

**Federal Decree-Law No. (40) of 2023**  
**on Mediation and Conciliation in Civil and Commercial Disputes**

**We, Mohammed bin Zayed Al Nahyan, President of the United Arab Emirates,**

- Having reviewed:
- The Constitution;
- Federal Law No. (1) of 1972, on the Competences of Ministries and the Powers of Ministers, as amended;
- Federal Law No. (17) of 2016, Establishing Mediation and Conciliation Centers in Civil and Commercial Disputes, as amended;
- Federal Law No. (6) of 2021, on Mediation for Settlement of Civil and Commercial Disputes; and
- Based on the Proposal submitted by the Minister of Justice and approved by the Cabinet,

**Hereby enact the following Decree-Law:**

**Section One**

**General Provisions**

**Article (1)**

**Definitions**

For the purpose of applying the provisions of this Decree-Law, the following words and expressions shall bear the meanings assigned thereto respectively, unless the context requires otherwise:

**State** : The United Arab Emirates.

- Council** : The Federal Judicial Council.
- Department** : The Federal Judicial Inspection Department.
- Center** : A Mediation and Conciliation Center.
- Parties** : Parties to disputes referred to Mediation or Conciliation.
- Mediation** : An optional and alternative method for amicable settlement of civil and commercial disputes that have arisen or might arise between Parties to a legal contractual or non-contractual relationship, by engaging a neutral third party (Mediator), whether such Mediation is based on the mutual consent of the parties involved or a court order.
- Court-Ordered Mediation** : Mediation intended to resolve a dispute after having first resorted to litigation under a referral decision by the Competent Court and at any stage of the case, whether at such court's proposal accompanied by the Parties' approval, or at the Parties' request.
- Consensual Mediation** : Mediation that is directly sought by the Parties involved to have a dispute resolved before resorting to litigation, in pursuance of the Mediation Agreement.
- Mediation Agreement** : A written agreement between the Parties to resort to Mediation to have their dispute resolved, whether such agreement takes place before or after the dispute.
- Mediator** : A natural or legal person engaged by the Parties or the Center to perform a mediation mission for amicable resolution of their dispute; provided that such Mediator is listed in the Center's Mediator List.

- Mediator List** : Lists created by the Department or a local judicial authority, as the case may be, and in which names of registered Mediators are listed.
- Private Mediator** : A natural or legal person engaged by the Parties to perform a mediation mission for amicable resolution of their dispute, without being listed in the Mediator Lists.
- Mediation Costs** : Administrative expenses for the Mediation and fees payable to the Mediator for the Mediation.
- Mediator's Fees** : The remuneration payable to the Mediator to perform their mission.
- Competent Court** : The trial court having the jurisdiction to hear the case.
- Supervising Judge** : The judge supervising the Center.
- Conciliation** : An alternative method for amicable resolution of disputes that must be sought before a case is registered in the instances defined under Article (27) hereunder, or while the case is being heard before the court at the request of the Parties in the instances other than the above ones; where a neutral third party (Conciliator) is engaged in an attempt to reach a settlement agreement signed by, and binding on, the Parties.
- Conciliator** : A person appointed to, or assigned at the Center to settle a dispute by way of Conciliation.
- Settlement** : Reconciliation reached by the Parties through Mediation or Conciliation, and the minutes thereof shall be approved by the

	Supervising Judge.
<b>Settlement Agreement</b>	: A document executed by the Mediator or Conciliator and signed by the Parties, and sets out the settlement reached by the Parties for amicable resolution of their dispute, in whole or in part.
<b>Mediation and Conciliation</b>	: An electronic system through which all Mediation and Conciliation procedures are made.
<b>E-Platform</b>	

## Article (2)

### Establishment of the Centers

1. The Council or the president of the local judicial authority, as the case may be, may establish one or more Centers for Mediation and Conciliation within the jurisdiction of the courts of first instance. The establishment resolution shall determine the administrative subordination of the Center and the entity in charge of supervising and controlling the same.
2. The chairman of the Council or the president of the local judicial authority, as the case may be, shall issue the regulations governing the operation of the Centers, including the territorial jurisdiction of each Center, in case of multiple Centers established within the jurisdiction of the court of first instance, or may entrust one Center with multiple jurisdictions, as the case may be.
3. The Council or local judicial authority may create one or more Mediation and Conciliation E-Platforms, whose procedures and work system shall be determined by virtue of a resolution of the chairman of the Council or the president of the local judicial

authority, as the case may be.

