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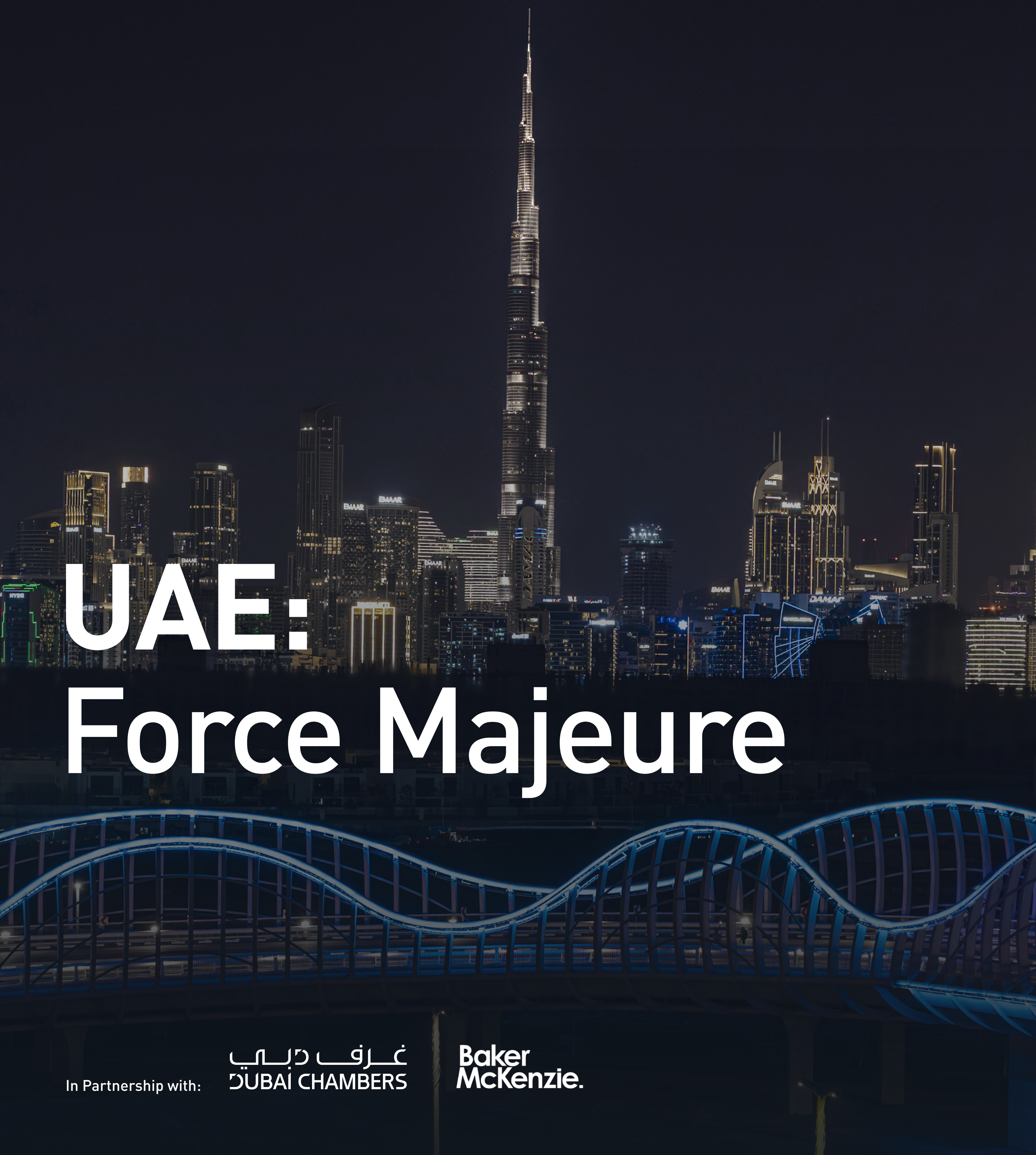

UAE: Force Majeure

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Businesses frequently describe significant commercial disruption as a force majeure event. However, under UAE law, force majeure has a specific legal meaning and is subject to defined legal requirements. Not every unexpected event, market disruption, increase in costs, delay, or adverse commercial consequence will qualify as force majeure.

