Claim No. CFI 055/2025

IN THE DUBAI INTERNATIONAL FINANCIAL CENTRE COURTS

IN THE COURT OF APPEAL

BETWEEN

GANESAN MUTHIAH

Claimant/Respondent

and

ABDUL RAHMAN MOHAMMAD

Defendant/Applicant

ORDER WITH REASONS OF H.E. JUSTICE SHAMLAN AL SAWALEHI

UPON the Defendant's Appeal Notice dated 10 November 2025 seeking Permission to Appeal (the "PTA Application") against the Order of H.E. Justice Shamlan Al Sawalehi dated 20 October 2025 (the "October Order") pursuant to Rule 44.6 and 44.19 of the Rules of the DIFC Courts (the "RDC")

AND UPON considering the Decision of the Conflict of Jurisdiction Tribunal dated 13 October 2025 and the binding effect thereof

AND UPON reviewing the procedural history of these proceedings, the parties' submissions and supplemental submissions, the relevant provisions of the Rules of the DIFC Courts, and the applicable legal principles

IT IS HEREBY ORDERED THAT:

1. The PTA Application is dismissed.

2. The Applicant shall pay the Respondent's costs of the PTA Application on the standard basis. A statement of cost not exceeding 3 pages, shall be submitted within 5 working days of this Order.

Issued by:
Delvin Sumo
Assistant Registrar
Date of issue: 21 January 2026
At: 3pm

SCHEDULE OF REASONS

Introduction

1. This is the Defendant's Permission to Appeal Application (the "PTA Application"), pursuant to Rule 44.6 and 44.19 of the Rules of the DIFC Courts (the "RDC"), seeking permission to appeal the order of H.E. Justice Shamlan Al Sawalehi dated 20 October 2025 (the "October Order"), by which the Claim and all pending Applications were dismissed and, all prior orders were vacated, following the Decision of the Conflict of Jurisdiction Tribunal dated 13 October 2025 (the "CJT Decision").

2. The Defendant contends that the October Order discloses errors of law and serious procedural irregularity, principally on the basis that it improperly extinguished a costs order and related enforcement steps notwithstanding the Defendant's success in jurisdictional challenges before the DIFC Courts.

3. The Claimant opposes the PTA Application and submits that the October Order was a lawful, administrative implementation of a final and binding CJT Decision, that no appeal lies from such an order, and that the PTA Application discloses neither a real prospect of success nor any other compelling reason to permit an appeal.

4. For the reasons set out below, the PTA Application is dismissed.

Procedural Background

5. The Claimant commenced proceedings in the DIFC Courts on 9 June 2025. On 14 July 2025, default judgment was entered against the Defendant, followed by the grant of an ex parte worldwide freezing order on 22 July 2025.

6. The Defendant promptly applied to set aside the default judgment, discharge the freezing order, and challenge the DIFC Courts' jurisdiction. Following an inter partes hearing, an order dated 19 August 2025 (the "August Order"), setting aside the default judgment, vacating the freezing order, striking out the Claim for jurisdiction, and awarding costs to the Defendant.

7. The costs provision in the August Order was subsequently varied by Order dated 29 September 2025 (the "Variation Order").

8. In parallel, and independently of the DIFC proceedings, the Defendant invoked the jurisdiction of the Conflict of Jurisdiction Tribunal (the "CJT"). On 13 October 2025, the CJT determined that the Dubai Courts had jurisdiction over the dispute and directed that "the DIFC Courts shall cease hearing Case No. CFI-055-2025".

9. Following the CJT Decision, and after reviewing the case file and the parties' correspondence, the October Order was issued, dismissing the Claim, vacating all prior orders, dismissing all pending applications (including enforcement applications), and making no further order as to costs. This is the standard procedure in the DIFC Courts following a decision from the CJT.

10. The Defendant now seeks permission to appeal the October Order.

11. The Parties' submissions below only serve as a summary relevant to the determination of this PTA Application, and any fact, matter, submission, or authority not expressly referred to herein is not to be taken as having been overlooked from my consideration.

