THE DUBAI INTERNATIONAL FINANCIAL CENTRE COURTS

IN THE COURT OF FIRST INSTANCE

BETWEEN

UNION INSURANCE COMPANY PJSC

Claimant

and

INTERNATIONAL PRECIOUS METALS REFINERS LLC

Defendant

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

UPON the Part 7 Claim Form issued on 29 September 2022 (the "Claim")

AND UPON the Defendant's Application No. CFI-064-2022/1 dated 31 October 2022 contesting the jurisdiction of the DIFC Court's (the "Jurisdiction Challenge")

AND UPON the Amended Claim Form issued on 2 January 2023

AND UPON the Defendant's Application No. CFI-064-2022/3 dated 12 January 2023 to stay the Claim until the publication of the Court of Appeal judgment in *Al Buhaira National Insurance Company v Horizon Energy LLC* CFI-098-2021 (the "Stay Application")

AND UPON the Order with Reasons of Justice Wayne Martin issued on 15 September 2023 dismissing the Jurisdiction Challenge and the Stay Application

AND UPON the Defendant filing an Appeal Notice on 6 October 2023 seeking permission to appeal the Order (the "PTA Application"), which was fully pleaded on 15 October 2024

AND UPON the Order of Chief Justice Wayne Martin to strike out the PTA Application dated 21 October 2024

AND UPON the Case Management Order of H.E. Justice Maha Al Mheiri dated 15 January 2025

AND UPON the Defendant's Application No CFI-064-2022/16 dated 17 March 2025, seeking an order to stay the DIFC Court proceedings, pursuant to Rule 4.2(6) of the Rules of the DIFC Courts ("RDC") (the "Application")

AND UPON reviewing the submissions of both the Applicant and Respondent, together with the exhibits thereto in relation to the Application

AND UPON considering the parties' respective positions on jurisdiction

AND UPON considering the procedural history of the related onshore litigation, the resulting proceedings before the Sharjah Courts, and the appeal process culminating in the final judgment of the Union Supreme Court

AND UPON hearing counsel for the Claimant and counsel for the Defendant at the Application Hearing before H.E. Justice Shamlan Al Sawalehi on 17 March 2025

IT IS HEREBY ORDERED THAT:

1. The Application is granted.

2. The proceedings will be stayed until further order.

3. The Claimant shall pay the Defendant's costs of the Application; the Defendant will file a statement of costs not exceeding three pages by no later than **4pm on Friday, 16 May 2025**.

Issued by:
Hayley Norton
Assistant Registrar
Date of issue: 12 May 2025
At: 3pm

SCHEDULE OF REASONS

1. This Application sought by the Defendant pursuant to Rule 4.2(6) RDC, seeking to stay the whole of the proceedings, is brought on the basis that the subject matter of the dispute has already been determined by the Sharjah Courts, and that it would be duplicative for parallel proceedings

to continue before the DIFC Courts.

2. For the reasons set out below, the Court grants the Stay Application. The Court is satisfied that the proceedings substantially overlap with matters already determined by the Sharjah Courts.

Background

3. The Claimant, Union Insurance Company PJSC ("UIC"), is a UAE-based insurer incorporated in Ajman and licensed by the UAE Insurance Authority.

4. The Defendant, International Precious Metals Refiners ("IPMR"), is engaged in the business of gold and silver refining and operates a production facility located within the Sharjah Airport International Free Zone ("SAIF").

5. The Defendant maintained a policy of insurance with UIC (the "Policy").

6. On 19 September 2021, an incident occurred at IPMR's facility resulting in the loss of a substantial quantity of gold held in solution. The dispute concerns the Claimant's refusal to indemnify the Defendant under the Policy.

7. Following the incident, the Defendant filed a complaint before the Central Bank's Insurance Dispute Resolution Committee ("IDRC"), which was dismissed. The Defendant then pursued litigation in the Sharjah Federal Court. The Sharjah Court of Appeal ultimately ruled in favour of the Defendant, and the Union Supreme Court dismissed the cassation appeals.

Procedural Background

8. On 13 April 2022, the Defendant submitted a complaint to the UAE Central Bank pursuant to Article 110 of the UAE Insurance Law. The matter was referred to the IDRC which dismissed the complaint on 15 August 2022 on procedural grounds, noting the absence of a required expert report.

9. On 16 August 2022, the Defendant commenced proceedings before the Sharjah Federal Court of First Instance seeking relief in relation to the dismissal of the IDRC complaint. On 28 February 2024, the Sharjah Court issued a judgment in favour of the Defendant. The Claimant's subsequent appeal was dismissed by the Sharjah Court of Appeal.

10. Both parties filed further appeals to the Union Supreme Court. On 12 March 2025, the Union Supreme Court dismissed the appeals and affirmed the judgment of the Sharjah Court of Appeal, thereby bringing the Sharjah litigation to a conclusion.

11. In parallel with the proceedings before the Sharjah Courts, the Claimant commenced proceedings before the DIFC Courts on 27 August 2024, seeking declaratory relief concerning the validity and scope of the insurance policy issued to the Defendant.

12. Following the issuance of the Union Supreme Court's judgment, execution proceedings were initiated by the Defendant before the Sharjah Federal Court. As part of those proceedings, liquidation of a bank guarantee issued by the Claimant's bank was sought. Enforcement steps remain ongoing.

Rule

13. This Application is brought pursuant to and governed by RDC 4.2(6), which provides that: *"The Court may order a stay of the whole or part of any proceedings or judgment either generally or until a specified date or event."*

14. This grants the Court a wide discretionary power to stay proceedings for reasons that may include procedural fairness, avoidance of inconsistent outcomes, efficient use of judicial resources, or to give effect to parallel proceedings elsewhere.

