DIFC COURTS LEGAL UPDATE – CJT ADDRESS JURISDICTIONAL CONFLICT WITH PARALLEL ENFORCEMENT PROCEEDINGS

Application No. CJT-005-2026 - 3 August 2026

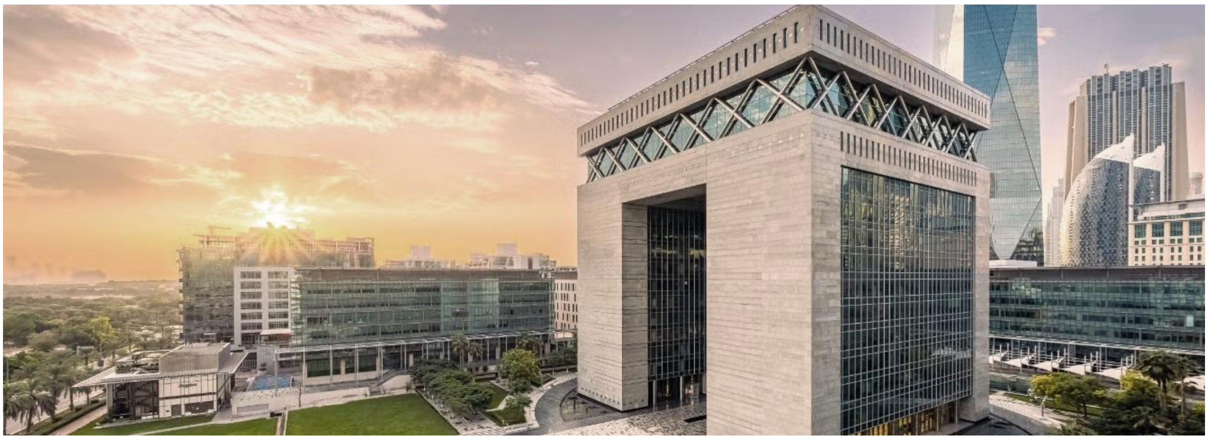
EXECUTIVE SUMMARY

BLK's DIFC litigation team recently acted in the groundbreaking Decision of the Conflicts of Jurisdiction Tribunal, Application No. CJT-005-2026. Simon Isgar, supported by Bader Khoury and Huda AlZein lead the team as counsel through a complex web of inconsistent jurisprudence with support of BLK local onshore litigation team, Haytham Alieh and Abdalla Eisa.

In a significant clarification of the boundary between DIFC enforcement jurisdiction and Dubai onshore execution proceedings, the Conflicts of Jurisdiction Tribunal ("**CJT**") has held that Part 50 of the DIFC Courts Rules ("**RDC**") cannot be deployed to compel disclosure or examination concerning assets or enforcement matters located outside the DIFC, where parallel enforcement proceedings are being conducted before the onshore Dubai Courts.

The decision confirms that procedural jurisdiction follows substantive enforcement jurisdiction. While the DIFC Courts retain robust Part 50 powers over assets within the DIFC or having a sufficient enforcement connection, these powers do not extend to assets being actively pursued under Dubai execution law in jurisdictions outside the DIFC.

The decision does not prevent parallel enforcement. It prevents jurisdiction overreach.



THE FACTUAL MATRIX

A judgment creditor obtained a Dubai Court judgment against an onshore Dubai judgment debtor in Commercial Cases Nos. 668 and 690 of 2020, in the amount of AED 347,975,688.83.

The judgment creditor commenced enforcement proceedings before the Dubai Courts under the standard execution regime (Enforcement File No. 207 of 2025), directing inquiries to the Dubai Land Department and other government entities regarding assets registered in the debtor's name.

Simultaneously, the judgment creditor filed enforcement proceedings before the DIFC Courts (ENF 225/2025) and obtained an order under Part 50 requiring the debtor to:

- Provide all supporting documents concerning assets and funds located inside and outside the geographical jurisdiction of the DIFC; and,
- Attend examinations before the DIFC execution judge concerning those same assets.

The judgment debtor contested this dual obligation before the CJT, arguing a conflict of jurisdiction had arisen.

THE CJT'S HOLDING

The Tribunal found a partial conflict and partially accepted the Application. Its key holding:

Paragraph 37: *"The Tribunal does not prevent the Respondent from pursuing enforcement before the Dubai International Financial Centre Courts. Rather, it orders that enforcement be confined to matters falling within the jurisdiction of the Centre under the law and shall not extend beyond that jurisdiction to matters falling within the jurisdiction of the Dubai Courts."*

Breaking this down:

1. DIFC Part 50 is Jurisdictionally Bounded

The CJT confirmed (paragraph 33) that DIFC Court jurisdiction in enforcement matters *"remains subject to its legal and geographical limits"* and does not extend to "directly undertaking enforcement, or related compulsory procedures, against assets that are not located within the Centre (DIFC) or that do not have a sufficient enforcement connection thereto."

Practical application is that Part 50 examination in respect of assets outside the DIFC is not permissible where those assets are the subject of active enforcement proceedings before the Dubai Courts.