The Applicant's Submissions

12. The Defendant advances five principal grounds, which may be summarised as follows.

13. First, the Defendant submits that although the DIFC Courts lacked jurisdiction over the substantive claim, they retained jurisdiction to enforce a costs order arising from a successful jurisdictional challenge, and that the CJT Decision did not require the extinguishment of such orders.

14. Secondly, it is argued that the October Order left the Defendant without any mechanism to enforce costs and thereby produced an unjust and perverse outcome, contrary to DIFC authority and principle.

15. Thirdly, the Defendant contends that the Court had no power to vacate its prior perfected orders, including the August Order and the Variation Order, and that any such step could only be taken by the Court of Appeal.

16. Fourthly, the Defendant submits that the October Order was made in breach of procedural fairness, as it was issued without affording the Defendant an opportunity to make submissions, contrary to RDC 4.10 and principles of natural justice.

17. Finally, the Defendant submits that the PTA Application satisfies both limbs of RDC 44.19: the appeal has a real prospect of success, and there is a compelling reason to hear it, given the broader implications for the interaction between the DIFC Courts and the CJT.

The Respondent's Submission

18. The Claimant submits that the PTA Application is fundamentally misconceived and should be dismissed at the threshold.

19. The Claimant's primary position is that the October Order is not a substantive adjudication but an administrative and case-management measure giving effect to a final and binding CJT Decision, from which no appeal lies.

20. It is submitted that once the CJT directed that the DIFC Courts "shall cease hearing" the case, the DIFC Courts were jurisdictionally precluded from taking any further steps in the proceedings, including the assessment or enforcement of costs.

21. The Claimant further submits that the costs position relied upon by the Defendant was not final having been expressly varied to require detailed assessment, and that in any event all interlocutory and ancillary orders necessarily fell away once the jurisdictional foundation for the proceedings was removed by the CJT.

22. As to procedure, the Claimant submits that the Court was entitled to act of its own initiative under RDC 4.12, that no substantive rights were being determined, and that affording further submissions would have been inconsistent with the CJT's direction that the DIFC Courts cease hearing the matter.

23. Finally, the Claimant submits that the PTA Application discloses no real prospect of success, no point of law of general importance, and no compelling reason within the meaning of RDC 44.19.

Discussion

24. The starting point is the legal status of the CJT Decision. Decisions of the CJT are final, binding, and unappealable. They determine, conclusively, the competent court and require compliance by all judicial bodies in the Emirate of Dubai, including the DIFC Courts.

25. The CJT Decision in this case was clear and unconditional: the DIFC Courts were directed to cease hearing Claim No. CFI-055-2025. That direction admitted of no residual jurisdiction to continue determining, managing, or enforcing any aspect of the proceedings.

26. The October Order did not purport to revisit the merits of any prior decision, nor did it re- determine jurisdiction. It implemented, as a matter of necessity and administration, the binding consequence of the CJT Decision.

27. The Defendant's submission that the DIFC Courts retained jurisdiction to enforce costs notwithstanding the CJT Decision cannot be accepted.

28. Whatever the position might be in cases where jurisdiction is declined by the DIFC Courts themselves, the present case is materially different. Here, a jurisdictional authority has directed that the DIFC Courts cease hearing the matter altogether. In those circumstances, the Court is deprived of jurisdiction not only over the substantive claim, but overall ancillary and consequential matters arising within the same proceedings.

29. In any event, where the jurisdictional basis of proceedings is removed by a binding CJT decision, all interlocutory and ancillary orders necessarily fall away. The Court cannot selectively preserve elements of proceedings that it is directed to cease hearing.

30. The Court does not accept the Defendant's characterisation of the "event" for the purposes of RDC 38.7 as a successful jurisdictional

challenge before this Court. Following the CJT Decision, the operative and determinative event was the constitutional allocation of jurisdiction mandated by the CJT, not success obtained through the continuation of litigation before the DIFC Courts.

31. The CJT Decision did not affirm, adopt, or give effect to the August Order. It independently and conclusively determined that the Dubai Courts, and not the DIFC Courts, were the competent forum. Once that determination was made, any prior interlocutory or ancillary orders of this Court, including orders as to costs, could not subsist absent an express jurisdictional basis to preserve them.

