

War Series: Force Majeure, Civil Aviation Disruption, and the Allocation of Wartime Risk – Applying the 2017 UAE Courts Yemen War Precedents to GCC Airspace in the 2026 Iran War

March 10, 2026

The escalation of the 2026 Iran War has profoundly disrupted civil aviation and logistics networks across the Gulf Cooperation Council (GCC). As military commands issue sudden Notices to Air Missions (NOTAMs) and civil aviation authorities abruptly close air corridors to commercial traffic, aviation operators and freight forwarders find themselves trapped in a web of unfulfilled contracts.

When a chartered flight or logistics operation is abruptly grounded by military directive, a critical legal and financial dilemma arises: Who bears the cost of the canceled service? Aviation operators frequently invoke *force majeure* to shield themselves from liability, arguing that sovereign airspace closures absolve them from refunding clients, especially when the operator has already incurred massive, non-refundable sunk costs for aircraft leasing, ground handling, and routing permits.

However, GCC civil law frameworks place strict boundaries on the use of *force majeure* during active conflicts. A landmark triad of Dubai Court judgments, Primary, Appeal, and

Cassation, issued in 2017, which adjudicated a private aviation dispute stemming from the sudden closure of Saudi airspace during the Yemen War, provides definitive guidance on how regional courts allocate risk and mandate restitution during the current 2026 crisis.

The Factual Matrix: The 2015 Yemen War Airspace Closure

To understand the direct application of this precedent to the 2026 conflict, one must examine the factual matrix of the dispute, which mirrors the logistical disruptions currently plaguing operators.

In April 2015, following the outbreak of the Yemen War, a plaintiff contracted a UAE-based aviation company to charter a private jet to transport his deceased father's remains from Berlin, Germany, to Jizan, Saudi Arabia (near the Yemeni border). The plaintiff paid \$88,000 upfront. To execute the mission, the aviation operator subsequently leased an aircraft from a Turkish carrier for \$65,000 and paid an additional \$20,000 for ground services and permits.

Mere hours before the scheduled departure, the Saudi General Authority of Civil Aviation (GACA) abruptly canceled the flight and closed Jizan's airspace based on explicit orders from the Joint Coalition Forces operating in Yemen. When the plaintiff demanded a refund, the aviation company refused. The company argued that the military airspace closure was an unforeseeable *force majeure* event, and that it had already lost its out-of-pocket expenses to the Turkish supplier who refused a refund due to the short-notice cancellation.

The Primary and Appeal Courts: "Obligations of Result" and the Foreseeability Trap

The Dubai Court of First Instance (Judgment No. 2618/2016 Commercial Partial) firmly rejected the aviation company's defense, a ruling that was entirely upheld by the Dubai Court of Appeal (Judgment No. 442/2017 Commercial Appeal).

Rooting their decisions in the legislative basis of the UAE Civil Transactions Law (Articles 272, 273, and 274), the lower courts first clarified the contractual nature of civil aviation. The Primary Court ruled that the operator's duty to provide the aircraft was an **"obligation to achieve a result", not an "obligation to exercise care"**. Because the operator failed to deliver the final result, they were in breach.

Crucially, both courts dismantled the aviation company's *force majeure* defense by focusing on the concept of "foreseeability." For an event to qualify as a contract-nullifying *force majeure*, it must be unexpected at the time of contracting. The Primary Court held that entering into a contract *during* an active regional war severely limits this defense:

"The force majeure circumstances claimed by the Defendant, which is the war in Yemen, were present during its contracting with the Plaintiff, and the cancellation of the flight due to those circumstances was expected... The Defendant... should have studied all circumstances and expectations regarding the completion rates of the contracted mission."

Addressing the operator's unrecoverable sunk costs paid to third parties, the Court held that these amounts were due to the operator's *"negligence and failure to exercise the necessary care in studying the situation, the specific circumstances of the destination airport, and the security conditions in that region, and the Plaintiff cannot bear the result of that negligence."* Consequently, the Court ordered a full refund of \$88,000 plus a 9% statutory interest pursuant to the Commercial Transactions Law.

The Court of Cassation: Automatic Rescission and the Burden of Risk

The aviation company escalated the matter to the Dubai Court of Cassation (Judgment No. 713/2017 Commercial Cassation),

arguing that the sudden sovereign military directive decisively severed the chain of liability, constituting an insurmountable “foreign cause” beyond its control.

The Court of Cassation upheld the rulings against the aviation operator but refined the legal rationale. Shifting the judicial focus away from the debate over “foreseeability” or the operator’s “negligence,” the Supreme Court anchored its decision entirely on the absolute doctrine of impossibility and automatic contract dissolution.

The Cassation Court established a bright-line rule for commercial contracts rendered impossible by sovereign or military intervention:

“The contract is inevitably and automatically rescinded due to the impossibility of executing the obligation of one of the contracting parties for a foreign cause, regardless of whether the impossibility is due to his fault or not. The rescission of the contract results in... the demise of the contract and the dissolution of the contractual bond with a retroactive effect to the time of its conclusion... and the contracting parties are returned to the state they were in before its existence, so each of them is obligated to return what they had received in execution of the contract.”

Addressing the severe financial loss faced by the aviation company, which was legally forced to refund the client despite having irreversibly paid out \$85,000, the Court of Cassation applied the strict civil law principle of risk allocation. In bilateral contracts, who bears the burden when a military order renders performance impossible?

“The debtor of the obligation that has become impossible to execute bears the risk of the impossibility, pursuant to the principle of bearing the risk in mutually binding contracts.”

Because the aviation company was the “debtor” of the impossible flight service, it was required to bear the total

financial risk of the contract's dissolution. The Court dismissed the debate over whether the military closure technically qualified as an unforeseeable *force majeure*, deeming the argument "ineffective" since the rule of automatic dissolution mandates absolute mutual restitution regardless.

