



ALI AL AIDAROUS, MANAGING PARTNER OF AL AIDAROUS ADVOCATES & LEGAL CONSULTANTS

Ali Al Aidarous, is one of the leading UAE legal practitioners. He combines both expert legal knowledge, and an acute understanding of commercial considerations. He is regularly nominated and appointed to sit both as a sole arbitrator or as part of a panel in international and domestic arbitrations. He also receives regular appointments as a UAE Law Expert from domestic and international law firms, and provides independent expert opinions and expert representation before international arbitration panels and foreign courts on UAE Law. He has full rights of audience before all onshore courts and the DIFC and ADGM Courts.

WHAT IS NEW WITH YOUR FIRM AND WHAT ARE YOUR PLANS FOR 2023?

Our firm was established over 25 years ago and has already built a solid reputation for expertise in local law in the UAE onshore courts.

Recently, we have leveraged this local expertise and now also provide client representation as counsels in both international and domestic arbitrations, and before the DIFC and ADGM Courts.

As disputed contracts in the UAE often have UAE law as the governing law, we have a distinct advantage in case presentation in arbitrations here and on UAE related legal issues in the DIFC and ADGM.

To enhance our offerings, in this area, we have recently recruited a very experienced legal practitioner to head our arbitration department.

He has been based in Dubai for over 10 years and is very familiar with the local law and conditions in the UAE.

Most arbitration disputes in the UAE are construction related and we have extensive experience in this area. As a result, we are well placed to handle high-value, complex arbitration disputes. We have recently recruited a full time English barrister who is actively managing DIFC and ADGM proceedings on our behalf. In addition, we have set up a dedicated marketing and business development department to manage our ever-growing presence on the ground. With an expanding team, we have also moved to larger premises in the Business Bay area of Dubai. Our plans for 2023 are to build on these unique comprehensive competencies which are found within a single firm, and to provide a constructive offering for clients which includes value-added outcomes.

WHICH PRACTICE AREAS DO YOU SEE GROWING IN 2023? WHAT ARE THE DRIVERS BEHIND THAT?

We expect arbitration and arbitration related proceedings in the courts to continue to have momentum and occupy a large part of the dispute market here in terms of high-value and complexity.

The UAE, and Dubai in particular, will continue to experience this trend as the Rulers here have recognised that arbitration is an essential component of the business market, and is important in making the UAE and Dubai a legal hub.

With this support from the top, and as the UAE is already a well renowned, cosmopolitan and commercial market, arbitrations, particularly construction related disputes, will continue to be common here.

We are also starting to see more non-construction related disputes using arbitration, which is a sign of the increasing confidence in the arbitration process and arbitrators, and a growing belief that disputes can be fairly and privately resolved this way, without court publicity. The post COVID bounce back is yet another driver for growth.

I am starting to see businesses and corporates trying to resolve older or past disputes which were put on hold during the pandemic and lockdown, which disrupted not only businesses, but also the market's appetite to resolve disputes.

One of the other changes here has been the recent acceptance and inclusivity of the English language in the onshore courts.

This will be another positive driver for the legal market here.

End users of litigation and arbitration and clients may feel a greater level of comfort now that there is broader acceptance of their language of commerce,

even in the local courts. This positive approach can only be good for the legal players in the market, as from my experience, there will be a lot of spin-off work flowing from this litigation and arbitration, and vice versa.

WHAT DISPUTE RESOLUTION TRENDS DID YOU SEE IN 2022 – AND HOW DID THAT COMPARE WITH THE PREVIOUS YEAR?

The UAE ranks among the 25 most competitive economies globally. In recent years we have seen an acceleration in economic activities, particularly in the infrastructure and construction sectors, despite the impact of COVID 19. This acceleration is a true testament to the resilience and stability of the UAE economy.

One of the notable challenges within the construction sector is managing cash-flow, as projects are expected to be completed in a timely manner, and within certain financial parameters; or construction companies may face serious legal ramifications.

Given the UAE's position as a regional hub for international investment, commercial arbitration is continuing to gain momentum as a form of dispute resolution, with construction disputes are continuing to rise in 2022.

2022 continued to see promotion of the UAE as a forum for arbitration proceedings, and there were significant legislative developments, aimed at, among other things, consolidating its position as an arbitral seat. One of the notable developments was Dubai Decree No. 34/2021 which abolished the DIFC Arbitration Institute (DIFC-LCIA) and the Emirates Maritime Arbitration Centre (EMAC) and consolidated them into a single pre-eminent Dubai-based institution, the Dubai International Arbitration Centre (DIAC).

With new DIAC rules published in 2022, and a new arbitration court established, it is hoped that the Ruler's objective to strengthen Dubai's position as a hub for commercial arbitration, will be realised.

The new DIAC rules replace the 2007 rules and apply to all arbitrations commenced after 21 March 2022, regardless of when the arbitration agreement was entered into. They also follow the International Chamber of Commerce (ICC) and the London Court of International Arbitration (LCIA)'s rule developments.

DIAC operates under two distinct legal systems, the civil law system applicable onshore in the UAE, and the common law system through the DIFC. This places the DIAC in a unique position when it comes to other arbitration centres across the world.

Finally, the agility of UAE legislation, and its ability to adapt to recent developments, is expected to help resolution of construction disputes through arbitration to grow in the foreseeable future.

WHAT GLOBAL DEVELOPMENTS (E.G., OIL PRICES, SANCTIONS, TECHNOLOGY) ARE HAVING THE MOST IMPACT ON YOUR FIRM – ITS WORK AND STRUCTURE?

Global developments have not disrupted our current work. We are fortunate to be based in a legal market in an incredibly stable country, and have been shielded from major adversities. The issue of the oil prices is always on the horizon given our geographical location, and as such, most of our clients, who are major corporates and blue-chip companies, are well equipped to weathering most uncertainties.

During COVID 19, like any other business, our firm had to be nimble and make certain adjustments to our work structures, to ensure we could continue to provide intimate and quality legal representation.

This included staff working from home for a period, which has normalised post-pandemic. Legal practice requires close, physical interactions and discussions which sometimes cannot be achieved during a virtual call.

In terms of client expectations, while some prefer virtual meetings for convenience, when it comes to the more important, heavy discussions, there is no substitute for physical meetings.

In addition, work conditions in an office setting are also more conducive to building team spirit between colleagues.

Due to recent global events, there has been an influx of foreign nationals into the country who now call UAE home. This is also a positive development for the law market, as it increases the size of the captive market in the UAE itself.

This increase is not only in numbers, but also in the demographic range here, which adds sophistication to contracts and business dealings.

It means law firms must be well equipped with all the necessary tools to be able to provide comprehensive solutions for the local market. ■