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Federal Law No. [6] of 2021 On Mediation in Civil and Commercial Disputes

We, Khalifa Bin Zayed Al Nahyan, President of the UAE

Having reviewed the Constitution;

Federal Law No. [1] of 1972 Concerning the Competences of Ministries and the Powers of Ministers, as amended;

Federal Law No. [10] of 1973 Concerning the Supreme Federal Court, as amended;

Federal Law No. [6] of 1978 on the Establishment of Federal Courts and Transfer of the Jurisdiction of the Local Judicial Authorities in some Emirates to them, as amended;

Federal Law No. [3] of 1983 on the Federal Judiciary, as amended;

The Civil Code promulgated by Federal Law No. [5] of 1985, as amended;

Federal Law No. [23] of 1991 Regulating the Legal Profession; as amended;

The Law of Evidence in Civil and Commercial Transactions, promulgated by Federal Law No. [10] of 1992, as amended;

The Civil Procedure Law promulgated by Federal Law No. [11] of 1992, as amended;

The Commercial Code promulgated by Federal Law No. [18] of 1993, as amended;

Federal Law No. [32] of 2005 on the Judicial Fees before the Federal Courts, as amended;

Federal Law No. [1] of 2006 on Electronic Commerce and Transactions;

Federal Law No. [6] of 2012 Regulating the Translation Profession;

Federal Law No. [7] of 2012 Regulating the Expertise Profession before the Judicial Authorities;

Federal Law No. [4] of 2013 Regulating the Notary Profession, as amended;

Federal Law No. [2] of 2015 Concerning the Commercial Companies, as amended;

Federal Law No. [17] of 2016 Establishing Mediation and Conciliation Centers for Civil and Commercial Disputes, as amended;

Federal Law No. [6] of 2018 on Arbitration;

Federal Law No. [10] of 2019 Regulating the Judicial Relations between Federal and Local Judicial Authorities; and

Based on the proposal submitted by Ministry of Justice, approved by the Cabinet and Federal National Council and ratified by the Federal Supreme Council,

Hereby promulgate the following law:

Chapter One General Provisions

Article 1 Definitions

For the purpose of applying the provisions of this Law, the following words and expressions shall denote the meanings assigned thereto respectively, unless the context indicates otherwise:

The State : The United Arab Emirates

The Ministry : Ministry of Justice

The Minister : Minister of Justice

The Center : The Mediation and Conciliation Center described in the above-referenced Federal Law No. [17] of 2016 as amended or in any other local Law.

Mediation : An optional and alternative method for amicable settlement of civil and commercial disputes that arise or might arise between the parties to a contractual or non-contractual legal relationship, through engaging a neutral Third Party [Mediator]. Mediation may be of a judicial or extrajudicial nature.

Judicial Mediation : A form of mediation sought by the parties to have their dispute resolved after having first resorted to litigation, and at any stage of the case.

Extrajudicial Mediation : A form of mediation directly sought by the parties to have their dispute resolved before they resort to litigation, in enforcement of the Mediation Agreement.

Mediation Agreement : A written agreement between the parties whereby they agree to resort to mediation to have their dispute resolved, whether such agreement takes place prior to or after the occurrence of the dispute.

Mediator : Each natural or legal person engaged by the Parties to perform a mediation mission for amicable resolution of their dispute, whether such mediator is a private mediator or is included in the Center's mediator lists.

Mediator List : They are lists created by the Center to show the names of registered mediators.

Private Mediator : Each natural or legal person engaged by the Parties to perform mediation mission for amicable resolution of their dispute and his name is not included in the Center's mediator lists.

Parties : The parties to the mediation agreement.

Competent Court : It is the Trial Court that hears the case referred to mediation or the court judge supervising the case management office, as the case may be.

Supervising Judge : The judge supervising the center.

Referral Decision : It is a decision issued by the competent court to refer the parties to a dispute to mediation, in an attempt to have their dispute amicably settled.

Settlement Agreement : A document created by the mediator, signed by the parties and setting out the settlement details eventually reached by the parties for amicable resolution of their dispute, in whole or in part.

Mediation Costs : They are administrative expenses for mediation together with the fees payable to the mediator for the mediation process.