Application to Contracts in the 2026 Iran War

For airlines, charter brokers, and logistics providers navigating the 2026 Iran War, the 2017 Dubai Court trilogy delivers highly actionable, albeit sobering, precedents regarding wartime contract issues:

- **Ongoing Conflicts Negate "Surprise" Defenses:** A vital lesson from the lower courts is the treatment of foreseeability. Companies entering into new aviation or freight contracts *while* the 2026 Iran War is ongoing will find it immensely difficult to rely on *force majeure* to escape liability. Courts view wartime disruptions, such as sudden NOTAMs or airspace closures, as foreseeable operational risks that professional entities are expected to anticipate and price into their services.
- **The "Obligation of Result" Trumps Best Efforts:** In the GCC civil law framework, transportation and logistics are strictly construed as obligations to achieve a result. Procuring permits and leasing aircraft are merely preparatory steps. If military action blocks the final execution, the operator has failed its core obligation, triggering immediate restitution.
- **Sunk Costs Rest with the Service Provider:** As established by the Cassation Court, an operator cannot pass its sunk costs onto the end-consumer under the default civil law framework simply because a military order intervened. The impossibility of performance legally and automatically dissolves the contract. The operator is legally required to return the client's advance payments in full, absorbing any out-of-pocket upstream losses internally.

– **The Absolute Necessity of Wartime Contractual Drafting:**
Because the courts place the absolute burden of impossibility on the “debtor of the obligation,” commercial entities in 2026 must proactively contract out of this default position. Providers must integrate bespoke, explicitly drafted “military disruption” clauses, expressly categorizing advance payments as non-refundable in the event of sovereign airspace closures, and explicitly shifting the financial risk of third-party sunk costs onto the client.

Conclusion

As the 2026 Iran War triggers sweeping military instructions and civil aviation closures, GCC operators must recognize that civil courts prioritize absolute performance and mutual restitution over corporate sympathy. The 2017 UAE jurisprudence establishes that when the fog of war makes commercial transport impossible, the contract is retroactively erased, and the service provider is left holding the financial burden. To survive the current geopolitical shock, aviation and logistics providers must rely not on the statutory excuse of *force majeure*, but on ironclad, crisis-specific contractual risk allocation.

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War Series: Wartime Economic

Hardship and Lender Liability – Applying the 2006 UAE Supreme Court Gulf War Precedent to GCC Markets in the 2026 Iran War

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The ongoing 2026 Iran War has introduced significant macroeconomic disruptions across the Gulf Cooperation Council (GCC). As supply chains constrict, project timelines extend, and operational costs rise, many regional commercial entities are turning to their financial institutions for vital liquidity and forbearance. Simultaneously, banks may activate stringent risk management protocols, such as freezing credit facilities or demanding enhanced collateral.

When these financial lifelines are restricted, corporate borrowers would look to the courts. A common legal strategy in GCC civil law jurisdictions is to allege that a bank's sudden refusal to extend credit during a regional conflict constitutes an "abuse of right". Corporate plaintiffs argue that lenders have a customary duty to bear elevated risks and support long-standing clients through macroeconomic crises.

Because GCC states share highly intertwined civil law frameworks, heavily influenced by the Egyptian Sanhuri model, and frequently rely on cross-jurisdictional case law, historical jurisprudence offers critical guidance for these current disputes. UAE Federal Supreme Court Judgment No. 377 of 2006 (Civil), which adjudicated a banking dispute shaped by the economic aftermath of the Second Gulf War, provides an authoritative and straightforward framework for balancing a

bank's legal rights against a borrower's wartime distress.

The "Second Gulf War" Defense: Analyzing the Appellant's Argument

To understand the judgment's direct application to the 2026 conflict, it is necessary to examine the specific arguments advanced by the distressed borrower in 2006, as detailed in the Court's ruling.

The case involved an international commercial group whose bank halted its credit facilities after a twelve-year relationship. The lower courts ruled in favor of the bank, noting that the company suffered a structural deficit exceeding 7.1 million Dirhams (excluding over 5 million Dirhams in existing bank debt and interest), that it had closed its Abu Dhabi offices, and that the requested funds were intended for *new* projects rather than existing ones.

Seeking cassation, the appellants argued that the bank's strict adherence to formal collateral demands during a period of crisis constituted an actionable abuse of right. They attempted to use the prevailing regional instability as a legal shield. Drawing from the Supreme Court's summary of their appeal, the appellants argued that they had provided sufficient guarantees and that the closure of their offices only occurred:

"...after negotiations regarding the real estate guarantees faltered, and due to the bank's insistence on mortgaging the real estate first before considering the request for new facilities, despite the fact that the bank had previously granted it facilities exceeding the guarantees provided."

Crucially, the appellants explicitly linked their demand for banking leniency to the geopolitical climate. They argued that the bank's rigidity definitively proved its arbitrariness and abuse of right because it violated:

*“...banking customs which require the bank to bear the risks of the profession and to stand by its clients out of concern for its funds with them so that they can continue their operations, **especially in light of the difficult economic conditions the world went through following the events of the Second Gulf War.**”*

This argument is highly analogous to the legal posture considered to be adopted by GCC companies that may be distressed today that the macroeconomic shock of the Iran War legally obligates financial institutions to demonstrate leniency, waive strict collateral prerequisites, and prioritize corporate survival over standard risk metrics.

The Court's Rationale: Banking Custom During a Crisis

The UAE Supreme Court firmly rejected the premise that the macroeconomic hardship of the Second Gulf War compelled the bank to abandon its standard risk parameters or absorb the borrower's commercial deficit.

