

ENFORCING AGAINST SOVEREIGNS IN THE DIFC

Navigating Immunity and Sanctions



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1. The enforcement of judgments and arbitral awards against sovereign states and state entities is a complex legal area across jurisdictions, but especially within the context of international financial free zones like the DIFC. The doctrine of sovereign immunity protects sovereign states from being sued in foreign courts without their consent. While sovereign immunity may be invoked at the time of determining liability, it may also apply with complexities at the time of enforcement.

2. As cross-border enforcement actions become more prevalent, there is a need to address sovereign immunity, particularly in the context of sovereign debt recovery and disputes involving sanctioned states. The UAE is known to implement EU, UN, and US sanctions, but primarily to target terrorism on an *ad hoc* basis with internal directives. There are globally sanctioned sovereigns such as Libya, Sudan and Russia that are not sanctioned in the UAE; thus, potentially paving a route for enforcement via the DIFC Courts.

3. Article 5(A)(1)(e) of the Dubai Judicial Authority Law No. 12 of 2004 (“JAL”) provides a “gateway” to the jurisdiction of the DIFC Court if the Court has jurisdiction “*in accordance with DIFC Laws and DIFC Regulations*”. Article 24 of the DIFC Law No. 10 of 2004 (“Court Law”), read with Articles 7(4) – (6) of the JAL, grants the DIFC Courts the jurisdiction to ratify judgments, orders, and awards issued by any recognised foreign courts and tribunals! Globally sanctioned sovereigns such as Libya, Sudan and Russia or

¹ See more on the DIFC Court’s jurisdiction to enforce foreign decisions in our [insight](#).

their state-owned/controlled enterprises or persons, are known to have assets in the UAE. The DIFC Courts' jurisdiction to enforce judgments and awards along with the presence of assets in the UAE makes the DIFC a potential jurisdiction to bring action against such sanctioned sovereigns.

4. This paper examines the contours of sovereign immunity as applied by the DIFC Courts and the practical challenges of enforcing judgments and arbitral awards against sovereign entities. Two DIFC cases – *Pearl Petroleum v Kurdistan Regional Government of Iraq*² (“*Pearl Petroleum*”) and *Fal Oil Company v Sharjah Electricity and Water Authority*³ (“*Fal Oil*”) offer important insights into the application of sovereign immunity in the DIFC. In addition to the legal framework, this paper will explore the practicalities of enforcement, particularly the challenges posed by indirectly held assets. This paper provides a practical framework for understanding the nuances of sovereign enforcement and recovery in the DIFC.

I. SOVEREIGN IMMUNITY IN THE UAE

A. Common law principles apply in the DIFC

5. The DIFC Courts operate within a hybrid legal framework that fuses common law principles with the statutory laws of the UAE. Although the DIFC Courts are modelled on common law jurisdictions like England and Wales, they are ultimately statutory courts governed by specific legislation. The DIFC Courts ultimately remain part of the broader UAE legal system, bound by federal laws, the UAE Constitution, and Dubai laws, and subject to the

² *Pearl Petroleum Company Ltd v The Kurdistan Regional Government* [2017] DIFC ARB 003 (20 August 2017) (“*Pearl Petroleum v KRG*”)

³ *FAL Oil Company v Sharjah Electricity and Water Authority* [2019] DIFC ENF 221 (16 February 2021) (“*Fal Oil v SEWA*”)

oversight of UAE Federal Courts and Dubai courts in specific circumstances. This hybrid framework is particularly relevant in cases where the DIFC's statutory provisions do not expressly address doctrines such as sovereign immunity, necessitating the derivation of applicable principles from its sources of law.

6. In *Pearl Petroleum*, the DIFC Court underscores the significance of this statutory foundation⁴. The DIFC Courts, while adopting common law principles, must do so with the statutory constraints imposed by UAE law in mind. As noted in *Pearl Petroleum*, the DIFC Courts are statutory courts, and therefore, must adhere to legislative mandates – the application of common law doctrines such as sovereign immunity requires an explicit legal basis within the DIFC's statutory framework.

7. Article 8(2) of DIFC Law No. 3 of 2004 on the Application of Civil and Commercial Laws in the DIFC provides a structured approach for filling any gaps in the law, dictating that DIFC Courts should first apply DIFC laws, laws chosen by DIFC laws, any mutually agreed jurisdiction by the parties, the law with the closest connection, and lastly, the laws of England and Wales. This “waterfall” approach is designed to ensure that the DIFC's legal rulings are consistent with both local law and international best practices.