4. Private Mediation Centers may be established or Foreign Mediation Centers' branches may be licensed. The Cabinet shall issue a resolution, at the proposal of the Minister of Justice after coordinating with the local judicial authorities, determining their rules of procedure, license conditions, licensing authority and registration of Mediators in the same, as the case may be.
5. The Department or local judicial authority, as the case may be, shall develop the general policies of the Mediation and Conciliation Centers, and may monitor their work.

### **Article (3)**

#### **Service of Process**

The service of process methods set forth in the Federal Code of Civil Procedure shall apply to the Mediation procedures, unless otherwise agreed by the Parties.

### **Article (4)**

#### **Remote Mediation and Conciliation**

The Mediator and the Conciliator may each convene Mediation and Conciliation meetings remotely using electronic and remote communication means, in accordance with the controls and procedures issued under a resolution of the Minister, upon the approval of the Council or the president of the local judicial authority, as the case may be.

### **Article (5)**

#### **Confidentiality of Information**

1. The procedures of both the Mediation and the Conciliation shall be confidential. The

Mediation and the Conciliation or the documents and information presented therein or the agreements or compromise made by the Parties involved may not be invoked before any court or any entity whatsoever. The Center, the Mediator, the Conciliator, the Parties and any person involved in the Mediation and Conciliation may not disclose any information received during the Mediation and Conciliation procedures without the consent of all Parties involved or where the law requires reporting any crime within the scope of the Mediation or Conciliation mission undertaken by the same, as the case may be.

2. The rules of confidentiality and invocation set forth in Clause (1) above shall not apply to the provisions of the Settlement Agreement and the documents necessary to enforce it.
3. In the event that the Mediator or Conciliator violates the confidentiality rules, as set forth in this Article, the aggrieved party may resort to the Center to have the disciplinary penalties set forth in Article (40) hereunder imposed, without prejudice to the provisions of civil and criminal liability.

## **Article (6)**

### **Prohibitions for the Mediator and Conciliator**

It shall be prohibited for both the Mediator and the Conciliator to:

1. Serve as an arbitrator or expert in the dispute, or to accept to be an attorney in litigation against any of the Parties regarding the dispute under consideration in the Mediation or Conciliation or matters emanating from, even after the conclusion of the Mediation or Conciliation procedures, unless otherwise agreed by the Parties in relation to the Mediation;
2. Give testimony against a Party to the dispute on the same subject of the dispute under consideration in the Mediation or Conciliation and matters emanating from, even after

the conclusion of the Mediation or Conciliation procedures, unless the same is authorized by the stakeholder or otherwise agreed by the Parties, unless the testimony is related to a crime; and

3. Perform the role of Mediation or Conciliation in a dispute to which one of the Parties is a spouse or a relative by blood or marriage up to the fourth degree.

## **Article (7)**

### **Res Judicata**

1. Subject to the provisions of Article (14) hereunder, no person may resort to Mediation in case of prior recourse to Conciliation, pursuant to the provisions of this Decree-Law.
2. Notwithstanding the provisions of Article (30) hereunder, a dispute may not be referred to Conciliation as long as the Mediation has been sought settle the subject thereof, pursuant to the provisions of this Decree-Law.

## **Section Two**

### **Mediation for Settlement of Civil and Commercial Disputes**

#### **Chapter One**

#### **Scope of Application**

### **Article (8)**

1. The Mediation may be carried out in respect of all civil and commercial disputes in which the Settlement is possible, in such a manner that does not contradict the applicable legislation, public order or public morals in the State, subject to the provisions of Article (28) hereunder, without prejudice to the provisions of local laws governing the Mediation provisions.

2. The Mediation may cover the subject of the dispute in whole or in part.
3. The Mediation provisions set forth in this Chapter shall apply if:
  - a. The Mediation procedures are initiated in the State; and
  - b. The Mediation is related to an international commercial dispute outside the State and the Parties agree to have the same governed by the provisions of this Decree-Law.