Applying Articles 104 and 106 of the UAE Civil Transactions Law, the Court clarified the boundaries of an “abuse of right.” The Court acknowledged that while banking custom generally encourages assisting a client in distress, this duty is not absolute and is strictly governed by commercial viability:

*“While it is established in banking customs that a bank must assist its client who is in a difficult position, considering this assistance as one of the functions of the bank, the prerequisite for this is that the goal must be to rescue the client from their crisis, **and not to prolong their death throes or conceal their hopeless condition.** If the requested facilities, in terms of their size, nature, or duration, will not result in saving the client, then there is no blame on the bank if it refuses to grant them.”*

Addressing the appellant's invocation of the Second Gulf War,

the Court shifted the judicial focus away from the overarching geopolitical crisis and onto the micro-economic realities of the borrower's balance sheet and operational intent. The Court validated the lower court's findings that the company's financial position had "reached a critical stage," that real estate guarantees were not practically placed at the bank's disposal due to valuation disputes, and that the requested facilities were to finance new, unproven projects.

Dispensing with the notion that wartime conditions require banks to act as economic shock absorbers, the Court affirmed the bank's right to prioritize its institutional stability:

*"The bank, like any creditor, has the right to think of its own interest and the interest of its shareholders. **For it is not a charitable institution** ... What the bank undertook was to preserve its funds and the funds of its shareholders, and this does not violate or contradict banking customs, public order, or morals."*

Application to GCC Industries in the 2026 Conflict

The legal precedent set by Judgment 377 of 2006 offers practical, immediate clarity for key industries navigating the current 2026 conflict:

- 1. Collateral Negotiations and Historical Leniency:**
Companies currently attempting to renegotiate credit terms must consider the 2006 authority that arguing a bank's demand to "mortgage the real estate first" violated custom, especially during the post-Gulf War downturn. The Supreme Court had rejected this, establishing that past leniency does not legally mandate future unsecured exposure. In 2026, banks may be protected if they demand strict, perfected security interests prior to disbursing wartime liquidity.
- 2. Financing Strategic Pivots (Construction & Logistics):**
As supply chains are rerouted and domestic

infrastructure projects are potentially delayed by the 2026 conflict, firms may seek capital to pivot toward new ventures. The 2006 appellants similarly requested funds for “financing new projects rather than existing ones.” The judgment explicitly protects banks that refuse to finance such endeavors when a client’s core financial position is already deteriorating. A bank is not legally obligated to fund a corporate pivot if its feasibility is uncertain, and withholding such funds does not constitute an abuse of right.

3. **Macroeconomic Shocks Do Not Absolve Obligations:** A highly resonant lesson of the judgment is its treatment of the “Second Gulf War” defense. Regional instability does not suspend fundamental commercial obligations. The Court upheld the imposition of a 9% delay interest on the company’s outstanding balances, affirming that a debtor’s failure to pay a known sum obligates compensation, regardless of the overarching geopolitical difficulties.

Conclusion

As the 2026 Iran War continues to test the commercial resilience of companies, UAE Supreme Court Judgment No. 377 of 2006 serves as a stabilizing jurisprudential anchor. While the invocation of “difficult economic conditions” caused by regional conflict may frame a compelling plea for financial forbearance, regional courts apply a strict standard of commercial pragmatism. The law recognizes that a bank’s primary duty is the prudential management of capital. In times of severe geopolitical crisis, civil courts will safeguard a financial institution’s right to manage its risk, ensuring that the banking sector is not legally forced to absorb terminal commercial liabilities under the guise of customary support.

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UAE Crypto Litigation: When War Doesn't Excuse Crypto Losses – A Dubai Court Judgment on Force Majeure, War, and the 2026 Iran War

March 10, 2026

The following is an excerpted analysis of topics discussed in the book '[UAE Crypto Litigation](http://www.uaecryptolitigation.com)', a treatise on the judicial evolution of digital asset disputes in the United Arab Emirates, [available at www.uaecryptolitigation.com](http://www.uaecryptolitigation.com).

In the immediate aftermath of a geopolitical shock, such as the escalating conflict involving Iran, a frantic period of market panic and informal crisis management sometimes occurs. It is not uncommon that asset managers and OTC brokers trade WhatsApp messages with anxious clients, cite global instability, and may freeze withdrawals to avoid unforeseen losses. For the investor or legal practitioner, these crisis-driven communications present a complex contractual challenge: when does wartime market volatility excuse non-performance under the doctrine of *force majeure*, and when is it superseded by an informal guarantee?

The UAE courts have adopted a rigorous stance on this issue,

prioritizing the specific substance of the parties' communications over sweeping macroeconomic excuses. While traditional commercial contracts might readily invoke wartime disruption as an act of God, the digital asset sector faces a different legal reality. A landmark judgment from the Dubai Court of Appeal (Case No. 406 of 2023) provides a definitive blueprint for how the judiciary approaches geopolitical market instability. In a dispute involving a massive informal digital currency investment, the defendant failed to return investor funds following a severe market crash. Attempting to shield himself from liability, the defendant invoked *force majeure*, attributing the impossibility of performance to the extreme market volatility precipitated by the outbreak of the Russian-Ukrainian war; a defense mirrors the potential arguments of citing the Iran conflict.

However, the courts are nuanced when a party has made absolute promises outside of a formalized risk allocation structure. The true battleground in such disputes is rarely the macroeconomic impact of the conflict, but rather the defendant's own digital breadcrumbs. In assessing the aforementioned case, the court relied heavily on a court-appointed expert's forensic analysis of the parties' emails and messaging apps to pierce the veil of the informal arrangement. The evidentiary record revealed that the defendant had aggressively induced the claimants, affirming in writing that the investment was "100% guaranteed" and that the principal could be recovered "immediately upon request." The defendant tried to sever his liability by pointing to a global conflict, hoping the court would ignore his own unqualified assurances.