15. The exercise of this discretion is directed by the Overriding Objective under RDC 1.6, which requires the Court to deal with cases justly. This includes ensuring fairness between parties, saving expenses, handling cases in a proportionate and expeditious manner, and ensuring efficient allocation of the Court's resources.

Applicant's Submissions

16. The Defendant submits that the proceedings should be stayed under RDC 4.2(6) on the basis that the dispute has been conclusively resolved by a final judgment of the Union Supreme Court, with execution currently underway in the Sharjah Court.

17. The Defendant further submits that continuing the proceedings would risk inconsistent outcomes, leading to unnecessary duplication.

18. The Defendant further relies on Article 14(C)(2) of Law No. 2 of 2025 concerning Dubai International Financial Centre Courts (the "DIFC Courts Law"), which permits the DIFC Courts to decline jurisdiction where a final judgment has been issued by another UAE court and is capable of enforcement in the DIFC.

19. It contends that further proceedings in the DIFC would be contrary to the Overriding Objective under RDC 1.6 and would waste costs and judicial resources.

Respondent's Submissions

20. The Claimant opposes the stay and contends that the Sharjah Courts lacked jurisdiction, and that the DIFC Court has already confirmed its jurisdiction in the earlier decision of Justice Wayne Martin dated 15 September 2023.

21. It maintains that the current claim is materially distinct as it seeks declaratory relief concerning the validity of the insurance policy, which has not

been determined in the onshore courts.

22. The Claimant also argues that the UAE Civil Procedure Law does not apply within the DIFC and challenges the application of Article 14(C)(2) to these proceedings.

Discussion

23. Pursuant to RDC 4.2(6) and Article 14(C)(2) of the DIFC Courts Law, the Court retains a discretionary power to stay proceedings where appropriate to further the Overriding Objective. This discretion is reinforced by Article 29 of the DIFC Courts Law and Articles 7(4)-(6) of Dubai Law No. 12 of 2004 (as amended) (the "Judicial Authority Law"), which mandate the recognition and enforcement of final and binding judgments rendered by other UAE courts. This statutory framework not only promotes judicial coherence and consistency across the UAE's unified legal system but also prevents the risk of conflicting determinations and duplicative litigation where final judgments have been rendered by onshore UAE courts.

24. I am satisfied that the judgment of the Sharjah Court of Appeal is final and binding, and that the subsequent dismissal of cassation appeals by the Union Supreme Court has conclusively affirmed that decision. The evidence before me confirms that execution proceedings are underway, including the authorised liquidation of a bank guarantee issued by the Claimant's bank in satisfaction of the judgment debt.

25. This finality not only resolves the substantive issues but also supersedes any prior jurisdictional findings, including the determination of Justice Wayne Martin dated 15 September 2023, which was rendered before the final resolution by the Union Supreme Court.

26. The judgment of the Union Supreme Court, which affirmed the decision of the Sharjah Court of Appeal, conclusively determined the issues that are the subject of the present proceedings. As a result, the matter is now res judicata, and the principles of judicial economy, finality, and mutual recognition of UAE judgments mandate this Court's acknowledgment of the onshore determination under Article 29 of the DIFC Courts Law.

27. I have had regard to the DIFC Court of Appeal's decision in Lural v Listran & Lokhan [2021] DIFC CA 003, which provides authoritative guidance on the operation of Article 5(A)(4) of the Judicial Authority Law. That decision reaffirmed that judgments rendered by onshore UAE Courts are to be recognised and enforced by the DIFC Courts, provided they satisfy the requisite conflict of laws principles. This principle of mutual recognition prevents the re-litigation of matters already conclusively determined by competent UAE courts and supports the overarching aim of judicial consistency within the UAE.

28. The present matter is distinguishable. The insurance policy in issue contains no exclusive jurisdiction clause in favour of the DIFC Courts. It refers only to the "Courts of the United Arab Emirates," language which may encompass DIFC Courts but does not, of itself, confer exclusive jurisdiction. As held in Horizon v ABNIC [CFI-089- 2021], such language must be construed in light of the contractual context and the parties' objective intentions.

29. In this case, there is no material connection between the parties or the dispute and the DIFC. The Claimant is incorporated in Ajman; the Defendant operates from the Sharjah Airport Free Zone; and the subject matter of the claim arises out of events and contractual relationships based entirely onshore. Although a link to the DIFC is not a strict requirement under Article 5(A)(2) of the Judicial Authority Law, its absence, coupled with the enforceability of the Sharjah judgment under Article 29 of the DIFC Courts Law, supports the discretionary exercise of a stay under RDC 4.2(6). This reinforces the principle that judicial economy and finality are best served by recognising the conclusive effect of onshore UAE judgments already determined and enforced, avoiding duplicative litigation and conflicting determinations.

30. The Court further considers that Article 14(C)(2) of the DIFC Courts Law should be engaged where there is a final judgment from another UAE court capable of enforcement within the DIFC. The existence of such a judgment is a compelling factor when assessing the appropriateness of a stay under RDC 4.2(6). The enforceability of this final judgment within the DIFC negates the need for duplicative proceedings, thereby ensuring judicial coherence within the UAE's unified legal system.

Conclusion

31. In the circumstances, I am satisfied that the Sharjah Court judgment meets the threshold for recognition and that the matters now before this Court have already been conclusively resolved.

32. The Defendant's application for an indefinite stay of proceedings is granted.