## **Article (9)**

### **Mediation Agreement**

1. The Mediation Agreement may be executed in any of the following forms:
  - a. Prior to the occurrence of the dispute, whether the agreement is standalone or is included in a particular contract on all or part of the disputes that may arise out between the Parties; or
  - b. Subsequent to the occurrence of the dispute, even if a case has been instituted in respect of which.
2. The Mediation Agreement may be entered into only by a natural person who is legally capacitated to dispose of rights, or by a representative of a legal person who is duly authorized to enter into the Mediation Agreement; otherwise, the Mediation Agreement shall be null and void. The Mediation Agreement shall not cease to exist upon the death of a Party or termination of its legal personality, in which case, the Mediation Agreement may be implemented by or vis-à-vis the legal successor of such Party, unless otherwise agreed by the Parties.
3. The Mediation Agreement shall be executed in writing and signed by the Parties thereto, whether under a private or public agreement, contained in messages or other means of written communications, made under an electronic communication, pursuant to the



provisions of the legislation governing electronic transactions in the State, or recorded in court transcripts, whether the document thereof is in a hard or soft copy format; otherwise it shall be null and void.

4. An explicit reference in a written contract to the provisions of a standard contract or to any other document that includes a Mediation clause shall serve as a written Mediation Agreement if such reference expressly incorporate such clause into the contract.
5. The Mediation Agreement shall define the subject of the dispute under consideration in the Mediation and shall also indicate the appointment or appointment method of the Mediator. The agreement may also provide that the Mediation procedures are to be conducted in a language other than Arabic. In such case, the documents and statements submitted shall be translated into Arabic, pursuant to the provisions of the federal law regulating the translation profession.

## **Article (10)**

### **Mediator Lists**

1. The Department or the local judicial authority shall create lists for listing Mediators from amongst those listed in the expert rosters of the Ministry of Justice or local judicial authorities, as the case may be. Such lists may contain (experienced Mediators) to be nominated based on a resolution of the Council or the president of the local judicial authority, as the case may be. They shall be selected from amongst retired members of the judicial authority, lawyers enrolled in the rosters of practicing and non-practicing lawyers who practiced the profession for at least (5) five years prior to the enrollment in the roster of non-practicing lawyers and other high-caliber professionals and international experts in the legal and business field, who are known for their expertise, integrity and neutrality.

2. The conditions, procedures and durations of listing and renewal of listing in the Mediator Lists and selection and delisting of Mediators shall be established under a resolution of the Council or president of the local judicial authority.

## **Chapter Two**

### **Consensual Mediation**

#### **Article (11)**

##### **Recourse to Consensual Mediation**

1. In order to enforce the Mediation Agreement, the Parties may directly resort to the Center to settle their dispute before a case is instituted.
2. Subject to the provisions of Article (9) above, the Mediation Agreement shall provide for the Mediation language, subject of the Mediation, appointment of, or stipulating the method of appointment of Mediator(s) and determining their remunerations and who should pay the same; otherwise the agreement shall be null and void.
3. The commencement of the Consensual Mediation procedures shall suspend legal and judicial time limits, which shall take effect again only upon the conclusion of the Mediation, unless the same is concluded by signing the settlement agreement by the Parties.

#### **Article (12)**

##### **Procedures of the Consensual Mediation**

1. The application shall be submitted on the designated form to the Supervising Judge, accompanied by the Mediation Agreement and any documents related to the subject of the dispute.

2. The application shall include the following:
  - a. The desire of one or all of the Parties to resort to the Mediation, an undertaking by the Mediation applicant to appear at the scheduled Mediation sessions, and providing the appointed Mediator with the necessary information and documents on the referred dispute;
  - b. Subject of the Mediation;
  - c. Appointment of a Private Mediator under the Mediation Agreement, and may be from among those listed in the Mediator Lists; and
  - d. The agreed Mediation duration, which may not exceed three (3) months from the date of the mediator's acceptance of the mission, and is renewable for a similar duration, but only once, under a decision by the Supervising Judge based on an agreement to be concluded by the Parties, in accordance with the same conditions set forth in Article (9) above.
3. Subject to the provisions of Article (3) above, the Center shall serve upon the rest of the Parties involved the application to implement the Mediation Agreement, and also the Private Mediator if they are appointed by agreement.
4. The Supervising Judge shall have the same powers as the Competent Court in terms of assessing the Mediation Costs, appointment of the Mediator, receiving the Mediator's reports and approving the Settlement Agreement, as set out in Chapter III of Part II hereunder.
5. Where no particular provision is provided in this Chapter, the provisions and procedures set forth in Chapter III of Part II hereunder apply to the Consensual Mediation.