The court refused to allow this *force majeure* defense. It held that by explicitly guaranteeing the return of funds "at any time," the defendant had contractually assumed the risk of market volatility. Extreme price fluctuation, even when catalyzed by a major regional war, is an inherent and

foreseeable feature of cryptocurrency markets; not an unforeseeable external event. Consequently, the burden of the market crash remained entirely on the defendant, transforming what might have been a speculative investment into an unconditional debt obligation. This serves as a stark warning to market participants and informal asset managers: you cannot weaponize the theater of war to excuse market losses if your communications vacate clear contractual exclusions have already guaranteed the preservation of your investors' principal.

For a detailed guide on managing force majeure claims, implementing objective "Market Disruption Event" clauses, and navigating VARA's strict prohibitions on guaranteed returns, [see more in the contractual risk analysis in 'UAE Crypto Litigation'](#).

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The 2026 Iran War, Tax Audits, and Force Majeure: The UAE Supreme Court's Standard for Force Majeure in Tax Audits and Liabilities

March 10, 2026

The outbreak of the Iran War on 28 February 2026 has abruptly plunged the Middle East into profound operational disruption. Consequently, corporate boards operating within the United Arab Emirates are instinctively looking to the doctrine of *force majeure* and emergency circumstances (*thuroof tari'a*) as legal shields. Having acted in over 300 UAE tax dispute procedures, one of the most pressing questions we are now receiving is whether the friction of Iran War legally diminish underlying tax liabilities, excuse administrative penalties, or suspend Federal Tax Authority (FTA) audit procedures.

To answer this purely as a matter of law, we must detach from the immediate fog of conflict and examine the definitive jurisprudence of the UAE Federal Supreme Court. The seminal judgment in Cassation No. 958 of 2025 (Administrative) provides the exact legal architecture. In that dispute, the systemic crisis in question was the COVID-19 pandemic. By transposing the Court's rationale regarding the pandemic onto the 2026 conflict, we find a resolute and unyielding framework of administrative tax law.

The Statutory Accrual of Tax Liability

A question taxpayers make during wartime is whether the disruption of their administrative capabilities lawfully postpones their underlying tax liabilities. The Supreme Court systematically dismantled this assumption, establishing that the legal character of a tax debt operates entirely independently of the operational environment.

The Court ruled that tax obligations are rigidly attached to the statutory transaction date, irrespective of the taxpayer's ability to seamlessly file declarations during a crisis:

"The legislator did not make the acquisition of the status of 'payable tax' contingent upon the tax return, but rather bestowed this status upon the tax whose payment date has arrived."

Therefore, as far as matters stand, the geopolitical landscape does not alter the realization of a statutory tax point. Even if the Iran War prevents the timely filing of an administrative return, the underlying liability is not practically paused or legally dissolved. The war does not suspend statutory accrual.

Force Majeure: Transposing Covid-19 to the 2026 Conflict

During the COVID-19 pandemic, taxpayers attempted to utilize the global emergency as a *force majeure* event to excuse administrative delays, avoid late penalties, and invalidate tax assessments. In the petition for Cassation No. 958 of 2025, the UAE Federal Supreme Court considered *force majeure* in regard to tax audits. They highlighted a three-year audit delay, noting that the FTA itself admitted its operations were hindered by COVID-19.

In light of the legal maxim that “a party cannot benefit from its own mistake” the Supreme Court considered whether the FTA could not lawfully impose incremental “time-based penalties” while the government’s own pandemic-related disruptions stalled the audit process. Furthermore, the Supreme Court considered whether the FTA’s crisis-induced delay caused a compensable “loss of opportunity” to mitigate penalties under favorable Cabinet Decisions issued to provide relief during the pandemic.

Today, businesses are considering whether this exact legal theory would apply to the 2026 Iran War, and whether regional hostilities inherently frustrate audit procedures, trigger mutual *force majeure* exemptions, and legally dissolve the imposition of administrative fines.

The Federal Supreme Court, however, addressed the premise that a systemic crisis suspends tax obligations or shifts the legal burden. Addressing the attempt to use the pandemic to excuse compliance failures, the Supreme Court laid down a formidable

standard that directly governs our current wartime reality:

“...its admission of its ...-month delay places the burden of proof upon it despite the Corona pandemic that passed over everyone (the Appellant and the Administrative Authority).”

The Rationale: Crises That “Pass Over Everyone”

The jurisprudential rationale here is profound. Because a systemic crisis, whether a global health emergency like COVID-19 or the 2026 Iran War, impacts both the private sector and the state apparatus equally, its mere existence does not grant the taxpayer blanket legal immunity.

The fact that the crisis “passed over everyone” means the foundational rules of administrative litigation remain intact. The Court made it clear that a shared macroeconomic shock does not reverse the burden of proof:

“The burden of proof in an administrative dispute does not deviate in its origin, and as a general rule, from others, as the principle is that the creditor must prove the obligation and the debtor must prove getting rid of it...”

Taxpayers cannot use general claims of *force majeure* as a shield against statutory tax audits or potential government disruptions. To successfully challenge an FTA assessment during this conflict, general appeals to wartime hardship are legally insufficient; taxpayers must rely on pristine documentary evidence demonstrating exactly how the war rendered specific compliance materially impossible.

Conclusion

Does the 2026 Iran War diminish or dissolve UAE tax liabilities or audit procedures? The unequivocal legal answer from the UAE Supreme Court is not in a blanket manner. Guided by the rationale in Cassation No. 958 of 2025, the judiciary does not recognize systemic, shared crises as a *force majeure*

that extinguishes tax debts or shifts the burden of proof. The machinery of UAE tax law does not halt for war. Taxpayers whose tax audits or liabilities are affected by the war must provide direct evidence, grounds, and standing to causation and nexus in approaching the FTA, the tax disputes resolution committees, or the courts.