A key distinction under UAE law is the difference between an event that makes performance objectively impossible and an event that merely makes performance more difficult, expensive, delayed, or commercially burdensome. This distinction is particularly important because the legal consequences of force majeure differ significantly from those associated with hardship, commercial risk, or ordinary contractual non-performance.

Many disruptions commonly encountered by businesses – including increased construction costs, inflation, supply chain delays, shipping route changes, fuel price increases, or regional instability—will not automatically constitute force majeure. Whether force majeure or hardship applies will depend on the specific facts, the terms of the contract, and the applicable legal framework.

This guidance is intended to provide a practical overview of how force majeure and hardship are assessed under UAE law, the circumstances in which they may apply, and the practical steps businesses can take to manage contractual disruption and risk.

Purpose

This guidance is designed to assist Dubai based businesses in navigating contractual disruption arising from unforeseen events, with a particular focus on the application of force majeure, hardship, and related legal concepts under UAE law.

As the new UAE Civil Transactions Law issued by Federal Law No. 25 of 2025 entered into force on 1 June 2026 ("**New Civil Code**"), businesses may now be managing contracts that are subject to different legal rules. As a practical starting point, the key question is when the contract was entered into, as this will generally determine whether the previous Civil Code or the New Civil Code applies. The provisions of the New Civil Code are not expected to have retrospective effect and will therefore apply primarily to facts and contracts entered into on or after 1 June 2026, while contracts concluded prior to that date will, absent express provision to the contrary, remain governed by the previous Civil Code[1].

Accordingly, this guide primarily examines the force majeure and hardship principles developed under the previous Civil Code and the substantial body of judicial decisions interpreting those provisions, which remain particularly relevant to contracts entered before 1 June 2026. Where relevant, the guide also identifies the corresponding provisions of the New Civil Code and highlights key practical considerations for contracts entered on or after that date.

Specifically, it:

- explains the legal application of force majeure and hardship within the UAE legal framework;
- identifies key judicial principles developed under the previous UAE Civil Code and highlights, where relevant, their significance under the new UAE Civil Transactions Law;
- distinguishes these doctrines from analogous common law concepts, including frustration (particularly relevant for DIFC/ADGM and cross border contracts);
- outlines practical, business oriented steps to manage contractual disruption as it arises (including notice, mitigation, documentation, and dispute avoidance tools).

The New Civil Code retains the fundamental distinction between force majeure and hardship but introduces a more flexible framework for exceptional events. While force majeure continues to apply where performance becomes impossible, the New Civil Code provides greater clarity on its consequences. More significantly, the hardship provisions expand the court's remedial powers. While the previous Civil Code limited the court to reducing an oppressive obligation to a reasonable level, the New Civil Code goes further, permitting the court to modify contractual obligations, suspend performance, or in exceptional circumstances, rescind the contract entirely in order to restore contractual equilibrium.

Disclaimer:

This guidance is provided for general information purposes only and does not constitute legal advice. It is not a substitute for tailored legal advice in relation to any specific contract or factual circumstance. Businesses remain responsible for obtaining tailored legal advice for their own needs before taking (or refraining from taking) any action based on this guidance.
Any case scenarios included are illustrative only and are intended solely to clarify legal concepts; they do not establish binding principles or determinative outcomes in comparable situations.

1 Article 4(1) of the UAE Civil Transactions Law No. 25 of 2025 provides that the law applies from 1 June 2026 and, unless expressly stated otherwise, does not apply to facts or transactions predating its entry into force.

A. What is force majeure in simple terms?

Force majeure refers to an exceptional event outside the control of contracting parties that renders contractual performance objectively impossible.