## **Article (13)**

### **Effects of Recourse to the Consensual Mediation**

1. The court, with which a case is filed regarding a dispute already referred to the Mediator pursuant to the Mediation Agreement, shall decide that the case be suspended until the Mediation Procedures are completed, provided that the defendant invokes the same before filing any motion or plea on the case merits, unless the court finds that the Mediation Agreement is null and void and is impossible to be implemented.
2. Instituting the case referred to in Clause (1) above shall not preclude the commencement or continuation of the Consensual Mediation procedures.

## **Chapter Three**

### **Court-Ordered Mediation**

## **Article (14)**

### **Decision on Referral to Mediation**

1. Notwithstanding Article (7) above, the Competent Court may issue a decision to refer a 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 pursuant to the Mediation Agreement.
2. The Competent Court shall mention the following details in the decision of referral to Mediation:
  - a. The Parties' approval to resort to Mediation, their undertaking to appear at the scheduled hearings and providing the appointed Mediator with the information and documents relating to the dispute referred to Mediation;
  - b. Subject of Mediation;

- c. Mediation duration, which may not exceed (3) three months from the date of notifying the appointed Mediator of the mission, renewable for a similar duration, only once, under a decision by the Competent Court at the request of the appointed Mediator and subject to the approval of all Parties; and
  - d. Initial Mediation Costs and how they are 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. All legal and judicial time limits shall be suspended once the referral decision is issued and shall take effect again after the Mediation is closed. In addition, during the Mediation period, the Competent Court may take necessary measures and actions to safeguard the rights of the Parties and issue urgent or interim decisions it deems necessary.
5. Upon the conclusion of the Mediation, the Competent Court shall schedule a hearing to hear the case.

## **Article (15)**

### **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 (5) five days from the date of issuing the decision.
2. The Private Mediator shall sign a document proving their acceptance of the Mediation mission, and a document proving their neutrality and independence towards the Parties and the subject of the dispute, and that they had not expressed an opinion on the subject of the dispute, within three (3) business days starting from the notification date. In the

course of the Mediation, the Mediator shall notify the Center in writing, via an electronic means or by hand of any facts or circumstances that have arisen or may arise that would cause either Party to cast doubts on their neutrality or independence. In which a case, the procedures set out in Clause (2) of Article (16) hereunder shall be applicable.

3. The Private Mediator may determine their fees in agreement with the Parties to the dispute. In case the dispute is concluded by a settlement agreement, the plaintiff shall be refunded the legal fees paid by the same, as set out in Clause (2) of Article (26) hereunder.

## **Article (16)**

### **Appointment of Mediator from Mediator Lists**

1. In case the Mediation Agreement does not designate a Private Mediator or where the Private Mediator rejects the mission, the Competent Court shall order the Parties to appoint a substitute Mediator within the time limit set by the same. If such appointment is impossible, the Competent Court may assign one or more Mediators from among the names listed in the Mediator Lists, and the Parties shall be notified of the same not later than five (5) business days following the issuance date of the referral decision, and the Parties shall agree with the appointed Mediator on the latter's fees within (3) three business days following the date of being notified of the referral decision.
2. In case either Party objects to, and requests the disqualification of the appointed Mediator, or where the Mediator is removed, steps down, passes away or fails to keep performing their mission for any reason whatsoever at any stage of the Mediation, the Competent Court shall appoint a substitute Mediator from the ones listed in the Mediator Lists, within five (5) business days following the approval date of the Mediator disqualification, the date of the Mediator's removal, recusal, death or notification of

being unable to resume their mission.

3. In all cases, the appointed Mediator shall abide by the rules of neutrality and independence towards the Parties and the subject of the dispute.

## **Article (17)**

### **Recusal, Removal and Disqualification of Mediator**

1. The Mediator shall, *sua sponte*, step down or recuse from proceeding with the Mediation procedures if there is any cause between them and either Party to the dispute that would make them sense embarrassment, or cause the inability to proceed with the settlement procedures without bias in favor of either Party, unless otherwise agreed.
2. Both Parties may request the Competent Court to remove the Mediator in any of the following cases:
  - a. If the Mediator has a reason that would compromise their neutrality, integrity or independence towards any of the Parties or on the subject of the dispute;
  - b. If the Mediator fails or ceases to perform their mission in such a manner that would give rise to unnecessary procedural delay, or the Mediator is found disqualified; and
  - c. If the Mediator breaches the confidentiality obligation set out in Article (5) above.
3. The decision issued by the Competent Court shall be unchallengeable by any channel of challenge.