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UAE Crypto Litigation: The “Man in the Middle” and the Duty of Delivery

March 10, 2026

The following is an excerpted analysis of topics discussed in the book [UAE Crypto Litigation](#), a treatise on the judicial evolution of digital asset disputes in the United Arab Emirates, [available at www.uaecryptolitigation.com](http://www.uaecryptolitigation.com).

A defining feature of blockchain transactions is their irreversibility. If an asset is sent to the wrong address, there is no central authority to reverse the transaction. This technical reality creates complex legal questions when a transaction is intercepted or misdirected by a malicious third party; a “Man in the Middle” attack. In China, the US, and the UK, courts have often placed strict liability on OTC desks to verify the identity of the recipient. The UAE courts, applying general principles of contract law, have allocated this risk

strictly against the seller in the context of delivery obligations.

The Dubai Court of Appeal recently analysed a dispute arising from a Peer-to-Peer (P2P) sale of USDT. The buyer had paid for the assets, and the seller transferred the USDT to a wallet address provided by a third-party intermediary who was facilitating the deal. The intermediary, upon verifying the transfer, vanished with access to that wallet, leaving the buyer empty-handed.

The court held the seller liable for the buyer's loss. It established a high standard for the duty of delivery, ruling that the obligation to deliver sold goods is not met by merely dispatching them to a provided address. The seller must ensure the successful *receipt* of the assets into the buyer's effective control. By relying on an untrusted intermediary's instructions without verifying the wallet's ownership with the buyer directly, the seller assumed the risk of fraud.

This judgment reinforces the "perfect tender" rule in the context of digital assets. It serves as a caution to OTC traders who rely on brokers on platforms like Telegram. The legal duty is result-oriented: the contract is only performed when the buyer has the tokens, not when the seller has sent them. If the intermediary provides a fraudulent address, the party sending the funds bears the loss.

To navigate the risks of P2P transactions and intermediary liability, see more in [‘UAE Crypto Litigation’ book publication available at www.uaecryptolitigation.com](http://www.uaecryptolitigation.com).

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War Series: The 1991 Gulf War UNCC Precedent and the Arbitration of Environmental Damage in Conflict Zones

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When Iraqi forces retreated from Kuwait in 1991, they left behind an unprecedented ecological catastrophe. Over 600 oil wells were set ablaze, and millions of barrels of crude oil were intentionally released into the Persian Gulf. The sky turned black, and coastal ecosystems were devastated. Beyond the profound human and structural toll of the conflict, the international community was faced with a novel legal dilemma: How do you quantify, litigate, and arbitrate the destruction of an ecosystem in the aftermath of war?

The answer came in the form of the United Nations Compensation Commission (UNCC), a quasi-judicial, mass-claims body established by UN Security Council Resolution 687. The UNCC's handling of environmental damage claims, specifically its "F4" claims category, laid the foundational precedent for how international law and modern arbitral tribunals approach the financial liability of environmental destruction in war zones.

As contemporary conflicts in regions like Eastern Europe and the Middle East result in the destruction of dams, the targeting of chemical plants, and the scorching of agricultural land, the legacy of the UNCC remains a critical framework for states, international investors, and corporations navigating post-conflict arbitration.

The F4 Claims: Quantifying the Unquantifiable

Before the 1990s, international legal mechanisms for addressing war reparations heavily favored property damage, lost profits, and personal injury. The environment was often viewed as a silent, uncompensable casualty of armed conflict.

The UNCC revolutionized this by formally recognizing claims for “environmental damage and the depletion of natural resources.” The “F4” claims category allowed governments to seek compensation not just for the loss of commercially viable resources (like oil), but for the restoration of ecosystems.

Crucially, the UNCC established that compensation could be awarded for:

- **Preventative measures:** The costs of mitigating further environmental degradation.
- **Reasonable restoration:** The expenses associated with cleaning up shorelines, remediating soil, and extinguishing oil well fires.
- **Monitoring and Assessment:** Funding to study the long-term health and ecological impacts, acknowledging that environmental damage often takes years to fully manifest.

The Commission ultimately awarded over \$5.2 billion for environmental remediation and restoration, setting a towering precedent that pure ecological harm—distinct from commercial loss—has quantifiable legal standing.

From the UNCC to Modern Arbitration

While the UNCC was a specialized commission rather than a traditional commercial arbitration tribunal, its methodological framework deeply influences modern international dispute resolution. Today, when environmental disasters occur during armed conflicts, the legal mechanisms have shifted primarily toward investor-state dispute

settlement (ISDS) under Bilateral Investment Treaties (BITs) and commercial arbitration.

1. The Valuation of Ecological Harm

When an international energy or mining company's assets are caught in a war zone, the resulting environmental spillover often violates host-state environmental regulations. If a host state attempts to penalize a foreign investor for war-induced environmental damage, tribunals frequently look to the UNCC's rigorous evidentiary standards. The UNCC established that claimants must prove a direct causal link between the military action and the specific environmental harm, preventing opportunistic claims.

2. Force Majeure and Environmental Liability

For multinational corporations operating in conflict zones, environmental destruction often triggers complex *force majeure* disputes. If a facility is bombed and toxic chemicals leak, who is responsible for the cleanup? Traditional contracts may excuse the failure to deliver goods during a war, but they rarely absolve a company of overarching environmental liabilities. The UNCC precedent underscores that the entity responsible for the military aggression ultimately bears the financial burden of the ecological fallout, a principle routinely debated in modern force majeure arbitrations.