In practical terms, it applies where:

- the event is external and could not reasonably have been anticipated or prevented;
- the affected party is not at fault;
- performance becomes objectively impossible, not merely more difficult or costly[2].

A.1 How does the previous Civil Code and New Civil Code address force majeure?

The UAE force majeure regime underwent significant legislative reform with the introduction of the New Civil Code. As a result, businesses should first determine whether their facts and/or contract is governed by the previous Civil Code or the New Civil Code.

Under the previous Civil Code, force majeure was principally governed by Article 273 and interpreted through a substantial body of UAE court decisions.

Under the New Civil Code, force majeure is addressed through the corresponding provisions of Article 236[3]. While the core requirement of impossibility remains central under both regimes, the new law introduces changes to the treatment of partial and temporary impossibility that may affect the remedies available to contracting parties. The key differences are summarised below:

FORCE MAJEURE EVENT OCCURS

New Civil Code
(Contracts post June 1, 2026)

- **Total**: Rescission
- **Partial**: Matching obligation extinguished, or court to rescind
- **Temporary**: Matching obligation extinguished, contract amended, or court to rescind

Previous Civil Code
(Facts and/or contracts pre-June 1, 2026)

- **Rescission in Total Impossibility; or**
  Matching obligation extinguished or rescission of contract by notice in partial or temporary impossibility

2 The Dubai Court of Cassation has held that Article 273 of the previous Civil Code applies only where a supervening event renders performance objectively **impossible** and the event was **unforeseeable** at the time the contract was entered into (Case No. 268/2009).

3 Article 236 of the New Civil Transactions Law provides that:
1. In bilateral contracts, if a force majeure event occurs that renders performance of the obligation impossible, the corresponding reciprocal obligations shall be extinguished and the contract shall be automatically rescinded.
2. If performance of the obligation becomes impossible in part, either contracting party may invoke the extinguishment of the corresponding part of the reciprocal obligation, or apply to the court for rescission of the contract.
3. If the impossibility is temporary in continuing contracts, either contracting party may invoke the extinguishment of the corresponding reciprocal obligation, seek amendment of the contract, or apply to the court for rescission of the contract.

Under Article 273 of the previous Civil Code, the legal consequences of force majeure generally followed an automatic approach. Where performance became completely impossible, the contract was automatically rescinded by law. In cases of partial or temporary disruptions, only the affected part of the obligation was automatically extinguished, while the rest of the contract remained binding unless the creditor chose to cancel it by giving notice. Given that the legal outcome was automatically fixed based on these categories, UAE courts focused primarily on classifying whether the disruption was total, partial, or temporary.

This differs from the new approach under Article 236 of the New Civil Code, which introduces significantly greater flexibility. Instead of relying on automatic legal cancellation, the provisions of the New Civil Code gives either party a clear right to choose the available remedy. In cases of partial or temporary disruption, businesses can now actively choose to strike out the impossible parts, seek amendment of the contract, or petition the court to rescind the entire agreement where appropriate.

B. Is a contractual clause required to invoke force majeure?

If the contract contains an explicit force majeure clause

The force majeure analysis will primarily be governed by the clause's wording (qualifying events, trigger language, notice, mitigation, and consequences).

UAE courts will generally give effect to the parties' agreed risk allocation, subject to public policy and mandatory law.

The clause's strict wording dictates what constitutes a qualifying event, notice protocols, and the consequences of a disruption.

Operational note: Procedural requirements (especially notice and updates) often determine success or failure. For example, a clause may require immediate notice with details of the event and affected duties, regular updates, and reasonable endeavours to mitigate.

If the contract is silent

Contracts executed in mainland UAE and governed by UAE federal law benefit from a statutory safety net. If a contract is silent, force majeure may still be invoked by the automatic application of the statutory framework:

Contracts dated before 1 June 2026:

Governed by previous Article 273 of the previous Civil Code (automatic extinguishment / creditor notice rules

Contracts dated before 1 June 2026:

Governed by new Article 236 of the New Civil Code (bilateral elective options, modification, or judicial rescission).

