Arbitration Law or the DIAC 2007 Rules for a tribunal to include procedural orders in the award unless they directly impact the reasoning or violate a mandatory legal provision. The Court held that what is essential is compliance with the substantive legal requirements set out in the applicable rules—namely, the inclusion of the date and seat of the arbitration, the reasons for the award unless waived, and a final determination of the claims submitted to arbitration. The absence of procedural orders, therefore, does not, in and of itself, invalidate an otherwise lawful and reasoned award.

In addressing the second point—the alleged issuance of the award after the agreed deadline—the Court found no sufficient basis to suggest that any delay constituted a material breach of the

arbitration agreement or the DIAC Rules. The UAE Arbitration Law allows for minor procedural deviations, provided they do not cause substantial prejudice or violate public order or a mandatory provision of the law, and no such violation was demonstrated in this case. As to the third contested issue, the appellant challenged the tribunal's authority to award legal costs, claiming the arbitration agreement did not expressly empower the tribunal to allocate such expenses. The Court firmly rejected this argument, relying on both the DIAC 2007 Rules and the express terms of the parties' arbitration agreement. Notably, Clause 183 of the award revealed that the appellant itself had sought reimbursement for all arbitration-related costs, including legal representation and institutional fees, while Clause 318 confirmed that both parties had agreed to grant the tribunal authority to determine and allocate legal fees.

These provisions, taken together, provided a clear contractual basis for the tribunal's cost award and demonstrated the parties' consent to such authority.

### **Court of Cassation's Judgement and Its Implications**

Ultimately, the Court of Cassation dismissed the appeal, confirming the validity and enforceability of the arbitral award. It concluded that the procedural framework chosen by the parties—DIAC's 2007 Rules—had been properly applied, and that all aspects of the arbitration, including cost allocation, were conducted in accordance with that agreement.

The implications of this judgment are both practical and doctrinal. It reduces the burden of excessive procedural formalism in award drafting, reinforcing the idea that tribunals should focus on delivering clear, enforceable, and legally reasoned

decisions without being encumbered by administrative detail. For parties to arbitration, the decision enhances legal certainty by clarifying that awards will not be annulled for superficial procedural omissions unless they rise to the level of legal defects. For the UAE arbitration system as a whole, it represents a judicial endorsement of efficiency and international alignment in arbitral practice.

### Conclusion

The Court of Cassation's decision in Case No. 1106 of 2024 is a timely affirmation of the principles that underpin arbitration in the UAE. It confirms that arbitral proceedings need not be burdened with unnecessary procedural repetition, and that awards are valid so long as they adhere to core legal requirements and respect the parties' procedural agreements.

This precedent shows that the emphasis is shifting to clarity, conciseness, and legal coherence. By aligning with international practices, the judgment confirms that the procedural burden in arbitration should not outweigh the substantive goal of resolving disputes efficiently.



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