8. In *Pearl Petroleum*, the DIFC Court found that the question of sovereign immunity is procedural, allowing the Court to determine the applicable common law procedures without needing to address the substantive recognition of such immunity under DIFC

⁴ [12]–[21], *Pearl Petroleum v KRG*

law.⁵ In *Fal Oil*, the DIFC Court agreed with this, observing that the question of whether the judgments of other courts should be recognised is inherently and of its very nature, a question of the processes and procedures of the court in which recognition is sought, and is therefore governed by the procedural laws of the court.⁶ The Court went on to conclude that the most appropriate body of conflicts of laws principles to be applied by this Court is that enunciated in Dicey Morris and Collins where sovereign immunity, as understood in common law, is included.

9. The decision in *Fal Oil* also offers guidance as to what entities may be accorded immunity by the DIFC Courts. While in the context of inter-emirate parties, the DIFC Court found that the question would turn on whether the entity is so “inextricably intertwined” with the state that it should be regarded as the state for the purposes of sovereign immunity. The Courts relied on various English decisions, the most authoritative of which was agreed to be the decision of the Privy Council in the *Gécamines v FG Hemisphere Associates* (“*Gécamines*”) case.⁷ The Privy Council in *Gécamines* stressed the importance of recognising the separate juridical status of entities created by states for commercial purposes, emphasising that mere control by the state does not automatically categorise an entity as the state – a detailed analysis of the entity’s constitution, functions, management, budget, etc. was necessary to find whether the entity was “so closely intertwined and confused that the entity could not properly be regarded for any significant purpose as distinct from the state and vice versa”.⁸ The DIFC Court in *Fal Oil*

⁵ [22], *Pearl Petroleum v KRG*

⁶ [54] – [60], *Fal Oil v SEWA*

⁷ *La Générale des Carrières et des Mines v F.G. Hemisphere Associates LLC* [2012] UKPC 27 (“*Gécamines v FG Hemisphere*”)

⁸ [29], *Gécamines v FG Hemisphere*

also referred to principles from the *Trendtex Trading* case, which underscore that multiple factors should be considered, with no single factor being decisive.⁹ In applying these principles in *Fal Oil*, the Court held that despite being a creation of statute, the respondent-entity would not have been protected by immunity.

B. Sovereign immunity from enforcement and execution in the DIFC

10. The DIFC Courts have acknowledged the recognition of judgments and awards as distinct from execution, observing that the recognition of the relevant decision is a necessary first step in any process of execution – which follows that the conferral of jurisdiction upon the Court to recognise or ratify such decisions is implicit in Article 7(6) of the JAL.¹⁰

11. Immunity from execution, extends beyond immunity from enforcement, ensuring that a state’s assets are protected from being seized to pay its debts to third parties – even in situations where the state may not have immunity from jurisdiction. The DIFC Courts have accepted that the 2004 UN Convention on Jurisdictional Immunities of States and their Property represents current international thinking!¹¹ The Convention addresses some aspects of state immunity from execution (or from measures of constraint). Several states have adopted domestic legislation to expressly give effect to immunity from execution!¹²

12. The question of when immunity from execution arises typically depends on domestic law – *i.e.*, whether at the stage of

⁹ *Trendtex Trading Corp v Central Bank of Nigeria* [1977] 1 QB 529

¹⁰ [36], *Fal Oil v SEWA*

¹¹ [32], *Pearl Petroleum v KRG*

¹² UK State Immunity Act 1978; US Foreign Sovereign Immunities Act (1976), ss. 1609-1610; Article L 111-1 of the Code of Civil Enforcement Procedures of the French Republic; Federal Law of the Russian Federation “On Sovereign Immunities of Foreign States” N 297-FZ (2015); Canadian State Immunity Act (1982); Australian Foreign States Immunities Act (1985), ss. 33-35

recognition and enforcement against the state or at the stage when execution against specific property of that state is sought. Once again, the findings of the DIFC Court in *Fal Oil* are instructive. In the case, respondent-entity claiming immunity argued that a recognition of the Sharjah judgment would be futile since any of its assets in the DIFC would be immune from execution because of its sovereign status. The Court dismissed this argument noting – *first*, that it is well established that a judgment creditor doesn't need to establish that there are assets within the jurisdiction of a court in which recognition of a judgment is sought; and *second*, even if the entity enjoyed a sovereign status (which it did not), the immunity of assets from execution would be decided by different rules and principles, being rules and principles which focus upon the specific asset and the functions for which the asset is used by the judgment debtor:¹³ This represents the English law position as well, albeit on the interpretation of the UK State Immunity Act 1978 ("UK SIA")¹⁴