C. What conditions must be satisfied to trigger force majeure?

Mainland courts assess force majeure claims strictly on a case-by-case basis. To invoke force majeure under UAE law, the claiming party must establish four cumulative conditions.

1. Unforeseeability at the time of contracting

The event must fall outside the reasonable contemplation of the parties when the contract was concluded.

- Qualifying Threshold: Standard commercial risks — market fluctuations, price increases, supply volatility, or increased costs — generally do not meet this threshold[4].

2. Unavoidability despite reasonable mitigation efforts

The affected party must demonstrate it could not reasonably prevent or mitigate the consequences of the event.

- This includes proactive steps to avoid, overcome, or reduce impact.
- Relief scope will depend materially on clause wording (notice, mitigation, alternative performance).

3. Objective impossibility (not merely difficulty or onerousness)

Force majeure applies only where performance becomes impossible, not simply more burdensome or commercially unattractive.

- Physical impossibility: Occurs where an unexpected external event creates an absolute physical barrier to performance (e.g., total physical closure of transport routes; official denial of site access).
- Legal impossibility: Occurs where a change in law or a binding sovereign directive makes performance legally prohibited (e.g., sanctions; government bans; mandatory suspension of required licences).

4. Direct causation, without fault of the invoking party

- The force majeure event must be the direct cause of inability to perform and not attributable to the invoking party's act/omission[5].

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4 Case law signals:
- Dubai Court of Cassation (Case No. 268/2009): Ruled that force majeure under Article 273 requires proof of objective impossibility and total unforeseeability at the exact moment of contract formation.
- Dubai Court of Cassation (Case No. 188/2009): Affirmed that force majeure must be an unforeseen event that could not have been averted, meaning its consequences could not be prevented or guarded against. The Court confirmed that evaluating whether an event meets these elements is a factual determination left within court discretion.

5 **Case law signal:** Dubai Court of Cassation in Challenge No. 1689 of 2023, hearing dated 25 March 2024, ruled that force majeure/hardship relief is not available where the debtor's delay is attributable to its own fault.

D. What is the legal effect of applying the force majeure mechanism?

Where force majeure is validly established, specific legal consequences follow. Those consequences do not depend on fault, but they do depend on whether the impossibility is total, partial, or temporary.

1. Discharge of the affected obligation by operation of law:
Once the threshold is met, the relevant obligation is extinguished as a matter of law.

2. Non-performance is not treated as breach
Because the obligation is legally discharged:
- failure to perform is not a contractual breach;
- the non-performing party is relieved from liability (within the strict scope of the impossibility).

3. No liability for damages (subject to contractual cost allocation)
- Damages are generally not recoverable for non-performance caused solely by a force majeure event, to the extent that the affected obligations cannot be performed during the force majeure period.
- Contractual allocation of risk[6] remains important: Contracts may allocate responsibility for deposits, advance payments, sunk costs, non-refundable amounts, or other financial consequences arising from a force majeure event, and courts will generally give effect to clear contractual provisions.
- Depending on the circumstances, the courts may terminate the agreement and seek to restore the parties to the position they were in before the contract was formed. Where restoration is not possible, the court may order monetary compensation or make other appropriate orders to achieve a fair outcome.

E. Payment obligations: Can force majeure excuse payment of amounts already due?

As a general rule, payment obligations that have already accrued typically remain due and enforceable unless the contract expressly provides otherwise.

Contract drafting signal (illustrative): Commercial contracts commonly exclude payment obligations from force majeure relief and require parties seeking to rely on force majeure to comply with notice, mitigation, and information-sharing requirements.