Mediator's Fees : The financial consideration payable to the mediator for performing his mission and is agreed upon with the parties.

Article 2 Scope of Application

1. Mediation may take place in respect of all disputes on which conciliation is possible, in such a manner that does not go against the applicable legislation, public order or public morals in the State, subject to the local laws that regulate mediation provisions.
2. Mediation may involve the matter of dispute in whole or in part.
3. The provisions of this Law shall apply if the mediation is administered within the State or where the dispute is subject to an international commercial mediation or conciliation executed abroad yet the parties agree to render it subject to this Law.
4. The provisions of this Law shall not apply in case of prior recourse to the procedures described in the above-referenced Federal Law No. [17] of 2016 as amended.

Article 3 Mediation Agreement

1. The mediation agreement may be concluded in any of the following forms:
 - A. It shall be preceding the occurrence of the dispute, whether standalone or included in a particular contract on all or any of the disputes that may arise between the parties.
 - B. It shall be subsequent to the occurrence of the dispute, even if a legal proceeding has been instituted in respect of which.
2. The mediation agreement may only be entered into by a natural person who is legally eligible to dispose of his rights or by the representative of the legal person who is duly authorized to enter into mediation agreement; otherwise, the mediation agreement shall be null and void. The mediation agreement shall not cease to exist in the event of death or termination of the legal personality of either party, as, in which case, the mediation agreement may be implemented by or vis-à-vis the legal heirs of such a party, unless otherwise agreed by the parties.
3. The mediation agreement shall be executed in writing, whether official or unofficial, recorded in judicial reports before the competent court and whether the document containing it is in a paper or electronic format; otherwise, the agreement shall be null and void.

4. Each explicit reference in a written contract to the provisions of a standard contract or to any other document that includes a mediation condition shall be treated exactly as a written mediation agreement, in the event that such reference is clearly incorporating such a condition into the contract.
5. The mediation agreement shall define the matter of dispute required to be resolved by way of mediation and shall also indicate the appointment or appointment method of the mediator. The agreement may also indicate that the mediation procedures shall be conducted in a non-Arabic language. In which case, the documents and statements submitted shall be translated into Arabic in accordance with the provisions of the above-referenced law regulating the translation profession.

Article 4 Mediator Lists

1. The Center shall create lists for recording the names of mediators from amongst those listed in the expert rosters at the Ministry or local judicial authorities, as the case may be, as well as the conciliators appointed and assigned at the Center. Such lists shall contain [experienced mediators] to be nominated based on a resolution of the Minister or the head of the local judicial authority, as the case may be. They shall be selected from amongst the retired members of the judiciary, lawyers listed in the rosters of practicing and non-practicing lawyers kept by the Ministry, others of high credentials and global experts in the legal field and business field who are known for their expertise, integrity and neutrality.
2. The condition, procedures and durations of registration and renewal of registration in the mediator list, selection and deregistration of mediators shall be established under a resolution of the Minister or head of the local judicial authority.

Chapter Two Judicial Mediation

Article 5 Decision of Referral to Judicial Mediation

1. The Competent Court may issue a decision to refer the dispute to mediation at any stage of the case, based on the court's proposal coupled with the approval of the parties, based on the request of the parties or in enforcement of the mediation agreement.
2. The Competent Court shall include the following details if the decision of referral to mediation:
 - A. The parties' approval to resort to judicial mediation, their undertaking to appear at the scheduled hearings and to provide the court-appointed mediator with the information and documents relating to the dispute referred to mediation.
 - B. The subject of mediation.
 - C. The mediation duration, which may not exceed three months of the date of notifying the mediator of the assignment, and shall be renewable for a similar period only once under a decision of the competent court at the request of the mediator and with the approval of all parties.
 - D. The initial mediation costs and how they shall be divided between the parties.
3. Referral decisions issued by the Competent Court may not be challenged by any of the ordinary or extraordinary methods of challenge.
4. Legal and judicial time limits shall all be interrupted once the referral decision is issued and shall only become effective again after the mediation comes to an end. In addition, during the mediation period, the competent court may, within the mediation period, take necessary measures and actions to safeguard the rights of the parties and issue urgent or interim decisions deemed necessary.