13. The observations in *Fal Oil* are likely *obiter* since they were made in an inter-emirate context of the enforcement of a Sharjah judgment in the DIFC, and the Court ultimately concluded that there was no general principle of inter-emirate immunity under the UAE Constitution. It remains to be seen how the Court will apply these principles to a sovereign state, addressing questions such as when immunity from execution arises; what entities are protected by immunity from execution; and what property is protected by immunity from execution.

¹³ [136] – [140], *Fal Oil v SEWA*

¹⁴ *General Dynamics UK v State of Libya* [2024] EWHC 472 (Comm); *Svenska Petroleum Exploration AB v. Govt of Lithuania & AB Geonafta* [2006] EWCA Civ 1529; *Boru Hatlari Ile Petrol Tazima AŞ & ors. (a.k.a. Botaş Petroleum Pipeline Corp.) v Tepe Insaat Sanayii AS (Jersey)* [2018] UKPC 31



14. However, this determination will not be relevant if the judgment creditor is only seeking recognition and enforcement in the DIFC Court. At that time, the court will need to only decide if the state has immunity from proceedings for recognition and enforcement, and whether such immunity has been waived.

15. In *Pearl Petroleum*, the DIFC Court addressed whether the KRG had waived sovereign immunity by agreeing to arbitration under English law and whether this waiver extended to enforcement in the DIFC. The court based on explicit contractual terms that the KRG waived immunity for itself and “its assets”, distinguishing between immunity from adjudicative jurisdiction and from execution. The Court rejected the KRG’s argument that only the UAE Supreme Court could determine waiver issues under constitutional grounds, affirming that procedural and contractual waiver issues fall within the judicial jurisdiction of the DIFC law. The Court contrasted the position in the Hong Kong court in the *Democratic Republic of Congo v. FG Hemisphere Associates*, where absolute immunity applied due to specific constitutional ties to China and its Basic Law’s stipulation of referral to the PRC government on matters affecting foreign affairs.¹⁵ The Court instead preferred the position in more recent English cases like *Svenska Petroleum Exploration v Lithuania*, which held that immunity waivers in arbitration clauses could facilitate recognition and enforcement of arbitration awards. However, this ‘arbitration exception’ has been interpreted to include *exequatur* proceedings relating to the enforcement of foreign arbitral awards against a state, but not subsequent proceedings targeting the seizure of assets owned by that state. Typically, and under the UK SIA, a

¹⁵ *Democratic Republic of the Congo and Others v FG Hemisphere Associates LLC* (Final appeal nos 5, 6 and 7 OF 2010 (Civil)) (8 June 2011)

state's immunity from execution requires an express waiver.

16. The recent decision in *General Dynamics v. Libya* decision by the English High Court signals a shift in this position on immunity from execution, testing the boundaries of implied waivers.¹⁶ Here, the court interpreted Libya's contract language, which described the arbitral award as "wholly enforceable", as implicitly waiving Libya's immunity from execution against assets, aligning with a trend towards the restrictive doctrine of immunity that limits protection only for sovereign (not commercial) activities. This has been referred to as a 'double waiver' argument – that a state's submission to an arbitration agreement constitutes a waiver of both jurisdiction and execution immunities. Notably, this approach recalls the French court's *Creighton v Qatar* decision¹⁷ and the US court's *Walker International v Congo*.¹⁸ The English decision suggests a nuanced judicial willingness to hold states accountable in commercial matters, echoing other jurisdictions' interpretations and potentially setting a precedent for broader enforceability. This decision awaits appeal, with its outcome likely to influence the treatment of state assets in arbitration.

17. In the context of investment treaty awards, where the sovereigns have not entered into commercial contracts with parties, establishing a case for waiver of immunity is a bit trickier. In the context of the ICSID Convention, the English court has recently confirmed that states cannot claim sovereign immunity to oppose the registration of ICSID awards due to Article 54 of the ICSID Convention which signifies a state's consent to jurisdiction

¹⁶ *General Dynamics United Kingdom v The State of Libya* [2024] EWHC 472

¹⁷ *Creighton Ltd. v. Gouvernement de l'Etat du Qatar* Cass, le civ., 6 July 2000

¹⁸ *Walker International Holdings v Republic of Congo*, 395 F.3d 229

over award enforcement.¹⁹ Despite arguments under the UK SIA, the court found that the ICSID Convention language waives immunity from enforcement of an award, however, it expressed that the state may claim immunity in relation to any further steps towards execution, which it typically tested under different regulations and require an express waiver by the state.