32. The Defendant's reliance on principles concerning perfected orders and appellate exclusivity is misplaced in the present context.

33. The October Order did not represent a reconsideration or variation of prior orders on their merits. Rather, it reflected the legal consequence of a supervening, binding jurisdictional determination by the CJT, which extinguished the DIFC Courts' authority to maintain any aspect of the proceedings.

34. The setting aside of prior costs orders was not an exercise of discretion adverse to the Defendant, nor a reconsideration of the merits of those orders. It was the necessary consequence of the DIFC Courts being deprived of jurisdiction over the proceedings in their entirety by a binding authority.

35. I reject the submission that I retained a freestanding or residual jurisdiction to assess or enforce costs notwithstanding the CJT Decision. To do so would require the Court to continue exercising judicial power in proceedings which it had been directed to cease hearing, contrary to both the decision and the spirit of the CJT Decree.

36. Even if a limited discretion were theoretically available, this is not a case in which it would be appropriate to exercise it in favour of a costs order. There was no substantive adjudication on the merits of the claim, and the proceedings came to an end as a result of a jurisdictional allocation external to the DIFC Courts. In those circumstances, the decision to make no order as to costs was principled, proportionate, and consistent with the overriding objective.

37. In such circumstances, the cessation of prior orders is not an exercise of appellate power but an inevitable jurisdictional consequence.

38. Furthermore, I am not persuaded that any procedural irregularity occurred.

39. The October Order was made pursuant to RDC 4.12, which expressly permits the Court to act of its own initiative without hearing the parties. No substantive rights were being adjudicated; the Court was giving effect to a binding decision.

40. Moreover, to have entertained submissions on whether the DIFC Courts should continue to hear aspects of the case would itself have risked contravening the CJT's direction.

41. In those circumstances, no substantive issue calling for adversarial determination arose. The Court was not exercising a discretion between competing outcomes but implementing a mandatory jurisdictional consequence. The requirements of procedural fairness do not oblige the Court to invite submissions on whether it should comply with a binding CJT direction.

42. In any event, the subsequent opportunity afforded to the parties to make written submissions following the issuance of the Reasons fully addressed any residual concern as to fairness. The Defendant was able to articulate, and did articulate at all arguments relied upon. Nothing in those submissions discloses any procedural unfairness or any basis upon which the outcome could or should have been different. 33. The Defendant's reliance on authorities concerning substantive decisions made without hearing is therefore misplaced.

43. Against that background, the PTA Application fails to satisfy either limb of RDC 44.19.

44. The proposed appeal has no real prospect of success. The October Order correctly implemented a binding CJT Decision and discloses no arguable error of law or principle.

45. Nor is there any other compelling reason to hear the appeal. The interaction between the CJT and the DIFC Courts is set as a matter of law. This case does not raise any novel point requiring clarification.

46. None of the matters raised in the Defendant's supplemental submissions, whether viewed individually or cumulatively, discloses an arguable error of law or principle in the October Order. At their highest, they amount to a disagreement with the consequences flowing from the CJT Decision.

47. Such disagreement does not give rise to a real prospect of success on appeal, nor does it constitute a compelling reason to permit an appeal within the meaning of RDC 44.19. The finality and binding nature of CJT decisions admit of no appellate reconsideration by the DIFC Courts

48. On the contrary, permitting an appeal would undermine the finality and authority of CJT decisions and risk jurisdictional incoherence.

Conclusion

49. The PTA Application discloses no real prospect of success and no other compelling reason within the meaning of RDC 44.19. The October Order was a lawful and proper exercise of the Court's administrative and case-management powers in compliance with a final and binding CJT Decision.

50. For the reasons set out above, the PTA Application is dismissed.

51. As to costs, the Applicant shall pay the Respondent's costs of the PTA Application, in accordance with paragraph 2 above. The present PTA Application was made subsequent to the CJT's decision and constitutes a distinct procedural step, giving rise to its own costs consequences.