Commercial handling (practical options): Where a force majeure event creates cash-flow pressure, parties often seek to agree commercial solutions such as revised payment schedules, deferred payment arrangements, credit notes, or other documented accommodations.

6 Allocation of risk refers to the way in which a contract distributes responsibility, liability, and potential losses between the parties in relation to events that may occur during the performance of the agreement. The contract determines which party bears particular risks, who is responsible if something goes wrong and how losses, delays, defects, or unforeseen events will be managed.

F. What options are available where payment is withheld? (Payment orders)

Where payment is withheld in respect of a fixed, due, undisputed debt, UAE law provides payment order procedures as an expedited recovery mechanism.
Key features:

Scope

quantified, due, not genuinely disputed debts;

Procedural efficiency

narrower evidentiary focus than full litigation;

Targeted relief

recovery without necessarily litigating broader performance disputes

G. How do contractual mechanics affect force majeure?

Even where statutory effects arise, contractual notice and procedural provisions remain relevant; non-compliance may affect contractual rights[7].
The occurrence of a force majeure event does not automatically entitle parties to an extension of time or deferment of obligations. The outcome depends on the contract and whether the impossibility is temporary, partial or permanent.

Scenario: A logistics provider is contracted to deliver perishable goods. A government authority imposes an immediate border closure prohibiting cross-border transport.

Delivery becomes legally impossible

The delivery obligation may be discharged

Non-performance would not constitute a breach and damages would generally not apply.

If the restrictions are lifted shortly thereafter, performance may merely be suspended. However, if closure persists and the goods perish, the contract may be discharged on the basis of permanent impossibility.

7 The exercise of a contractual right should generally be carried out in accordance with the requirements of good faith, including compliance with contractual notice requirements and procedural obligations set out in the contract. For example, were a party seeks to rely on a force majeure provision, UAE courts may consider whether the party acted reasonably and in good faith in invoking the relevant clause and in serving notices under the contract.

H. When should a party claim force majeure, and why does timing matter?

Timing matters. Under UAE law, the relevant trigger is when performance becomes objectively impossible, and not when the underlying disruption to performance first arises.

1. Claim force majeure only once performance is impossible:

A party should usually rely on force majeure only when it can show that performance has become objectively impossible. Raising it too early may weaken the position if performance is still possible, while raising it too late may create avoidable breach or non-performance risk.

2. Use clear objective evidence to support the claim:

Government suspension orders, airspace or port closures, and legal prohibitions are helpful indicators that performance has become impossible.

3. Address known risks in the contract:

If a contract is entered into after a disruption or crisis is already known, it may be harder to argue that the event was unforeseeable. In those cases, parties should deal with the risk expressly in the contract, including through allocation of responsibility, notice requirements, and agreed consequences.

I. What is the legal test for distinguishing delay from impossibility of performance?

The key question is whether performance remains objectively possible.

If performance can still be achieved through an alternative	Where performance remains possible	Force majeure will generally arise
route, supplier, method, or arrangement, it will generally remain possible even if performance becomes more expensive, slower, or commercially less attractive.	the issue is more likely to be characterised as delay, hardship, or commercial risk rather than force majeure.	only where performance has become objectively impossible and no lawful or practical means of performance remain available.

Scenario: A primary shipping route becomes unavailable due to conflict, but an alternative route remains operational at a higher cost and with a longer transit time.

- Delivery remains possible through the alternative route.
- The increased cost or delay does not, by itself, render performance impossible.
- The situation would therefore generally be characterised as delay or commercial hardship rather than force majeure.

J. What is often mistaken for force majeure but usually is not?

Force majeure is often confused with events that are commercially challenging but do not meet the legal threshold for objective impossibility.
Common examples that usually do not qualify include:

- Cost increases, inflation, margin pressure
- Supply chain disruptions where alternative suppliers, routes, or arrangements remain available;
- Staff shortages or operational inefficiencies;
- Reduced demand, loss of profitability, or adverse market conditions.

