

THE UAE ACCEDES TO THE SINGAPORE CONVENTION ON MEDIATION

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UAE International Arbitration Alert

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INTRODUCTION

Federal Decree Law No. 85 of 2026, issued on 8 June 2026, approved the United Arab Emirates' (UAE) accession to the United Nations Convention on International Settlement Agreements Resulting from Mediation (Convention). The Convention establishes a single set of rules that contracting states apply when a party seeks to rely upon or enforce a settlement agreement that was entered into following mediation. Under the Convention's own terms, it will enter into force in the UAE six months after the instrument of accession is deposited with the United Nations.

ANALYSIS

A mediated settlement agreement is generally treated in the same way as any other contract between parties. In the event of nonperformance of the settlement agreement, the aggrieved party must commence court or arbitration proceedings to seek a judgment or arbitral award confirming its entitlements—which may entail proving the underlying breach of contract and resulting damages. The Convention is intended to remove the potential need to relitigate the underlying dispute and facilitate the expeditious enforcement of the settlement agreement.

For the Convention to apply, the following requirements must be satisfied: (a) the settlement agreement must be in writing and signed by the parties; (b) it must resolve a commercial dispute; (c) there must be evidence that it resulted from mediation (such as the mediator's signature on the settlement agreement or an attestation by the institution that administered the mediation); and (d) it must be international.

To qualify as international, Article 1(1) states that either: (a) at least two parties to the settlement agreement have their places of business in different States; or (b) the State in which the parties to the settlement agreement have their places of business is different from either: (i) the State in which a substantial part of the obligations under the settlement agreement is performed; or (ii) the State with which the subject matter of the settlement agreement is most closely connected. It is noteworthy that the term State has not been defined in the Convention and therefore is likely to be given its ordinary meaning i.e., a sovereign state.

The UAE has also made both reservations permitted under Article 8 of the Convention: (a) the Convention will not apply to settlement agreements to which the UAE, any governmental agencies, or any person acting on behalf of a governmental agency is a party; and (b) it will only apply where the parties to the settlement agreement have expressly agreed that it will. Accordingly, parties must also expressly agree that the Convention applies.

In addition, the Convention excludes several categories. Article 1(2) provides that the Convention does not apply to settlement agreements: (a) concluded to resolve a dispute arising from transactions engaged in by one of the parties (a consumer) for personal, family, or household purposes; or (b) relating to family, inheritance, or employment law.

Under Article 1(3), the Convention also does not apply to: (a) settlement agreements that (i) have been approved by a court or concluded in the course of proceedings before a court, and (ii) are enforceable as a judgment in the State of that court; or (b) settlement agreements that have been recorded and are enforceable as an arbitral award.

Once the Convention is in force in the UAE, where the parties have agreed to the Convention's application, a mediated settlement of an international commercial dispute should be expeditiously enforced in a member State without relitigating the merits or converting it into a judgment or arbitral award. This is subject to the Convention's limited grounds for refusal set out in Article 5.

Those grounds are where: (a) a party to the settlement agreement was under some incapacity; (b) the settlement agreement sought to be relied upon (i) is null and void, inoperative, or incapable of being performed under the applicable law, (ii) is not binding, or is not final, according to its terms, or (iii) has been subsequently modified; (c) the obligations in the settlement agreement (i) have been performed, or (ii) are not clear or comprehensible; or (d) granting relief would be contrary to the terms of the settlement agreement. Relief may also be refused where the mediator seriously breached applicable standards of conduct, or failed to disclose circumstances raising justifiable doubts as to their impartiality or independence, and that breach or nondisclosure materially affected the party's decision to enter into the settlement agreement.

In addition, relief may be refused on public policy grounds, or if the subject matter of the dispute is not capable of settlement by mediation under the law where the relief is sought.

CONCLUSION

The use of mediation to resolve cross-border commercial disputes in the UAE has increased over recent years. The UAE's accession to the Convention is therefore a welcome development. However, it remains to be seen how the UAE courts will in practice respond to applications for enforcement of settlement agreements under the Convention.

ABOUT THE FIRM

Our Litigation and Dispute Resolution practice has a long history of acting as counsel on high-stakes international arbitration and litigation mandates. Our lawyers in Dubai have extensive experience advising on litigation and arbitration with respect to complex, high-value disputes in the UAE and wider Middle East region.

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