



# THE RECOGNITION AND ENFORCEMENT OF ARBITRAL AWARDS OF THE UNITED ARAB EMIRATES IN GERMANY

by  
**Dr. Rasan R. Azhari**

## 1. Introduction

Arbitration agreements are increasingly common in international businesses. In particular, German parties who deliver goods to the G.G.C. or other Arab countries or who become partners of a U.A.E. company prefer arbitration agreements for good reasons, i.e. the stipulation of the English language and the right to appoint an arbitrator. However, parties negotiating arbitration agreements must consider if the specific agreement will help them in bad times, i.e. when there is the necessity to bring a case to the agreed arbitration court. Among other factors, the question of the enforcement plays a cardinal role in the negotiating of arbitration clauses.

So, generally speaking, a German party may insist on the arbitration court being located in Europe. However, if the German party wins the case and receives the award from this (European) arbitration court it will discover that this award – as a general rule - can not be enforced in the U.A.E. because the U.A.E. has – till now - not formally accede to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (10 June 1958)<sup>1</sup> – in the following: New York Convention – and therefore the clause might violate the Civil Procedure Law of the U.A.E. .

As a consequence, while drafting and negotiating arbitration clauses the national laws of the parties have to be taken into account. Otherwise there could be an unpleasant surprise during the enforcement procedure ruled by the national laws.

This essay examines the case in which a German party and a party from the U.A.E. agree on the competency of the arbitration court being located in Dubai and, after winning a case, the party from the U.A.E. attempts to enforce the award in Germany.

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<sup>1</sup> See Tamimi, *The Status of Arbitration in the U.A.E.*, *Dubai International Arbitration Centre Journal*, 2004, 36