3. The Rise of "Ecocide" in International Discourse

The precedents set in the early 1990s are currently being tested by the realities of modern warfare. With the destruction of critical infrastructure increasing in modern conflicts, legal scholars and arbitrators are increasingly engaging with the concept of "ecocide." As states and corporations prepare to arbitrate the massive costs of post-war reconstruction, the UNCC's formula for valuing the restoration of water tables, agricultural land, and biodiversity will serve as the starting point for tribunals.

Business Considerations for the Modern Era

For businesses and investors operating in politically volatile or conflict-prone regions, the integration of environmental risk into dispute resolution strategies is no longer optional. The UNCC precedent teaches us that environmental damage in war is not legally “collateral.” It is a highly scrutinized, financially quantifiable liability.

Companies must ensure that their investment contracts and insurance policies explicitly define environmental liability in the event of armed conflict, recognizing that international tribunals now possess the historical precedents and economic methodologies to hold parties accountable for the earth they scorch.

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UAE Crypto Litigation: Specific Performance and the Return of the Asset In Specie

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When a debtor defaults on a loan of 10 Bitcoin, or an employer

fails to pay a salary denominated in tokens, what is the appropriate remedy? In the United States, the bankruptcy proceedings of entities like *Celsius* and *FTX* have famously “dollarized” claims as of the petition date, often locking creditors into losses at the bottom of the market. The UAE courts, however, are increasingly adopting a property-law approach that favors *specific performance*, ordering the return of the asset itself, rather than its fiat equivalent.

This shift is evident in a landmark decision by the Dubai Court of First Instance regarding a private loan of 16 Bitcoin. When the borrower defaulted, the court did not engage in a complex valuation exercise to convert the Bitcoin to Dirhams; a process fraught with difficulty given the asset’s intraday volatility. Instead, it ordered the defendant to return 16 Bitcoin *in specie* to the claimant. This implicitly recognizes the digital asset not merely as a value-reference, but as a distinct class of property capable of direct restitution, akin to the specific delivery of chattels in English law.

This principle has even extended to employment disputes. In a novel judgment, a Dubai court ordered an employer to pay outstanding wages in “Ecowatt tokens,” as strictly stipulated in the employment contract. By enforcing the delivery of the specific token, the court upheld the sanctity of the contract’s currency clause.

However, judicial pragmatism dictates a fallback position. Where the specific asset cannot be returned, such as in cases of fraud where the tokens have been dissipated, the Dubai Court of Cassation has established a critical valuation rule. Monetary compensation must be calculated based on the market value at the time of the *judgment*, not the time of the breach. This forward-looking valuation ensures that a fraudster cannot profit from the market’s appreciation during the delays of litigation, ensuring the victim is made economically whole in current terms.

To understand the strategic implications of seeking specific performance versus monetary damages, see more in [‘UAE Crypto Litigation’ book publication available at www.uaecryptolitigation.com](http://www.uaecryptolitigation.com).

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Musk Announces SpaceX to Build Self-Growing City on the Moon Within 10 Years

March 10, 2026

It is not unbeknown to the public that NASA, for over a decade now, has been working to get humans back on the Moon. This has been a long and challenging journey that has successfully culminated in the Artemis II launch to the Moon this year. On the other side of the aisle, SpaceX and Musk have publicly stood ground on their desire to push the journey just a few kilometers further to Mars instead. However, on 8 February 2026, via X (formerly, Twitter), Musk announced:

“[...] SpaceX has already shifted focus to building a self-growing city on the Moon, as we can potentially achieve that in less than 10 years, whereas Mars would take 20+ years [...] That said, SpaceX will also strive to build a Mars city and begin doing so in about 5 to 7 years, but the overriding priority is securing the future of civilization and the Moon is faster.”

(emphasis added)

The phrasing matters. Musk did not describe a “base,” a “camp,” or even a “permanent presence.” He chose “self-growing city” a term that, in space systems language, implies a settlement that can expand its own capacity faster than Earth can sustain it through resupply. In other words, the decisive milestone is poised to be the point at which the city can manufacture, repair, and reproduce the core inputs of life and industry on-site, with Earth shifting from a lifeline to a partner.

This emphasis on speed is also crucial. In the expanded announcement, Musk explicitly contrasted lunar cadence with Martian cadence because the former provides frequent launch opportunities and short transit times allowing rapid iteration, while Mars imposes long windows between optimal departures and months-long transfers. The Moon, in Musk’s framing, is simply the faster pathway to the larger objective, reducing the risk that a disruption on Earth can strand an off-world population before it is self-sufficient.

What a “self-growing city” would actually mean

A credible “self-growing” settlement is less a single project than a layered stack of capabilities that compound over time.

First, a survivable envelope or atmosphere. A city would begin with pressurized volume, radiation protection, thermal control, and redundancy. On the Moon that likely means habitats that are either buried, barriered, or shielded with regolith. Engineering for sustained occupancy is necessary to turn temporary infrastructure into long-term habitat.

Second, reliable power at city scale. Early lunar outposts can run on solar with storage; a city that grows needs power that is both scalable and resilient through lunar night, dust, and operational contingencies. That can mean distributed solar fields, large-scale storage, and, notably, nuclear surface

power (see more on the plans for this [here](#)). The commercial point is that power becomes the first utility market of the lunar economy, and everything else prices off it.

Third, closed-loop life support and food production. “Self-growing” implies that water, oxygen, and consumables are not flown in as a permanent operating model. A settlement can still import specialty components, medicines, and high-value electronics but it cannot depend indefinitely on routine shipments of basic life inputs without remaining fragile by design.

