



Dubai Court of Cassation Judgement No.17/2001

dated March 10, 2001

Reported by Yazan Muwaffaq Saoudi

Reciprocity must be established between the laws of the country of origin of arbitration award and the UAE law, in order for an award to be enforceable in the UAE.

Summary

In an action filed by a Dubai-based shipping company (the Petitioner) against a trading company (the Defendant), the Petitioner requested the court to ratify an arbitration award, which had been ratified and stamped by the English courts, ordering the Defendant company to pay the Petitioner an amount of US\$512,031 plus interest at 7.5% accrued from the date of the arbitration award until full payment, as well as fees amounting to £3,922 sterling. The Court of Cassation rejected the enforcement of the arbitration award on the grounds that the Petitioner had not confirmed reciprocity between the laws of the award's country of origin and the laws of the UAE, and had further failed to confirm that a UAE arbitration award can be enforced in the award's country of origin.

Claim

The facts of the case are that the Petitioner had chartered a ship to the defendant for one voyage from India to Sri Lanka. A dispute arose between the parties regarding demurrage, maintenance costs and bunker supply while the ship was held by the defendant. According to Clause 25 of the charter party agreement, the two parties resorted to arbitration in the UK to settle the dispute. On September 3, 1999 the