Enforcing Arbitral Awards After the Abolition of the DIFC-LCIA: The Ontario Court of Appeal's Pragmatic Approach

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The abrupt abolition of the Dubai International Financial Centre Arbitration Institute (the DIFC-LCIA Arbitration Centre) by the government of Dubai in September 2021 left the international dispute resolution community with a pressing dilemma. With the enactment of "Decree 34," the rights and obligations of the DIFC-LCIA were transferred to the Dubai International Arbitration Centre (DIAC). This raised a critical question: does the extinguishing of the DIFC-LCIA structure prejudice the enforcement of an award rendered under the substituted DIAC rules, when the underlying contract explicitly referenced the now-defunct DIFC-LCIA provisions?

Recently, the Court of Appeal for Ontario provided a clear answer for Canada (or at least Ontario) in its unanimous decision, *InFrontier AF LP v. Rahmani*, 2026 ONCA 289. The Court confirmed that the dissolution of the DIFC-LCIA structure does not inherently prejudice the enforcement of an award, charting a thoughtful path forward based on contractual interpretation.

The Background of the Dispute

The dispute arose from a September 2020 Term Loan Agreement involving a United Kingdom-based private equity firm, InFrontier AF LP, and Roeen Rahmani, who guaranteed a substantial loan. The parties explicitly agreed that disputes were to be resolved by arbitration in the Dubai International Financial Centre under the DIFC-LCIA Rules.

By the time the respondent commenced arbitration proceedings in 2023 for an alleged default, Decree 34 had abolished the DIFC Arbitration Institute. A joint press release by DIAC and the London Court of International Arbitration subsequently confirmed that arbitrations commenced after March 21, 2022, under agreements referencing the DIFC-LCIA Rules, would be administered under the new DIAC Rules.

Over the appellant’s objections, the arbitration was conducted under the DIAC Rules, culminating in an award ordering him to pay over $2.5 million USD. When the respondent sought to recognize and enforce this award in Ontario, the appellant resisted. Relying on Article V 1(d) of the New York Convention, he argued that the arbitral procedure “was not in accordance with the agreement of the parties” because they had contracted for the DIFC-LCIA Rules, not the DIAC Rules.

The Court’s Analysis: Contractual Interpretation

Writing for the Court, Justice Zarnett upheld the enforcement of the award. Rather than viewing the application of the DIAC Rules as an unlawful override by a foreign state, the Court framed the issue primarily as a matter of contractual interpretation.

Justice Zarnett observed that the application judge “did not, contrary to the Convention, allow the law of the place of arbitration to oust or override the parties’ agreement as to the applicable procedure. Rather, he interpreted their agreement to determine what procedure they had agreed to.” The Court closely examined the Preamble to the DIFC-LCIA Rules, which provided that agreeing parties were bound by those rules or “such amended version of those rules as the DIFC-LCIA Arbitration Centre may have adopted hereafter to take effect before the commencement of the arbitration".

Addressing the appellant's concern that relying on Dubai law to determine the applicable rules was improper, the Court respectfully disagreed. Justice Zarnett explained that "the parties' Agreement about procedure makes the law of the place of arbitration relevant to the question of what rules the parties agreed to." Because the parties had agreed to an evolving framework, the application judge was entitled to consider the foreign decree to determine that the DIAC Rules legally constituted the amended version of the DIFC-LCIA Rules.

The Court also dismissed the appellant's public policy arguments, recalling the high threshold required: "to succeed on [the public policy ground] the award must fundamentally offend the most basic and explicit principles of justice and fairness in Ontario, or evidence intolerable ignorance or corruption on the part of the Arbitral Tribunal."

Global Perspectives: A Fractured Consensus

The Ontario Court of Appeal's decision is particularly noteworthy when viewed alongside judgments from other jurisdictions grappling with the exact same institutional transition. As the Court politely acknowledged in a footnote, the international consensus remains fractured.

The courts of Singapore have taken a restrictive view. In *DFL v DFM*, [2024] SGHC 71 (affirmed at [2024] SGCA 41), the Singaporean judiciary viewed the differences between the two sets of rules as significant, demonstrating a reluctance to enforce awards where parties were subjected to a substituted institutional framework.

Conversely, the United States Court of Appeals for the Fifth Circuit adopted a pro-enforcement stance in *Baker Hughes Saudi Arabia Company Limited v. Dynamic Industries, Incorporated*, 126 F (4th) 1073 (5th Cir. 2025), dismissing concerns by characterizing the two sets of rules as “nearly identical.”

Ontario has charted a sophisticated middle ground. By rooting its decision firmly in the contractual interpretation of the phrase “such amended version,” the Court of Appeal elegantly sidestepped the need to conduct a comparative analysis of the institutional rules. As Justice Zarnett noted regarding the debate over whether the rules were materially different or nearly identical, “In view of the conclusion above, it is unnecessary to consider either question.”

Conclusion

With *InFrontier AF LP v. Rahmani*, the Court of Appeal for Ontario has provided a straightforward and commercially sensible judgment. By meticulously interpreting standard institutional preambles to encompass state-mandated amendments, the Court successfully ensured that the extinguishing of the DIFC-LCIA structure does not prejudice the enforcement of arbitral awards in Canada. It is a welcome decision that respects party autonomy while offering a practical solution to unexpected shifts in international dispute resolution.

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