UAE Crypto Litigation: WhatsApp and the Unsigned Contract

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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.

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.

Author: Mahmoud Abuwasel
Title: Partner – Disputes
Email: mabuwasel@waselandwasel.com
Profile:
https://waselandwasel.com/about/mahmoud-abuwasel/

Lawyers and consultants.
Tier-1 services since 1799.
www.waselandwasel.com
business@waselandwasel.com