**Practice Direction No. Y of 2015** IN THE DUBAI INTERNATIONAL FINANCIAL CENTRE COURTS (DIFC COURTS)

Referral of judgment payment disputes to arbitration

**Citation**

The Practice Direction will come into effect on the date of signature. It may be cited as Practice Direction Y of 2014 – Referral of Judgment Payment Disputes to Arbitration – and may be abbreviated to PD Y/2014

**Referral to DIFC-LCIA Arbitration of any payment dispute**

If parties who have submitted (or have agreed to submit) to (or are bound by) the jurisdiction of the DIFC Courts wish further to agree that any dispute arising out of or in connection with the non-payment of any money judgment given by the DIFC Courts, shall be referred to and be finally resolved by arbitration under the Arbitration Rules of the DIFC-LCIA Arbitration Centre, they may adopt an arbitration clause in the terms of the recommended arbitration agreement clause set out below by reference to the Referral Criteria as defined.

The Referral Criteria

In the Referral Criteria, the following terms have the following meanings:

‘payment dispute’ any dispute, difference, controversy or claim between a judgment creditor and judgment debtor with respect to any money (including interest and costs) due under an unsatisfied judgment, including

1. a failure to pay on demand any sum of money remaining due under a judgment on or after the date on which that sum becomes due under Rule 36.34; and/or
2. the inability or unwillingness of the judgment debtor to pay the outstanding portion of the judgment sum within the time demanded,

but excluding any dispute about the formal validity or substantive merits of the judgment;

‘judgment’ a judgment (including a summary or default judgment) of any of the DIFC Courts for the payment of money (including interest and costs) in respect of which there is a payment dispute that the judgment creditor refers to arbitration under this Practice Direction (whether or not the judgment also provides for remedies other the payment of money);

‘judgment creditor’ a person who has obtained or is entitled to enforce a judgment;

‘judgment debtor’ a person against whom a judgment has been given or made.

The Referral Criteria are:

1. The judgment has taken effect in accordance with Rule 36.30;
2. The judgment is not in respect of an employment contract or consumer contract which is subject to Article 12(2) of the Arbitration Law 2008 precluding arbitration in respect of such contracts;
3. The judgment is not subject to any appeal and the time permitted for a party to the judgment to apply for permission to appeal has expired;
4. There is a payment dispute in relation to the judgment; and
5. The judgment creditor and judgment debtor have agreed in writing that any payment dispute between them shall be referred to arbitration pursuant to this Practice Direction.

**Suggested Arbitration Clause**

*Any payment dispute (as defined in DIFC Courts Practice Direction No Y of 2015) that satisfies all of the Referral Criteria set out in Practice Direction Y of 2015 shall be referred to and be finally resolved by arbitration under the Arbitration Rules of the DIFC-LCIA Arbitration Centre, which Rules are deemed to be incorporated by reference into this clause. There shall be a single arbitrator to be appointed by the LCIA Court pursuant to Article 5.4 of the DIFC-LCIA Arbitration Rules. The seat, or legal place of arbitration, shall be the Dubai International Financial Centre. The language to be used in the arbitration shall be English.*

*This agreement for post-judgment submission to arbitration shall in all respects including (but not limited to) its existence, validity, interpretation, performance, discharge, and applicable remedies be governed by and construed in accordance with the laws of the Dubai International Financial Centre.*

Nothing in this Practice Direction shall be taken to rescind, vary, curtail or suspend the effect or operation of any judgment of the Courts of the Dubai International Financial Centre save as expressly provided in the Rules of the DIFC Courts as they may be amended from time to time.

Dated this [ ] day of [ ] 2015

**Chief Justice Michael Hwang**