## **Article (18)**

### **Mediation Procedures**

1. The Mediator shall notify the Parties to the dispute of the Mediation sessions, and shall notify them or their legal representatives of dates and venues of the Mediation sessions through any of the legally prescribed means of notification, including electronic means.

2. The 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 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 accompanying each Party, as they deem appropriate, for facilitating the Mediation depending on the circumstances and nature of the dispute. Persons other than those involved in the dispute may attend the Mediation sessions only with the approval of all Parties.
3. Before the convention of the first meeting, as scheduled by the Mediator, each party to the dispute shall, before a reasonable time, furnish to the Mediator a brief statement containing a summary of their claims or pleas, accompanied by the supporting documents and evidence. Such statements and documents may not be exchanged between the Parties.

## **Article (19)**

### **Mediation Sessions**

1. In the course of Mediation sessions, the Mediator may hold discussions collectively with all the Parties involved, discuss with them the subject of the dispute and their claims and pleas, and take whatever actions they deem appropriate to bring their points of view closer to each other in order to reach an amicable resolution. To that end, the Mediator may express their opinion if requested by the Parties, evaluate the documents and evidence furnished by the Parties and introduce judicial principles relating to the dispute ... etc. for facilitating the Mediation.
2. The Mediator may hold private sessions with each Party involved in the Mediation, but may not disclose to the other Party any information that comes to their knowledge at



such sessions without the prior approval of the disclosing Party.

3. As for multiparty disputes, the Parties may, subject to the Competent Court's approval, agree that the Mediation procedures continue although a Party abstains, in whatever way, from involvement, unless such abstention would adversely impact the proper administration of the Mediation and the settlement of their dispute.

## **Article (20)**

### **Powers of Mediator**

1. The Mediator shall have no investigation power. The Mediator may, in agreement with all Parties and for the purposes of the Mediation, hear third parties, subject to the latter's consent.
2. Subject to the provisions of Article (3) above, in order to perform their mission, the Mediator may access to papers, documents, records and other evidence and to accept any evidence furnished by the Parties, unless the same contradicts the public order or morals, without being bound by the Laws of Civil Procedure, Legal Profession and Evidence, and without being bound by the normal business hours.
3. The Mediator may engage the experts recorded in the expert rosters of the Ministry of Justice or local judicial authorities, as the case may be, or any other experts to be agreed by the Parties for providing technical and technological consultancy. The Mediator shall determine the expert's fees and the functions to be performed by him and shall give an 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 Law of Evidence on Civil and Commercial Transactions.

## Article (21)

### Termination of Court-Ordered Mediation

1. The Mediation shall terminate in any of the following cases:
  - a. The Parties sign a settlement agreement;
  - b. The Parties agree to terminate the Mediation before reaching a settlement agreement for any reason whatsoever;
  - c. A Party notifies the Mediator or the Center that they are not desirous to be involved or to continue in the Mediation;
  - d. The Mediator notifies the Center, in writing or electronically, that the Mediation is infeasible and that there is no possibility to reach a resolution of the dispute;
  - e. The Mediator notifies the Center, in writing or electronically, of termination of the Mediation due to the absence of a Party for two consecutive Mediation sessions without an excuse; and
  - f. Where the Mediation duration expires without renewal.
2. In all cases, upon the termination of the Mediation, the Mediator shall deliver to each Party the statements and documents submitted by the same, and may not keep them or a copy thereof. The Mediator shall send to the Center a written or electronic report of the outcome of the Mediation, within three (3) business days from the date of the termination of the Mediation for any reason. The Center shall provide the Parties and the Competent Court, within (3) three days, of the report and the outcome of the Mediation.

## Article (22)

### Failure to Reach Settlement

If the Mediator fails to reach a settlement of the dispute for any reason whatsoever within the timeframe specified in the referral decision, the Mediator shall furnish a report to the

Center stating the failure to reach a settlement and describing how far the parties and their attorneys are committed to attending the scheduled sessions. The Parties shall be given a statement on the actions taken on the same, 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 service of process.