Depending on the circumstances, such events may be relevant to alternative remedies such as hardship which apply where an exceptional and unforeseeable event does not render performance impossible but makes it excessively onerous for one party, threatening that party with substantial loss. Depending on the circumstances, events that fall short of impossibility give rise to hardship allowing the court to intervene and restore the contractual equilibrium by modifying the parties' obligations or granting other appropriate relief.

K. How is force majeure different from hardship?

The practical question is whether the contract can still be performed.

Force majeure	Hardship [8]
Performance has become objectively impossible, so the affected obligation may be discharged or suspended depending on the circumstances and the applicable legal regime.	Performance is still possible, but an exceptional and unforeseeable event has made it excessively burdensome and threatens one party with substantial loss.

The legal consequences are different. Under the previous Civil Code, the court could reduce an excessively burdensome obligation to a reasonable level in appropriate cases. Under the New Civil Code, the court has broader options and may also rescind the contract where that is justified.

In practice, the distinction often turns on whether performance remains possible. If performance can still be achieved, albeit at significantly greater cost, delay, or difficulty, the issue is more likely to fall within hardship rather than force majeure.

Construction scenario: A contractor can continue performing during a regional crisis, but material costs increase significantly due to import restrictions.

- Performance remains possible.
- The situation would not generally constitute force majeure.
- Depending on the circumstances, it may support a hardship claim, subject to evidence and judicial discretion.

L. Why does this distinction matter?

Mischaracterising a disruption as force majeure when it is more properly a case of hardship or commercial risk can increase both legal and commercial exposure.

Hardship does not automatically terminate a contract;
Contractual obligations generally continue unless and until the parties agree otherwise or a court grants relief;
Damages and other contractual consequences may still arise where force majeure is incorrectly invoked;
Parties are generally expected to explore mitigation, renegotiation, and other available remedies before escalating a dispute.

Invoking force majeure incorrectly may constitute a breach of contract, especially where performance remains possible and mitigation options exist.

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- Contractual obligations generally continue unless and until the parties agree otherwise or a court grants relief;
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- Parties are generally expected to explore mitigation, renegotiation, and other available remedies before escalating a dispute.

M. Is force majeure the same under mainland UAE, financial free zones DIFC/ADGM, and common law systems?

No. Force majeure under UAE law (mainland) differs from common-law concepts such as frustration in terms of legal basis, threshold, and available remedies.

UAE mainland	DIFC and ADGM (common-law based)	Common law jurisdictions (e.g., England)
Force majeure and hardship are recognised by statute. Depending on the circumstances, relief may arise by operation of law.	Force majeure generally contractual and depends on the wording of the contract. In the absence of a force majeure clause, the doctrine of frustration may apply in limited circumstances.	Force majeure is primarily contractual, while frustration remains a narrow doctrine available only in exceptional cases.

N. Why does governing law matter for cross-border contracts?

The governing law clause is often one of the most important provisions in a cross-border contract because it determines the legal framework applicable to force majeure, hardship, remedies, and contractual risk allocation.

- Where a contract is governed by English law, force majeure and frustration will generally be assessed under English law principles, even if performance occurs in the UAE.
- DIFC and ADGM contracts require careful drafting, as force majeure protection will often depend on the terms of the contract itself.
- Contracts governed by UAE mainland law may benefit from statutory force majeure and hardship provisions, even where the contract does not contain a force majeure clause.

Where parties have agreed to English, DIFC, or ADGM law, UAE mainland law will generally not apply unless required by mandatory rules or successfully invoked in local proceedings.

O. What evidence is required to support a force majeure claim?

A party seeking to rely on force majeure should be able to demonstrate, through clear and contemporaneous evidence, that an external event beyond its control rendered performance objectively impossible.
Core evidentiary elements include:

- proof of the event;
- proof of direct causation;
- proof of mitigation efforts;
- proof of compliance with contractual notice and procedural requirements.