Fourth, industrial metabolism by extraction, processing, and manufacturing. This is where “city” plays a critical role in an envisioned lunar economy. A lunar settlement that grows must be able to produce increasing quantities of:

- structural materials (regolith-based bricks, sintered surfaces, composites),
- spare parts and tools (additive manufacturing),
- propellants and volatiles if polar ice is exploited, and
- replacement infrastructure (power hardware, pressure shells, mobility platforms).

In practical terms, “self-growing” means establishing an industrial base: each new machine, habitat module, or power unit increases the settlement’s ability to build the next one.

Fifth, governance by logistics. A lunar city will function as a managed system: inventory control, redundancy planning, maintenance cycles, and emergency protocols will be as central as rockets. The romantic imagery of flags and footprints matters less than the operational question of whether the settlement can survive a sustained interruption of Earth resupply.

Why the Moon becomes strategically attractive

Musk’s core argument is speed. The Moon is close enough to

allow rapid learning cycles (launch, land, test, fix, repeat) on timelines that resemble industrial development rather than expeditionary exploration.

That matters because establishment of a large-scale settlement will not be a single “mission.” It will be an accumulation of failures and successes: life support anomalies, dust mitigation, thermal shock, power reliability, human factors, medical contingencies. A two-day transit and frequent windows change the economics of failure.

It also matters because NASA’s own lunar return effort remains on a near-term timetable. As of early February 2026, NASA indicated Artemis II is targeting no earlier than March 2026 following issues identified during a fueling test. Against that backdrop, a public SpaceX narrative that the Moon is the near-term priority signals an alignment with where the most immediate institutional demand sits.

What this shift means for the industry

If SpaceX truly prioritizes a lunar city three effects follow across the market.

1) The lunar economy becomes real and fast.

A city implies persistent demand for cargo, construction, power, comms, navigation, mobility, and surface operations. That demand creates bankable markets for companies that are not launch providers: mining and excavation, robotics, thermal systems, pressure vessel manufacturing, radiation shielding, surface mobility, and autonomous operations.

2) “Cislunar logistics” becomes the main arena of competition. A high-value advantage of establishing a lunar settlement is cadence. Any actor that can move mass routinely will set the tempo for everyone else. Musk’s own commentary places “millions of tons” and scale at the center of the ambition. The competitive response will not only come from rival launch systems, but from anyone building cislunar transportation,

depots, tugs, and surface freight capacity.

3) Regulation, liability, and contract standards will tighten. A city forces the legal questions to mature. Risk will address launch and reentry, but expand to long-duration habitation, industrial activity, and sustained operations in proximity to other actors. That pushes regulators and contracting authorities toward stricter requirements on safety cases, mission assurance, spectrum discipline, debris and traffic coordination, and insurance coverage tailored to continuous lunar operations.

It also changes the commercial posture of space law. The legal work shifts towards operational governance rather than mission approval: how activity is coordinated, how safety zones are treated in practice, how responsibility is allocated across operators and contractors, and how disputes are resolved when operations become continuous rather than episodic.

Conclusion

This is not a retreat from Mars so much as a recalibration of sequencing. Musk still describes Mars as a continuing objective, with work beginning in the five-to-seven-year range, but with the Moon as the overriding priority because it is faster.

If the Moon becomes the proving ground for genuine self-sufficiency via energy independence, industrial reproduction, and survivable logistics, then the lunar decade will be the architectural foundation for everything that follows.

So that means that we are all heading to the Moon, SpaceX included.

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UAE Crypto Litigation: WhatsApp and the Unsigned Contract

March 10, 2026

The following is an excerpted analysis of topics discussed in the book [UAE Crypto Litigation](http://www.uaecryptolitigation.com), a treatise on the judicial evolution of digital asset disputes in the United Arab Emirates, [available at www.uaecryptolitigation.com](http://www.uaecryptolitigation.com).

In the fast-paced environment of crypto-trading, formal contracts are frequently neglected in favor of instant messaging. Deals worth millions are struck via WhatsApp, Telegram, or WeChat, often with little more than a “thumbs up” emoji to signify assent. When these informal arrangements collapse, the UAE courts are tasked with a forensic inquiry: can a string of text messages constitute a binding commercial contract? The answer, as revealed by recent appellate judgments, depends entirely on the content of the messages and the value of the claim.

The UAE approach offers an interesting parallel to the “parol evidence rule” in US contract law or the statutory requirements for writing in the UK’s Law of Property (Miscellaneous Provisions) Act. Generally, the UAE Law of Evidence requires written proof for obligations exceeding a certain value. However, the courts have adapted to the digital age by accepting electronic correspondence as a “commencement of proof in writing,” provided it is sufficiently clear.

In a striking example of this flexibility, the Dubai Court of First Instance enforced a multi-million dollar liability based

almost exclusively on WhatsApp messages. While the initial oral agreement was unprovable, the defendant's subsequent messages, in which he explicitly acknowledged the debt and promised repayment, were treated as a binding extra-judicial admission. Here, the informality of the medium did not negate the clarity of the confession.

However, there is a limit to this indulgence. The Abu Dhabi Court of Appeal recently drew a hard line in a case involving an alleged five-million-dollar investment. The claimant attempted to reconstruct complex contractual terms from a series of WhatsApp exchanges. The court dismissed the claim, finding that while messages can prove a debt, they are often too fragmented and ambiguous to establish the nuanced terms of a partnership or a high-value investment mandate. Unlike the Chinese courts, which have developed specific protocols for verifying blockchain and WeChat evidence, the UAE courts apply a traditional lens to new media: if the messages do not clearly define the "meeting of minds" on all essential terms, they cannot substitute for a formal contract.

Furthermore, the courts are wary of "unsigned contracts" circulated via email. In another Dubai case, a claimant relied on an unsigned draft contract and screenshots. The court dismissed the claim, reinforcing that an unexecuted document has no evidentiary value unless corroborated by decisive conduct or admissions. The message to the market is clear: while digital chat logs can save a claim by proving an admission of debt, they are a poor substitute for a signed agreement when trying to prove the complex terms of a venture.