## **Article (23)**

### **Ratification of Settlement Agreement**

1. If, upon the conclusion of the Mediation, the Parties reach a settlement of 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 ratification. In turn, the Center shall submit both the report and the agreement to the Competent Court within (3) three business days.
2. The Competent Court shall ratify such agreement and issue a decision terminating the dispute, in whole or in part, as the case may be, at a hearing to be scheduled within (7) seven business days from the date of receiving the settlement agreement. After the ratification, the agreement shall serve as a writ of execution and may be appended by the writ of execution, at the request of all Parties or one of them, in the light of the provisions of the settlement agreement submitted to the Court. In addition, the ratified agreement shall be executed according to the procedures set out in the Federal Law of Civil Procedure.

## **Article (24)**

### **Objection to Settlement Agreement**

1. The objection to both a ratified settlement agreement and a judicial dispute termination

decision may be accepted only by way of filing a case for, or invoking nullity in the course of examining the agreement ratification application. In addition, the nullity applicant shall prove any of the following grounds:

- a. If a party to the settlement agreement is incapacitated or with reduced capacity at the time of concluding the agreement;
  - b. If there is no settlement agreement, the agreement is void or voidable or is made after the expiration of the Mediation term; or
  - c. If either party fails to present defense due to invalid notification of the Mediation procedures or being unaware of the same for any other reason beyond their reasonable control.
2. A judgment rendered by the Court on the nullity case shall be final and is challengeable only by way of cassation.
  3. The nullity case may not be heard following the lapse of thirty (30) days following the date on which the judicial dispute termination decision is served to the nullity applicant.
  4. The judgment of nullity shall terminate the ratified settlement agreement, in whole or in part, depending on whether the nullity is full or partial. If a judgment is rendered to interpret the part declared null, such judgment shall also be null.
  5. Unless otherwise agreed by the Parties, the Mediation Agreement shall remain effective, pursuant the provisions of this Decree-Law, after the ratified settlement agreement is nullified.

## **Article (25)**

### **Probative Force of Ratified Settlement Agreement**

Subject to Article (24) above, a ratified settlement agreement shall be binding on, and irrevocable by the Parties, and shall have the same probative force of court judgments.

Hence, the merits and grounds of the same dispute between the same Parties may not be brought again to the Court, and the Court shall order such probative force **sua sponte**.

## **Article (26)**

### **Mediation Costs**

1. Notwithstanding the provisions of Article (29) hereunder, the Parties shall directly pay initial Mediation Costs, in full, to the Center before proceeding with the Mediation procedures, as described in the referral decision.
2. When the Mediator's mission is over and the dispute is fully settled, all Parties may be refunded the legal fees paid, and they may be refunded half of the legal fees paid in case the dispute is partially settled.
3. Subject to Clause (3) of Article (15) and Clause (1) of Article (16) above, in all cases, the Competent Court shall assess the non-agreed final Mediation Costs binding on the Parties 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 in full, and shall authorize the Private Mediator to receive the fees due to them deposited in the Court's treasury.
4. If the Mediator fails to reach a settlement for the dispute, the Competent Court shall issue an Order on Petition obligating the Parties to pay the final Mediation Costs, as mentioned in the Mediation Agreement and the referral decision. The order on petition shall be issued at the request of the Parties or the Mediator and shall be filed in the same Mediation File. The Competent Court may also order the party causing the Mediation to be failed, due to their absence of the Mediation sessions, to pay the Mediation costs in full.

5. The Parties and the Mediator may each file a grievance against the costs assessment decision, within five (5) business days following the decision notification date. Such grievance shall be based on a report to be filed with the case management office and shall give rise to the 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, within a time limit not exceeding (7) seven business days from the date of the grievance report. The decision made on the grievance shall be final and unchallengeable by any channel of challenge.

### **Section Three**

## **Conciliation in Civil and Commercial Disputes**

### **Chapter One**

#### **Article (27)**

#### **Scope of Application**

1. Subject to the provisions of Article (28) hereunder, the Center shall be obligatorily competent to conciliate the following civil and commercial disputes:
  - a. Disputes whose value does not exceed (AED 5,000,000) five million dirhams; and
  - b. Disputes to which Parties are spouses or relatives up to the fourth degree, regardless of their value.
2. Litigants may agree to resort to the Center for conciliation in civil and commercial disputes whose value exceeds (AED 5,000,000) five million dirhams, whether before the case is instituted or in the course of hearing thereof.

## **Article (28)**

### **Disputes that May not be Settled through Conciliation**

The following disputes do not fall within the Center's competence:

1. Summary and interim orders and cases;
2. Cases to which the Government is a party;
3. Rental cases heard by rental dispute committees;
4. Labor cases;
5. Personal status cases; and
6. Any other cases decided to be heard before a center, committee or other body with similar competence

## **Article (29)**

### **Fees**

No fees are payable for disputes and applications submitted to the Center.

