Dubai Landmark Judgment on the Requirement for Signature of a Dissenting Arbitrator

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The recent ruling in **Case Number 11 of 2024** by the Dubai Court of Appeal, issued on 29 April 2024, sets a pivotal precedent regarding the requirement for the signature of a dissenting arbitrator. This judgment reinforces the principles outlined in the arbitration law, emphasizing the **integrity and robustness of arbitration procedures** even when not all arbitrators are in unanimous agreement.

Background and Significance

The crux of the appeal centered on the claim that the arbitration award was invalid because it was signed by only two of the three arbitrators, with the third arbitrator's dissenting opinion neither included nor explained in the final document. The appellant argued that the absence of the dissenting opinion and the refusal to include it invalidated the arbitration award.

However, the Court's ruling provides crucial insights and clarifications about the arbitration process and the legal framework that supports it. The judgment leverages **Article 54(6)** of the new arbitration law, which allows for the correction of procedural errors based on the parties' request, thereby **reducing the grounds for nullifying an arbitration award**.

Key Legal Findings

In its detailed judgment, the Court reiterated the principles enshrined in the arbitration law:

1. **Majority Rule in Arbitration**: The judgment emphasized that as long as the arbitration award is issued by the majority of the arbitrators, it remains valid. The law specifically states:
   > ***"The arbitration award is issued by a majority of the opinions if the arbitration panel is composed of more than one arbitrator. If the arbitrators' opinions diverge such that a majority is not achieved, the president of the arbitration panel issues the award unless the parties agree otherwise."***

2. **Signature Requirement**: The judgment clarified the requirements for the arbitrators' signatures:
   > ***"The arbitrators sign the award, and if any arbitrator refuses to sign, the reason for not signing must be mentioned. The award is valid if signed by the majority of the arbitrators."***

Case Analysis

In the specific case at hand, the arbitration panel consisted of three arbitrators. The award was signed by two arbitrators, **Arbitrator A** and **Arbitrator B**, while the third arbitrator, **Arbitrator C**, refused to sign due to his dissenting opinion.

The appellant's argument hinged on the claim that this dissent invalidated the award. However, the Court dismissed this claim, noting:

> ***"The failure to record the dissenting opinion of one arbitrator does not undermine the validity of the award signed by the majority. The arbitration award is valid as***

> *long as it adheres to the legal requirements and is signed by the majority of the arbitrators.”*

Furthermore, the Court underscored that the procedural framework established by the new arbitration law aims to **prioritize the validity of procedural actions over potential grounds for nullification**, as long as the fundamental objectives of the procedure are met.

Practical Implications

This ruling has significant implications for arbitration practices. It underscores that:

- The **validity of arbitration awards** hinges on the adherence to procedural rules and the majority rule principle.
- **Dissenting opinions**, while important, do not invalidate an award if not included, provided the majority of arbitrators have signed the award.
- The **arbitration law** is designed to ensure procedural robustness and minimize the potential for nullification based on technicalities.

The judgment provides a clear message that **arbitration awards should be respected and upheld if they comply with the procedural requirements**, even in the presence of dissenting opinions. This promotes the **efficiency and reliability of arbitration as a dispute resolution mechanism**.

Conclusion

The Dubai Court of Appeal’s judgment in **Case Number 11 of 2024** is a landmark decision that reinforces the principles of arbitration law, particularly concerning the requirement for the signature of dissenting arbitrators. By prioritizing **procedural correctness and the majority rule**, this ruling enhances the robustness of arbitration awards and minimizes unnecessary annulments based on technicalities.

This precedent not only **clarifies legal ambiguities** but also strengthens the arbitration framework, ensuring that it remains a trusted and efficient method for resolving disputes. The judgment is a testament to the evolving nature of arbitration law and its alignment with international best practice.

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