Article 6 Appointment of Private Mediator

1. If the mediation agreement designates a private mediator, the competent court shall observe such designation upon issuing the referral decision, and the Center shall notify such mediator of the referral decision within three days of the issuance date of the decision.
2. The special mediator shall sign a document proving his acceptance of the mediation mission as well as his neutrality and independence towards the parties and subject of the dispute within three [3] business days starting from the notification date. In the course of the mediation process, the mediator shall notify the Center in writing of any facts or circumstances that have arisen or may arise and that would cause either party to cast doubts on his neutrality or independence. In which a case, the procedures set out in Article [7.2] of this Law shall apply.
3. The private mediator may determine his fees in agreement with the parties to the dispute, not exceeding 5% of the value of the matter in dispute. In case the dispute ends in a settlement agreement, the Claimant shall get back the judicial fees paid thereby as described in Article [21.2] of this Law.

Article 7 Appointment of Mediator through Mediator Lists

1. In case the mediation agreement does not designate a private mediator or where the private mediator is unwilling to take over the mission, the competent court may one or more mediators from among the names

- included in the mediator list, and the parties shall be notified of the same not later than five [5] business days of the issuance date of referral decision, so that the parties shall agree with the appointed mediator on the latter's fees within three business days of the date of being notified of the referral decision, in accordance with the controls set out in Article [6.3] of this Law.
2. In case either party objects to, and requests disqualification of, the mediator, or where the mediator is removed, steps down, passes away or fails to keep performing his mission for any reason whatsoever at any stage of the mediation process, the competent court shall appoint a substitute mediator from the ones included in the mediator lists, within five [5] business days of the approval date of disqualification of the mediator, the date of the mediator's removal, recusal, death or notification of being unable to resume his mission.
 3. In all cases, the mediator appointed through the mediator lists shall abide by the rules of neutrality and independence towards both the parties to the dispute and the matter of dispute.

Article 8 Recusal, Removal, Disqualification and Unfitness of Mediator

1. The mediator shall, sua sponte, step down or recuse himself from proceeding with the mediation mission if there is any cause between him and either party to the dispute that would make him feel discomfort or inability to proceed with the settlement procedures without bias in favor of either party, unless otherwise agreed.
2. If the mediator fails, becomes unable or ceases to perform his mission in such a manner that would give rise to unnecessary procedural delay, yet fails to step down, he may be removed at the request of either party to the dispute based on a decision of the competent court that may not be challenged by any means of challenge.
3. In all cases, disqualification and unfitness of the mediator shall be subject to the same causes for requesting disqualification or recusal of the judge as well as the cases of his unfitness set out in the above-referenced Civil Procedure Law, as amended.

Article 9 Mediation Procedures

1. The mediator shall notify the parties to the dispute of the mediation sessions and shall keep the parties or their legal representatives informed of their dates and venues through any of the legally prescribed means of notification, including the electronic means.
2. Parties to the dispute shall attend the mediation sessions either in person or through their legal representatives under a special power of attorney. If either party to the dispute is a legal person, its legal representative or attorney-in-fact shall attend. In addition, the parties may engage advisors to attend the sessions with them. The mediator may determine the number of attendees for each party as deemed appropriate for administering the mediation process depending on the circumstances and nature of the dispute. Persons other than those involved in the dispute may not attend the mediation sessions, except as agreed by all parties.
3. Each party to the dispute shall, sufficiently prior to the convening of the first session scheduled by the mediator, furnish to the mediator a brief statement containing a summary of its claims or pleas, accompanied by the supporting documents and evidence. Such statements and documents shall not be exchanged between the parties.

Article 10 Mediation Sessions

1. In the course of mediation sessions, the mediator may hold discussions with all parties involved on the matter of dispute and their claims and pleas and take whatever actions deemed appropriate to bring their points of view closer to each other, with the aim of reaching an amicable resolution. To that end, the mediator may give opinion if requested by the parties, evaluate the documents and evidence furnished by the parties and introduce the judicial principles relating to the dispute and others for facilitating the mediation process.
2. The mediator may hold private sessions with each party involved in the mediation process, but may not disclose to the other party any information that comes to his knowledge within such sessions, without the prior approval of the disclosing party.
3. For multiparty disputes, the parties may, subject to approval of the competent court, agree that the mediation procedures would continue when any of them fails to get involved in whatever way, unless such failure would adversely affect the proper administration of mediation and settlement of the dispute between them.