## **Article (30)**

### **Implications of the Center's Competence of Conciliation**

1. No case may be registered in courts where a Center has been established for cases that obligatorily fall within the Center's competence, pursuant to the provisions of Clause (1) of Article (27) above without being referred thereto, and a statement of actions made thereon is issued.
2. If the Competent Court refers a case heard before it to the Center, based on the agreement of the litigants, and the case value exceeds (AED 5,000,000) five million dirhams, the chief judge may return the fee paid before it in the event that the dispute is

concluded by Conciliation. If the Center decides to refer the case again to the court, the previously paid fee shall be sufficient.

3. All legal and judicial time limits set forth in laws in force in the State shall be suspended from the date of the dispute registration in the Center, and shall take effect again only upon the conciliation conclusion.

## **Chapter Two**

### **Practicing as Conciliators and Conciliators' Functions and Obligations**

#### **Article (31)**

##### **Conditions for Practicing as Conciliators**

By virtue of a resolution by the chairman of the Council or the president of the local judicial authority, as the case may be, the conditions for practicing as Conciliators and their qualification shall be determined, and shall include the following:

1. Must have not lost his capacity, and must have never been convicted in a crime involving moral turpitude or dishonesty, even if he has been rehabilitated;
2. Must be a person known for his integrity, impartiality and expertise; and
3. Must have successfully passed the prescribed courses and tests established by a resolution of the Council or the president of the local judicial authority, as the case may be.

#### **Article (32)**

##### **Resolution for Practicing as Conciliators**

1. A resolution for appointment or assignment of Conciliators shall be issued by the Minister or the president of the local judicial authority, as the case may be.



2. The Cabinet or the competent local authority shall issue a special regulation for salaries of appointed and assigned Conciliators, at the proposal of the Council or the president of the local judicial authority.
3. The appointed or assigned conciliator shall take the legal oath of office to perform his job with honesty and faithfulness before the president of the chamber of the competent judicial authority or his delegate.

## **Article (33)**

### **Operating Procedures of Conciliators**

1. The Parties shall attend Conciliation sessions in person or through their legal representatives. The Conciliator shall schedule the date of each session, and shall notify the Parties to the dispute or their representatives of the session date and venue.
2. The Conciliator shall meet the Parties at the scheduled sessions and discuss with them the subject of the dispute and their requests and pleas, and may take whatever actions he deems appropriate to bring their points of view closer to each other in order to reach an amicable resolution. To that end, the Conciliator may express his opinion, evaluate the documents and evidence furnished by the Parties and invoke judicial principles and other measures that facilitate the Mediation.
3. Subject to the provisions of Article (3) above, in order to perform his mission, the Conciliator may access to papers, documents, records and other evidence and may take actions he deems appropriate, without being bound by the Law of Civil Procedure, the Legal Profession Law and the Law of Evidence in civil and commercial transactions, and without being bound by the normal business hours.
4. The Conciliator shall have no investigation power; however, the Mediator may, in agreement with all Parties and for the purposes of the Conciliation, hear third parties,

subject to the latter's consent.

5. Subject to the agreement of the Parties, the Conciliator may engage the experts recorded in the expert rosters or those who are agreed by the litigants to settle the disputes presented thereto for providing technical and technological consultancy. The Mediator shall determine the expert's fees and functions to be performed by him and shall give an opinion in respect thereof, pursuant to the provisions of the Law of Evidence on Civil and Commercial Transactions.

## **Article (34)**

### **Recusal, Removal and Replacement of Conciliator**

1. The Conciliator shall recuse himself from the mission if he feels embarrassment or is a blood relative of a party up to the fourth degree.
2. The Supervising Judge may remove and replace the Conciliator, at the request of either Party, and the decision shall be decided on within (3) business days following the date of submission, in any of the following cases:
  - a. If the Conciliator fails to perform his mission;
  - b. If the Conciliator fails or ceases to perform his mission in such a manner that would give rise to unnecessary procedural delay, and fails to recuse; and
  - c. If the Conciliator has a relationship to either Party that may raise doubts on his neutrality or independence, whether before or during the Conciliation.
3. The Supervising Judge may, **sua sponte**, decide to remove and replace the Conciliator where any cases of disqualification set out in Clause (2) above is found.
4. In all cases, the decision issued by the Supervising Judge on the removal or replacement of the Conciliator is unchallengeable by any channel of challenge.