18. The decision in *Fal Oil* too suggests that the immunity of assets from execution would be decided by different rules and principles which focus on the specific asset and the functions for which the asset is used by the judgment debtor.²⁰ The DIFC does not have legislation granting state assets immunity from execution, however, the current international law position captured in the 2004 Convention and the UK SIA, exempts state-owned assets from immunity if used (or intended to be used) for “commercial purposes”. Thus, even once a creditor has obtained recognition and enforcement of an arbitral award in the DIFC, additional legal hurdles may remain to execute lie in the DIFC. Specifically, the creditor must identify state property that is exempt from execution immunity, either because an exception applies to that property or because the state has explicitly waived immunity for it.

C. Sovereign immunity under UAE Federal Law

19. In cases where creditors cannot find state assets within the DIFC for execution, they can still enforce their decisions within the DIFC and subsequently pursue these enforcement orders for execution across the UAE (or even in other jurisdictions) via the conduit jurisdiction.²¹ The UAE lacks a codified sovereign

¹⁹ *Infrastructure Services Luxembourg SARL v Kingdom of Spain* [2024] EWCA Civ 1257

²⁰ [136] – [140], *Fal Oil v SEWA*

²¹ See more on the use of the DIFC’s conduit jurisdiction to execute decisions in UAE and elsewhere in our [insight](#).

immunity law that protects states from execution against assets, differing significantly from the legal frameworks in countries like the UK and the US. Consequently, creditors may find it more advantageous to pursue execution against sovereign states within the UAE, where enforcement mechanisms might be more accessible.

20. The UAE serves as a significant hub for foreign sovereign assets, including oil reserves and banking holdings. Its strategic location and robust financial infrastructure have made it an attractive destination for state investments, particularly from resource-rich nations. The country is known to host considerable assets of various foreign states, often held in the form of real estate, banking deposits, and investments in key industries. This creates an environment where creditors seeking to enforce decisions can find valuable assets to target.

21. Moreover, the UAE's selective approach to international sanctions is unique. Unlike many countries, it does not automatically adopt sanctions imposed by the UN, US, or EU. Instead, the UAE issues *ad hoc* internal directives primarily aimed at countering terrorism rather than broadly sanctioning specific countries.²² This results in a situation where nations that may face global sanctions, such as Libya, Sudan, and Russia, can still operate and maintain assets within the UAE's jurisdiction. Consequently, this lack of automatic sanction adoption makes the UAE an appealing venue for enforcing DIFC decisions, allowing creditors to potentially access assets that might be otherwise unavailable due to sanctions in other jurisdictions.

²² Nasser Ali Khasawneh and Shibani Kapur, 'UAE' in *Global Sanctions Guide*, 3rd edition, Evershed Sutherlands, <https://ezine.eversheds-sutherland.com/global-sanctions-guide/uae> (accessed 24 October 2024)

22. The combination of accessible enforcement routes and the presence of substantial foreign state assets positions the UAE as a strategic location for creditors looking to enforce arbitration awards or judgments against sovereign entities. By leveraging the DIFC's enforcement mechanisms and the UAE's unique legal landscape, creditors can effectively pursue their claims against sovereigns in a jurisdiction that is often more accommodating to their needs.

II. SOVEREIGN ASSETS HELD BY STATE-OWNED ENTERPRISES

23. Enforcing judgments against sovereign states presents a challenging landscape to navigate for the most protected of judgment creditors, largely due to the complex ownership structures. Sovereigns frequently hold assets through state-owned enterprises (SOEs) and other entities that possess a degree of independence on paper, making them appear separate from the state itself. These organisational structures allow states to argue that these assets are shielded from legal claims, even in cases of outstanding judgments or arbitral awards. For instance, the Democratic Republic of Congo appears to have made much use of offshore companies (in Bermuda, the BVI, and Jersey) as reported in two enforcement decisions from Jersey and England.²³

24. While not tested in the DIFC in this context, an option to explore to access these assets is to join these SOEs as parties to the enforcement proceedings in the DIFC. RDC 20.7 (which is similar in substance to CPR 19.2) permits the joinder of new parties in two situations – (i) if it is desirable so that the court can resolve all matters in dispute in the proceedings, or (ii) if there is an issue involving the new party and an existing party which is