Article 11 Powers of the Mediator

1. The mediator shall have no investigation authority. He may, however, based on prior agreement with all the parties involved and for mediation purposes, hear the testimony of third parties subject to the latter's prior consent.
- 2.

Subject to the provisions of Article [13] of this Law, the mediator shall, for the sake of performing his mission, have the right to review and get access to the papers, documents, records and other evidence and to admit any evidence furnished by the parties, unless the same goes against the public order or morals, without being bound by the above-mentioned laws of civil procedure, legal profession and evidence and their amendments, and even without being bound by the business hours.

3. The mediator may engage the experts whose names are recorded in the expert rosters of the Ministry or local judicial authorities, as the case may be, or any other experts to be agreed upon by the parties, for the purpose of providing technical and technological expertise with the aim of resolving the disputes brought to them. The mediator shall determine the expert's fees as well as the duties to be performed by him and shall give opinion in respect thereof. The competent court shall decide on the expert's fees if the same is a matter of dispute, in conformity with the provisions of the above-mentioned evidence law and its amendments.

Article 12 Remote Mediation

The mediator may hold mediation sessions depending on electronic means and remote communication technologies, according to the controls and procedures to be issued under a resolution of the minister or the head of the local judicial authority, as the case may be.

Article 13 Methods of Service

Mediation procedures shall be governed by the methods and rules of service of process set out in the above-mentioned civil procedure law and its amendments.

Article 14 Confidentiality of Information

1. Mediation procedures shall be of a confidential nature, so such procedures or any documents and information provided within the course of which or any agreements or compromises made by the parties involved may not be invoked before any court or any other entity whatsoever. Accordingly, the Center, mediator, parties and everyone involved in the mediation process shall be prohibited from disclosing any information that comes into existence during the mediation procedures, without the approval of all parties involved or unless the same is relating to a criminal act.
2. The confidentiality rules set out in the foregoing clause shall not apply to the settlement agreement as well as the documents and papers required for its enforcement.
3. Should the mediator violate the confidentiality, independence and neutrality rules set out in this Law, the aggrieved party may resort to the Center for imposing the administrative and disciplinary measures described in Article [26] of this law on the mediator, and without prejudice to the mediator's civil and criminal liability.

Article 15 Mediator's Prohibitions

The following prohibitions shall apply to the mediator:

1. To be an arbitrator, expert witness or an attorney on any legal proceeding against either of the parties, with regard to the matter of dispute that is covered by mediation or any matter arising out thereof, even after the end of mediation procedures.
2. To give testimony against either of the parties to the dispute, with regard to the matter of dispute that is covered by mediation or any matter arising out thereof, even after the end of mediation procedures, unless otherwise permitted by the party concerned or agreed by the parties, except where the testimony is relating to a crime.
3. To act as a mediator on any dispute where either of its parties the mediator's spouse or relative by blood or marriage up to the fourth degree.

Article 16 Termination of Judicial Mediation

1. Judicial mediation shall be terminated in any of the following cases:
 - A. When the parties sign a settlement agreement;
 - B. When the parties and the mediator agree that the judicial mediation should be terminated prior to reaching a settlement agreement for whatever reason;
 - C. Where either party to the dispute notifies the mediator or the Center of its desire to cease to get involved in the mediation process;
 - D. If the mediator notifies the Center in writing or electronically that the judicial mediation is not beneficial and that there is no possibility to reach a resolution for the dispute in question;
 - E. If the mediator notifies the Center in writing or electronically of the termination of judicial mediation due to failure of either party to attend two consecutive mediation sessions without a reasonable excuse; or
 - F. Expiration of the scheduled mediation timeframe.
- 2.