## **Article (35)**

### **Conciliation Timeframe**

The Center shall resolve the dispute by Conciliation within at most (21) twenty-one business days from the date on which the Parties appear before him, and may be extended for further similar timeframe under a reasoned decision by the Conciliator, unless the Parties agree on a further similar timeframe.

## **Chapter Three**

### **Termination of Conciliation Procedures**

## **Article (36)**

### **Cases of Conciliation Termination**

The Conciliation procedures shall terminate in any of the following cases:

1. The Parties approve the settlement agreement;
2. A party or all the Parties involved notify the Conciliator that they have no desire to continue in the Conciliation procedures;
3. The Conciliator notifies the Parties that the continuation of the Conciliation procedures is unfeasible for being unserious or for another reason; or
4. Expiry of the Conciliation timeframe.

## **Article (37)**

### **Failure of Conciliation**

If the dispute fails to be resolved by Conciliation due to the absence of a party or for any reason whatsoever or for failure to reach a settlement, the Parties shall be given a statement on actions made thereon, and the file shall be referred to the Competent Court.

## **Article (38)**

### **Settlement Established Before the Conciliator**

1. If the settlement is established between the Parties, in whole or in part, the same shall be recorded in a minutes to be signed by the Parties and the Conciliator. Such minutes shall be approved by the Supervising Judge, and shall have the legal force of the writ of execution and the probative force of court judgements, and shall not be challenged through any channel of challenge.
2. Upon the request of all Parties or any of them, the minutes may be accompanied by the writ of execution, at no charge, and shall be enforced according to the procedures set out in the Federal Law of Civil Procedure.

## **Section Four**

### **Final Provisions**

## **Article (39)**

### **Code of Professional Conduct for Mediators and Conciliators**

The Council or the president of the local judicial authority, as the case may be, shall issue the Code of Professional Conduct for Mediators and Conciliators.

## **Article (40)**

### **Disciplinary Measures**

1. Should the Mediator or Conciliator breach any of their obligations, as set out in this Decree-Law, the aggrieved party may resort to the Center to take disciplinary measures against them, without prejudice to their civil and criminal liability.

2. The same disciplinary measures and sanctions set under the Law Regulating Expertise Profession before the federal judicial authorities or the local laws regulating expertise activities, as the case may be, shall be applicable to the discipline of Mediators.
3. The Minister of Justice shall issue, upon the approval of the Council or the president of the local judicial authority, as the case may be, a special regulation on the controls and procedures of discipline of Mediators.
4. The disciplinary sanctions set forth in the HR Law of the Federal Government or local laws governing a public office, as the case may be, shall apply to Conciliators.

## **Article (41)**

### **Provisions Governing the Private Mediator's Functioning**

As for matters where no particular provision is stipulated in the Mediation Agreement, the provisions governing the Mediator's functioning set out in this Decree-Law shall apply to the Private Mediator.

## **Article (42)**

### **The Implementing Resolutions**

The Minister shall, subject to prior approval of the Council or the President of the local judicial authority, as the case may be, issue the resolutions necessary for implementing the provisions of this Decree-Law.

## **Article (43)**

### **Repeals**

1. Federal Law No. (17) of 2016, Establishing Mediation and Conciliation Centers in Civil

and Commercial Disputes, as amended, shall hereby be repealed.

2. Law No. (6) of 2021, on Mediation for Settlement of Civil and Commercial Disputes, shall hereby be repealed.
3. The regulations and resolutions issued in pursuance of the provisions of Federal Law No. (17) of 2016, as amended, and Law No. (6) of 2021, shall remain effective, until the regulations and resolutions necessary for implementing the provisions of this Decree-Law are issued, in so far as they do not contradict the provisions thereof.
4. Any provision repugnant to or in conflict with the provisions of this Decree-Law shall hereby be repealed.

## **Article (44)**

### **Publication and Entry into Force**

This Decree-Law shall be published in the Official Gazette, and shall enter into force (90) ninety days following its publication date.

**Mohammed bin Zayed Al Nahyan**

**President of the United Arab Emirates**

Issued by Us at the Presidential Palace – Abu Dhabi

Dated: 13 th Rabi' Al-Awwal 1445 AH,

Corresponding to: 28 th September 2023 AD