For a practical guide on preserving digital evidence and understanding its weight in court, see more in the evidentiary chapters of [‘UAE Crypto Litigation’ book publication available at www.uaecryptolitigation.com](http://www.uaecryptolitigation.com).

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Russian Spy Satellites Intercepting European Satellite Communications

March 10, 2026

European space security officials are increasingly concerned that two Russian “inspector” satellites have been used to collect communications associated with multiple European satellites, including traffic linked to government and military users. This has evidently been a sustained pattern over several years, with the alleged consequence being intelligence collection and a clearer mapping of how European satellite services could be constrained or disrupted in crisis conditions.

Such activity risks compromising sensitive information transmitted by the satellites but could also allow manipulation of the satellite flight paths or even lead to accidents.

What is reported to have happened

The reporting attributes the assessment to European security and intelligence officials who have been tracking two Russian spacecraft commonly referred to as Luch-1 and Luch-2. Officials reportedly believe these spacecraft were able to intercept communications from at least a dozen European

satellites. The reporting also notes close approaches to a wider set of satellites over a multi-year period, which, if accurate, would reflect deliberate station-keeping near targets rather than incidental co-location in geostationary orbit.

A key technical qualifier is that interception risk is not uniform. A close look points to legacy vulnerabilities, including the fact that some older satellites may still rely on weak or unencrypted command links, creating exposure not only for confidentiality but also for command authentication and operational integrity.

None of this requires assuming a “weapon” in orbit. Persistent proximity operations, combined with modern signals-intelligence payloads, can be sufficient to collect metadata, waveform characteristics, traffic volumes, and in some cases content, depending on encryption and link discipline. Even where encryption holds, the collector learns usage patterns, the contours of the ground segment, and system behavior under stress.

Why proximity operations matter commercially

Geostationary orbit is a commercial operating environment. Many satellites carry mixed traffic of commercial connectivity, leased capacity, and governmental payloads or services. That makes “space security” inseparable from commercial service continuity and contract performance.

Three immediate consequences follow.

First, security standards will move from guidance to gating. Encryption, authenticated command and telemetry, and disciplined key management are no longer features that win competitive bids. They are baseline conditions for eligibility, particularly for government and critical-infrastructure customers.

Second, underwriting and financing will harden around cyber-physical risk. The market already prices launch and debris risk. Persistent proximity and interception concerns introduce a more political category: contested-domain operating risk. That tends to produce tighter warranties, more onerous security representations, and narrower coverage around interference events.

Third, customers will demand assurance, not only service levels. Expect procurement language to expand beyond uptime and throughput into incident response timelines, sovereign control of command chains, ground segment resilience, and demonstrable ability to maintain service under interference conditions.

These pressures are intensified by Europe's parallel policy direction toward sovereign secure connectivity. In January 2026, public statements from the European Commission described the commencement of GOVSATCOM operations, explicitly framed as secure and encrypted governmental satellite communications under European control.

The legal consequences: duties exist, but enforcement is political

The legal framework for outer space has not suddenly become obsolete. It is, however, strained by conduct that sits *below* the threshold of overt attack while still producing strategic harm.

Under the Outer Space Treaty, States must conduct activities with "due regard" to the corresponding interests of other States, and where a State has reason to believe an activity would cause "potentially harmful interference," it should undertake appropriate international consultations. This is not a direct prohibition on collection, and it does not neatly capture intelligence operations. It does, however, create a lawful diplomatic pathway: if proximity operations are

credibly framed as creating a risk of harmful interference or unsafe behavior, consultations are the treaty-based mechanism to press the issue.

Separately, Article VI's responsibility principle matters in today's mixed government-commercial architecture: States bear international responsibility for national activities in outer space, including those by non-governmental entities, and must authorize and continuously supervise such activities. In practical terms, this pushes European regulators toward more explicit security supervision of licensed operators whose systems carry government traffic, and it strengthens the policy case for security conditions in licensing and procurement.

The radio layer adds another legal and regulatory vocabulary. The International Telecommunication Union radio regime is designed to prevent harmful interference and imposes obligations on administrations regarding stations under their responsibility. If interception evolves into jamming, spoofing, or service disruption, that framework provides process and terminology even when remedies remain political.

The limiting factor across these regimes is attribution and proof. Legal consequences scale with confidence. That reality will drive investment in independent tracking, data fusion, and evidentiary discipline, because sustaining a position in a diplomatic, regulatory, or legal forum matters.

Strategic meaning: below-threshold pressure becomes normal

The most consequential implication is not that satellites can be listened to. It is that space is being treated as a continuously contested domain, and that this contest is increasingly conducted through activity that stays below the threshold of overt interference.

For operators, the lesson is straightforward: resilience must be engineered and contractually demonstrated.

For governments, the implication is equally clear: the line between commercial service and national capability is thin, and it will continue to thin. Hybrid payloads, shared capacity, and multi-use constellations bring efficiency, but they also bring shared exposure.

For Europe, this incident reporting will likely accelerate three tracks already underway: (1) hardening of legacy systems and uplink security practices; (2) procurement and licensing reforms that make security a condition of market access; and (3) sovereign and allied connectivity architectures that reduce single points of failure and impose higher security baselines.

The diplomatic posture should remain measured. The objective is to reduce strategic ambiguity, raise the cost of intrusive behavior through collective standards and coordinated responses, and ensure that Europe's commercial satellite market remains credible to the customers who depend on it.

In short, the future will not be defined by a single episode of proximity collection. It will be defined by whether Europe treats this as an intelligence curiosity, or as a governance and market-structure inflection point.

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