In all cases, the mediator shall, upon termination of the mediation process, deliver back to each party all statements and documents initially received from such a party and may not retain the same or any copies thereof. In addition, the mediator shall submit to the Center a written or electronic report on the outcome of judicial mediation, within three [3] business days starting from the expiry date of judicial mediation for whatever reason. The Center shall keep the parties and the competent court informed of both the report and judicial mediation outcome within three [3] days.

Article 17 Failure to Reach Settlement

If the mediator fails to reach settlement for the dispute for any reason whatsoever within the timeframe specified in the referral decision, the mediator shall furnish a report to the Center indicating failure to reach settlement and describing how far the parties and their attorneys are committed to attending the scheduled sessions. The parties shall receive a notice on the action taken, and the dispute file shall be referred to the competent court. In which case, the competent court shall assign the case to hearings for reconsideration, with no need for new notification.

Article 18 Affirmation of Settlement Agreement

1. If, at the end of the mediation process, the parties reach settlement for the dispute, in whole or in part, the mediator shall furnish a report to the Center accompanied by the settlement agreement signed by the parties for affirmation. In turn, the Center shall immediately submit both the agreement and report to the competent court.
2. The competent court shall affirm such agreement and issue a decision terminating the dispute, in whole or in part as the case may be. Once affirmed, the agreement shall be deemed a writ of execution and the executive formula shall be affixed thereto at the request of either of both parties in light of the provisions of the settlement agreement submitted to the Court. In addition, the affirmed agreement shall be enforced according to the procedures set out in the above-referenced civil procedure law, as amended.

Article 19 Objection to Settlement Agreement

1. The objection to both an affirmed settlement agreement and judicial dispute termination dispute shall only be admitted by way of filing a case for invalidity with the Court or through claiming invalidity in the course of considering the agreement affirmation application. In addition, the invalidity applicant shall prove any of the following grounds:
 - A. Either party to the settlement agreement either has been lacking the mental capacity or has had diminished capacity at the time of concluding the agreement;
 - B. If there is no settlement agreement, the agreement is invalid or voidable or where the agreement has taken place after the expiration of the mediation timeframe;
 - C. If the mediation agreement is invalid or voidable; or
 - D. If either party fails to provide defense due to invalid notification or advisement of the mediation procedures or being unaware of the same for any other reason beyond its reasonable control.
2. The judgment issued by the Court on the invalidity case shall be final and may only be challenged by way of cassation.
3. The invalidity case shall not be heard after the lapse of thirty [30] days following the date on which the judicial dispute termination decision is served upon the invalidity applicant.
4. The judgment of invalidity shall invalidate the affirmed settlement agreement, in whole or in part, depending on whether the invalidity is complete or partial. If a judgment has been issued to interpret the part declared invalid, such a judgment, too, shall become invalid.
5. Unless otherwise agreed by the parties, the mediation agreement shall remain valid in accordance with the provisions of this law after the affirmed settlement agreement is invalidated, unless the invalidity is based on invalidity of the mediation agreement pursuant to Clause [1.C] of this Article.

Article 20 Probative Force of Court-Affirmed Settlement Agreement

Subject to Article [19] of this Law, the court-affirmed settlement agreement shall be binding upon the parties, may not be revoked, and shall have the same probative force of court judgments. Hence, the merits and grounds of the same dispute between the parties may not be brought again to the Court, and the Court shall order such probative force **sua sponte**.

Article 21 Mediation Costs

1. Subject to Article [5] of the above-referenced Federal Law No. [17] of 2016 as amended, the parties shall pay initial mediation costs, both fully and directly, to the Center before commencement of the mediation procedures, as described in the referral decision.
- 2.

When the mediator's mission comes to an end and full settlement is reached for the dispute, all parties involved may get back the judicial fees paid. They may also get back half of the judicial fees paid by them in case the settlement involves part of the matter of dispute.