²³ *Gécamines v FG Hemisphere; Kensington International Limited v Republic of the Congo (formerly the People's Republic of the Congo)* [2005] EWHC 2684 (Comm) ("*Kensington v Congo*")

connected to the matters in dispute in the proceedings, and it is desirable to add the new party so that the court can resolve that issue. Unlike in English law where jurisdiction is founded on service, in the DIFC it is founded on the gateways in Article 5(A)(1) of the JAL.²⁴ The DIFC Court of Appeal in *Nest Investment v Deloitte* held that RDC 20.7 was a “DIFC Regulation” for the purposes of Article 5A(1)(e) of the JAL and can confer jurisdiction, subject to the criteria in RDC 20.7 being fulfilled.²⁵ Significantly, the test under RDC 20.7 is essentially one of “desirability” and may present a lower hurdle than that in the English law of necessity.²⁶

25. The English courts have given a wide meaning to CPR 19.2 such that parties may be added even post-judgment to embrace all stages of an action. Moreover, matters “in dispute” which may warrant the addition of a new party may include questions of how a judgment is to be satisfied, the refusal or inability to pay being a matter as to which the parties to the principal action may have differing views.²⁷ For instance, in *Bilington v Davies*, the court found that it would be able to add a co-owner of a property to execution proceedings against a judgment debtor’s interest in that property.²⁸ Similarly, in *CP v L*, the court added a husband as a party to set aside proceedings, in circumstances where the judgment debtor claimed that her family assets were in her husband’s name and that she held shares in the judgment creditor’s company as the trustee/agent of her husband.²⁹ In *Devas v Antrix*, the English court held that jurisdictionally, the court which granted judgment over the enforcement award, which

²⁴ [59], *Nest Investment Holding Lebanon S.A.L. & ors. vs Deloitte & Touche (ME)* [2018] DIFC CA 011 (13 March 2019)

²⁵ [59], *Nest Investment Holding Lebanon S.A.L. & ors. vs Deloitte & Touche (ME)* [2018] DIFC CA 011 (13 March 2019)

²⁶ [20.7.1], Rupert Reed KC and Tom Montagu-Smith KC, *DIFC Courts Practice* (Edward Elgar Publishing, Second Edition, 2024)

²⁷ [22], *Bilington v Davies & Ors* [2017] EWHC 1654 (Ch) citing *C Inc Plc v Mrs L*, Mr L 2001 WL 415484

²⁸ [26], *Bilington v Davies & Ors* [2017] EWHC 1654 (Ch)

²⁹ [82]–[86] of *C Inc Plc v Mrs L*, Mr L 2001 WL 415484

judgment itself has not been set aside, has the power to join parties to it under CPR 19, if there is a serious issue to be tried.³⁰ In that case, the question of a joinder arose for a service out-of-jurisdiction application, in order to effectively, or efficiently, maintain and preserve the existing enforcement of an arbitral award.

26. Based on this, the DIFC Courts may allow for the joinder of SOEs of a judgment debtor state under RDC 20.7 to the enforcement or execution proceedings in the DIFC to ensure the satisfaction of the judgment through indirectly held assets.

27. One point to note is the DIFC Court of Appeal's decision in *Akhmedova v Akhmedov* refusing to issue a freezing order against an *alter ego*. The Court held that it is manifest that the jurisdiction of the DIFC Courts to enforce a foreign judgment is limited to those parties against whom the judgment has been made, and that extending the court's jurisdiction to an unnamed party, on the basis that it was to be equated with a judgment-debtor, would be at odds with the "doctrine of obligation" underlying the jurisdiction to enforce foreign judgments.³¹ Although this decision was not issued in the context of an RDC 20.7 application, it might be seen to conflict with *Nest Investment v Deloitte* (which notably is the latter of the two decisions) which holds that RDC 20.7 confers jurisdiction on the DIFC Courts to add parties in order to resolve matters in dispute over which the Court has jurisdiction.