Typical evidence: Examples of relevant evidence may include government decrees; regulatory restrictions; closure orders; infrastructure shutdown; banking or payment restrictions that legally or practically prevent performance.

The following are generally insufficient on their own:

- General market disruption or economic uncertainty;
- Increased costs or reduced profitability;
- Internal staffing or operational issues;
- Commercial decisions that are not driven by a legal or practical inability to perform.

P. Do conflict or sanctions automatically qualify as force majeure events?

No. Conflict, sanctions, or geopolitical events do not automatically constitute force majeure. The key question is whether the event has directly rendered performance impossible.

- Sanctions that make performance unlawful may support a force majeure claim, subject to terms of the contract.
- Internal compliance decisions or reputational concerns that are not linked to a legal prohibition will not generally establish force majeure.
- While contracts may expressly address sanctions and related risks, but causation and impossibility remain central considerations.

Q. How are logistics disruptions and fuel shortages treated?

Generally, logistics disruptions, transport constraints, and fuel shortages will not automatically constitute force majeure. In many cases, performance remains possible through alternative suppliers, routes, or arrangements, even where this results in additional cost, delay, or operational complexity.

Where performance remains possible, the issue is more likely to be analysed through hardship, contractual risk allocation, or commercial renegotiation rather than force majeure. Force majeure will generally arise only where the disruption leaves no lawful or practical means of performance available.

R. What practical steps can businesses take to renegotiate without escalating disputes?

Effective renegotiation is driven by timing, communication, and careful process management.
Recommended steps include:

- Engaging early and constructively;
- Reviewing the relevant contractual provisions, including force majeure, hardship, notice, termination, and dispute resolution clauses;
- Maintaining internal alignment and avoiding inconsistent communications;
- Documenting proposals, discussions and agreed outcomes;
- Adopting a proportionate dispute-resolution strategy, including mediation, other forms of alternative dispute resolution where appropriate.

S. Practical checklist: what should businesses do in a force majeure scenario?

Step 1 Check the governing law and forum

- Identify whether the contract is governed by UAE mainland law, DIFC or ADGM law, or a foreign law such as English law.
- If English law governs, do not assume that the UAE statutory force majeure regime will apply.

Step 2 Classify the issue correctly (force majeure, hardship, or delay)

- If performance has become impossible, consider whether force majeure may apply.
- If performance remains possible but has become excessively onerous, consider whether the issue is one of hardship.
- If alternative performance remains available, the issue is more likely to be delay or commercial difficulty than force majeure.

Step 3 Confirm that the legal conditions for force majeure are met

- There must be an exceptional external event beyond the affected party's control.
- The event must have been unforeseeable at the time the contract was made.
- The event must have made performance objectively impossible, whether physically or legally, rather than merely more expensive or inconvenient.
- There must be a direct causal link between the event and the inability to perform, without fault on the part of the affected party.
- Reasonable mitigation steps should be taken and properly documented.

Step 4 Comply with the contract

- Review any available business interruption insurance and check whether it may respond.
- Identify any notice requirements, including timing, form, and required content.
- Provide the required notices, updates, and information on mitigation measures.
- Identify precisely which obligations are affected and which obligations continue to apply.
- Check whether payment obligations are expressly excluded from force majeure relief.

Step 5 Prepare the evidence file

- Gather evidence of the event itself, such as official orders, bans, or restrictions.
- Gather evidence showing why the relevant obligation could not be performed.
- Gather evidence of mitigation efforts, including alternatives considered or attempted.
- Maintain a clear record of communications with counterparties and relevant stakeholders.

Step 6 Review payments and receivables

- Separate any undisputed amounts that are already due, as these will generally remain payable.
- Consider whether the payment order procedure is available for fixed, due, and undisputed debts.

Step 7 Engage with the counterparty and record the outcome

- Consider interim arrangements such as suspension, variation, or phased performance.
- Record any agreed consequences, revised arrangements, and continuing obligations in writing.