3. Subject to Articles [6.3] and [7.1] of this Law, the competent court shall, under all circumstances, determine the non-agreed final mediation costs under an Order on Petition. Such costs shall be divided and distributed between the parties either equally or in proportion to their respective interests in the case, at the discretion of the Court. The Court may also order either or both parties to bear such costs and shall permit the private mediator to receive the fees due to him and which are deposited into the Court's treasury.
4. If the mediator fails to reach settlement for the dispute, the competent court shall issue an Order on Petition obligating the parties to pay final mediation costs based on the mediation agreement and referral decision. The court may also order either party to pay full mediation costs if such a party is the cause of failure of the mediation process due to failure to attend mediation sessions.
5. The parties and the mediator may each file a grievance against the costs assessment decision within five [5] business days following the notification date. Such grievance shall be based on a report to be filed with the competent Case Management Office and shall give rise to stay of execution of the costs assessment decision. The grievance shall be decided on by a different judge or chamber of the competent court after hearing the Grievant's evidence and the decision made on the grievance shall be final and may not be challenged by any means of challenge.

Chapter Three Extrajudicial Mediation

Article 22 Recourse to Extrajudicial Mediation

1. The parties may, in implementation of the mediation agreement, directly resort to the Center for having their dispute settled before the case is instituted.
2. Subject to Article [3] of this Law, the mediation agreement shall specify the language and subject of mediation and shall designate the mediator[3] or their appointment method. Otherwise, the agreement shall be null and void.

Article 23 Extrajudicial Mediation Procedures

1. The application shall be submitted to the supervising judge on the relevant form, and shall be accompanied by the mediation agreement and any supporting documents relating to the matter in dispute.
2. The application shall indicate the following:
 - A. The desire of any or all parties to resort to mediation and an undertaking by the mediation applicant to attend the scheduled session and to provide the appointed mediator with the necessary information and documents on the referred dispute.
 - B. The subject of mediation.
 - C. The appointment of a private mediator according to the mediation agreement, from among the mediators whose names are included in the mediator lists.
 - D. The agreed mediation timeframe, which may not exceed three months of the date of the mediator's acceptance of mediation mission. Such a timeframe shall be renewable only once for a similar duration under a decision of the supervising judge, based on an agreement to be concluded by the parties according to the same conditions set out in Article [3] of this Law.
3. Subject to Article [13] of this Law, the Center shall notify the remaining parties as well as the private mediator - if any - of the mediation agreement enforcement application.
4. The supervising judge shall have the same powers of the competent court in terms of assessment of the mediation costs, appointment of the mediator, receipt of the mediator's reports and affirmation of the settlement agreement, as described in Chapter Two of this Law.
5. Extrajudicial mediation shall be subject to the provisions, procedures and termination cases set out in Chapter Two of this Law, in respect of the matters not specifically stipulated in this Chapter.

Article 24 Effects of Recourse to Extrajudicial Mediation

1. The Court, with which a case is filed in respect of a dispute brought to the mediator in enforcement of a mediation agreement, shall dismiss the case if so requested by the Defendant before any claim or plea relating to the subject of the case is submitted by the Defendant, unless the Court is convinced that the mediation agreement is invalid or impossible to be implemented.
2. Filing of the case referred to in the foregoing clause shall not preclude commencement or continuation of extrajudicial mediation procedures.

Chapter Four Final Provisions

Article 25

Private mediation center may be established or branches of foreign mediation centers may be licensed, so that a resolution shall be issued by the Cabinet, based on the Minister's proposal and in coordination with the local judicial authorities, determining their operation conditions, licensing conditions, licensing authority and registration of mediators as the case may be.

Article 26

1. The Minister shall issue, in coordination with the head of the local judicial authority, the Code of Professional Conduct for mediators.
2. Disciplinary measures against the mediators whose names are included in the Center's mediator lists shall be subject to the same disciplinary measures and penalties set out in the above-referenced Law regulating the Expertise Profession before the Judicial Authorities as well as the local laws regulating the expertise work, as the case may be.
3. The Center may deprive the private mediators of practicing mediation work before the Center in case they violate the confidentiality, neutrality and integrity rules.

Article 27

The Minister or head of the local judicial authority shall issue the resolutions necessary for enforcing the provisions of this Law.

Article 28

Each provision that contradicts or goes against the provisions of this law shall be repealed.

Article 29

This Law shall be published in the official gazette and shall enter into force as of its publication date.

Signed

Khalifa Bin Zayed Al Nahyan

UAE President

Issued at the Presidential Palace in Abu Dhabi:

On: Ramadan 17, 1442 AH

Corresponding to: April 29, 2021 AD