28. The next question to address is what are the circumstances in which an SOE may be added. There are varying approaches taken

³⁰ [2], [6], & [10], *Devas Multimedia America, Inc & ors. v Antrix Corporation Limited* [2021] EWHC 1944 (Comm)

³¹ [20] – [21], *Tatiana Mikhailovna Akhmedova v Farkhad Teimur Ogly Akhmedov & anr.* [2018] DIFC CA 003 (19 June 2018) citing *Barclays Bank plc et v Essar Global Fund Ltd* [2016] DIFC CFI 036

by courts while piercing the corporate veil and acting against *alter egos*. Courts in the US have established important legal precedents that help in dealing with proving that an entity is an *alter ego* of the state. In *Crystallex v Venezuela*, the Third Circuit's rulings (later affirmed by the Supreme Court) clarify how US courts may enforce judgments against assets of a sovereign's "*alter ego*" by using exceptions to the US Foreign Sovereign Immunities Act (1976), under the *Bancec doctrine*³² without proving a direct connection between the state's control and judgment creditor's injury, as would typically be required under common law.³³ A similar notion appears to be adopted by the Ukrainian courts which have held that certain Russian-controlled entities could be treated as state assets due to their functions and control structures, paving the way for creditors to enforce awards against Russian entities.³⁴

29. On the other hand, the English position for assuming jurisdiction over an *alter ego* requires not just a show of control over the *alter ego* asset, but also a "*clear aim of avoiding the attachment of its assets by judgment creditors by the creation of an artificial scheme of sales and purchases between supposedly independent companies which were in fact controlled by him.*"³⁵ In *Kensington v Congo*, for instance, the English court permitted the piercing of the corporate veil of *alter egos* of the Congolese government on the basis that they had been concealing assets from the judgment creditor, granting third-party debt orders that were sought against these entities at the time of the execution of a judgment.³⁶ However, subsequent cases like *VTB Capital v*

³² A doctrine set out in *First National City Bank v. Banco Para El Comercio Exterior de Cuba* ("*Bancec*"), 462 US 611 (1983) whereby a judgment creditor of a foreign sovereign may look to the sovereign's instrumentality for satisfaction when it is "so extensively controlled by its owner that a relationship of principal and agent is created."

³³ *Crystallex International Corporation v. Bolivarian Republic of Venezuela*, No. 17-mc-151, D. Del.

³⁴ *Everest Estate LLC et al. v Russian Federation*, case No. 910/4210/20

³⁵ [190], *Kensington v Congo*

³⁶ *Ibid.*

Nutritek and Continental Transfert Technique v Nigeria questioned Kensington's reasoning, emphasising a stricter approach where only assets directly connected to the judgment debtor are eligible for third-party debt orders.³⁷ This development introduces complexity for judgment creditors, who must now overcome significant factual challenges to prove an entity as an alter ego before targeting its assets for enforcement.

30. It remains to be seen what approach the DIFC Courts will adopt at the time of joining a state-owned entity to enforcement or execution proceedings against a sovereign.

III. CONCLUSION

31. Navigating the complexities of enforcing judgments and arbitral awards against sovereign entities in the DIFC presents significant challenges and opportunities. The unique legal framework of the DIFC, which blends common law principles with the statutory laws of the UAE, allows for innovative approaches to sovereign immunity.

32. The DIFC's strategic position as a financial hub in the UAE and the absence of automatic adoption of international sanctions against certain states create a fertile ground for creditors seeking potential enforcement actions that may not be feasible in other jurisdictions. That said, the treatment of sovereign assets and the application of sovereign immunity remain contentious and evolving issues. The DIFC Courts must balance principles of justice with the recognition of state sovereignty, leading to a cautious approach in enforcing judgments against sovereigns. Future developments in

³⁷ [127], *VTB Capital plc v Nutritek International Corp and others* [2013] UKSC 5; [27] – [29], *Continental Transfert Technique Limited v The Federal Government of Nigeria and ors.* [2009] EWHC 2898 (Comm) citing [30] – [33], *AIG Capital Partners Inc v. Kazakhstan* [2005] EWHC 2239 (Comm)

case law, particularly regarding the treatment of SOEs and the standards for waiving sovereign immunity, will be critical in shaping the landscape of sovereign enforcement in the DIFC.

33. Overall, the interplay between sovereign immunity, enforcement mechanisms, and the legal status of SOEs necessitates a careful and strategic approach for creditors seeking to recover debts from sovereign states within the DIFC framework. As the legal context continues to evolve, stakeholders must remain vigilant and adaptable to leverage the opportunities and navigate the challenges that arise in this complex arena.

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Our partner, Prateek Bagaria, has also been registered as a Part II lawyer with full rights of audience before the DIFC Courts and will be heading the firm's Middle East practice.

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