T. Where Can Businesses Seek Assistance with Commercial Disputes and Disruptions?

The application of force majeure and hardship is often fact-specific and may give rise to disagreements between contracting parties regarding their respective rights and obligations. For example, parties may disagree on whether a particular event has rendered performance impossible, whether a disruption amounts to hardship rather than force majeure, or what steps should be taken to mitigate losses and preserve the contractual relationship.

In practice, early engagement and constructive dialogue are often the most effective first response to contractual disruption. In many cases, preserving the commercial relationship and agreeing a workable path forward may be preferable to formal legal proceedings.

To support businesses during periods of disruption, Dubai offers a range of mediation and dispute-resolution channels to help businesses resolve disagreements amicably before resorting to litigation or arbitration. Some of the key options include:

1. Dubai Economy & Tourism (DET) – Dubai Corporation for Consumer Protection and Fair Trade (DCCPFT):

The DCCPFT provides a complaint resolution mechanism for disputes involving establishments licensed by Dubai Economy & Tourism (DET). It reviews complaints, confirms that they fall within its jurisdiction, engages with the parties, and works to reach a settlement through its published complaint resolution process. The DCCPFT's role is to facilitate the resolution of complaints through its administrative process; it is not a judicial forum for determining parties' contractual or legal rights, including the applicability of force majeure or hardship provisions.

The DCCPFT handles both business-to-business (B2B) and consumer-facing (B2C) complaints within its jurisdiction. For more information, please visit the
DCCPFT complaints portal.

2. Dubai Chambers – Mediation Services:

A structured, voluntary mediation service that is confidential, efficient, and cost-effective, aimed at resolving disputes while preserving commercial relationships. Neutral mediators assist parties in reaching amicable settlements through a streamlined process accessible to both members and non-members. For more information, please visit the Dubai Chambers Mediation Services page.

3. Dubai Courts – Centre for Amicable Settlement of Disputes (CASD):

A court-annexed mediation forum supervised by the Dubai Courts. CASD provides a confidential, time-bound reconciliation process before litigation, with judicial mediators assisting parties in reaching amicable settlements. For more information, please visit the Dubai Courts website.

4. DIFC Courts Mediation Service Centre and Small Claims Tribunal (SCT):

The DIFC Courts Mediation Service Centre is a DIFC Courts public service, established by Resolution No. 2 of 2025 and affirmed by Dubai Law No. 2 of 2025. It provides a confidential, fully electronic alternative dispute resolution pathway, with mediations conducted by Part III registered Mediators and sessions available virtually or in person at the DIFC Courts. Where agreement is reached, settlements may be recorded in a form capable of enforcement by the Courts, where appropriate. Separately, the Small Claims Tribunal (SCT) includes a consultation stage designed to support the efficient resolution of eligible small claims, with settlements capable of being recorded as binding consent orders. For more information, please visit the DIFC Courts Mediation Services page.

5. Dubai International Arbitration Centre (DIAC) – Mediation Services:

DIAC provides institutional mediation under formal rules, with accredited mediators. Parties may voluntarily refer disputes to DIAC, and resulting settlements can be formalised and ratified by the courts for enforceability. For more information, please visit the DIAC website.

6. Private (Ad-Hoc) Mediation:

Parties may appoint a neutral mediator outside institutional frameworks under the UAE Federal Mediation Law No. 40 of 2023. This offers a flexible and confidential process, with settlements capable of being ratified by UAE courts and enforced as judgments.

Note:

These channels provide businesses with both informal dispute resolution and formal mediation options to help parties resolve disputes before escalation to litigation or arbitration. While these processes do not determine the legal validity of force majeure or hardship claims, any settlement reached by agreement between the parties may be binding and, where applicable, enforceable under the relevant legal framework. If the parties are unable to reach agreement, they may still need to refer the dispute to a court or arbitral tribunal for a binding determination of their legal rights.

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