2. Procedural Jurisdiction Follows Substantive Jurisdiction

In our view, the CJT's most important principle is found at paragraph 34 of the Decision:

"*An informational procedure that serves enforcement jurisdiction is not jurisdictionally neutral simply because information is its stated purpose*."

The Tribunal does not dispute that Part 50 is formally "*informational*." But it determines that where information sought concerns assets outside the DIFC and is sought in the context of enforcement of a Dubai Court judgment already being pursued by Dubai Courts, the collection of such information is directly connected with enforcement outside the DIFC and must be supervised by the judicial authority having jurisdiction over that enforcement, i.e., the Dubai Courts.

3. The judgement creditor's (Respondent's) Arguments Were Rejected

The CJT systematically addressed and rejected four grounds advanced by the judgment creditor as the Respondent:

- **On parallel enforcement:** While *Asas for Investment Company* permits enforcement of arbitral awards before both courts simultaneously, that precedent does not override the jurisdictional boundary when one court is actively enforcing assets outside another court's jurisdiction.
- **On no risk of conflicting decisions:** The Tribunal noted that conflict is not merely about final judgments. <u>It is about duplicative and contradictory procedural obligations, disclosure demands, examination orders directed at the same debtor, for the same judgment, concerning the same assets.</u> This creates practical friction regardless of the substantive judgment being identical.
- **On Part 50 as mere information-gathering:** The procedural nature of Part 50 does not insulate it from jurisdictional limits. Procedure serves jurisdiction; it does not transcend it.
- **On logic and commercial sense:** The CJT acknowledged the judgment creditor's interest in using all available tools but emphasised that jurisdictional discipline serves the integrity of both court systems and protects debtors from duplicative burdens. The court stated (paragraph 27): "<u>*The law facilitates enforcement, not abuse of process.*</u>"

CRITICAL DISTINCTIONS FOR DIFC PRACTITIONERS

What remains permitted:

- **Enforcement of DIFC-sited assets.** The decision does not affect DIFC Courts' jurisdiction over assets located within the DIFC. Part 50 remains fully available for examination concerning such assets.
- **Sufficient enforcement nexus.** Where overseas assets have a sufficient connection to the DIFC (e.g., a DIFC-registered judgment debtor, DIFC-held bank accounts, assets under DIFC-based trusts or corporate structures), Part 50 may be available. The Tribunal's language (paragraph 32) refers to "*a place of enforcement within the Centre (DIFC) or a sufficient enforcement connection thereto*."

- **Genuine parallel enforcement.** Judgment creditors may pursue enforcement before both courts where there is no actual conflict, i.e., where each court is properly exercising jurisdiction over distinct subject matter or where there is no active competing enforcement proceeding.

What is now prohibited:

- **Using Part 50 to shadow onshore execution.** Part 50 cannot be deployed to obtain disclosure or examination concerning assets that are simultaneously being pursued under Dubai execution procedures, unless those assets have a genuine DIFC nexus or enforcement connection.
- **Treating Part 50 as a borderless discovery tool.** The DIFC Courts are responsible for enforcement within the DIFC. Enforcement outside the DIFC is Dubai Courts' business.
- **Jurisdictional tourism.** Forum-shopping via procedural mechanism (using Part 50 to end-run Dubai execution rules) will be policed by the CJT.

IMPLICATIONS FOR ENFORCEMENT COUNSEL

Pre-filing analysis is now critical:

When advising a judgment creditor considering parallel enforcement, counsel must conduct a rigorous asset-location and enforcement-nexus analysis before filing in the DIFC Courts.

- Are the assets located within the DIFC? If so, DIFC Court Part 50 is fully available.
- Are the assets located outside the DIFC but with genuine DIFC connection (e.g., DIFC judgment debtor, DIFC corporate ownership chain)? Arguably available; fact specific.
- Are the assets located outside the DIFC with no DIFC nexus, and is the Dubai Court already pursuing execution? Part 50 is not available, and the use Dubai Courts hold jurisdiction.

For judgment debtors:

The CJT decision provides meaningful protection against duplicative examination orders. If faced with conflicting Part 50 orders and Dubai execution procedures for the same assets, the debtor can invoke the CJT's holding to challenge the DIFC order as outside the DIFC's jurisdictional scope.

For settlement dynamics:

Counsel should recognize that parallel enforcement, while nominally attractive to judgment creditors, now carries jurisdictional risk. A streamlined single-forum strategy, or a carefully coordinated dual-forum approach (DIFC for DIFC assets; Dubai for onshore assets), may be more efficient and legally defensible.

Precedential Weight:

The CJT's decisions establish binding legal principles for Dubai's judicial authorities (Decree No. 29 of 2024, Article 9(c)). This decision will bind all DIFC and Dubai onshore courts going forward.

It also reflects mature jurisprudence. Rather than hierarchizing the DIFC and Dubai Courts, the Tribunal has defined their complementary roles as a framework that strengthens both systems.

CONCLUSION

This is CJT's clearest statement to date on the jurisdictional limits of DIFC enforcement tools. It answers an increasingly urgent question as judgment creditors deploy sophisticated multi-jurisdictional strategies, ie., *When can DIFC Courts use their procedural powers, and when must they yield to the territorial and jurisdictional claims of the onshore courts*?

The answer is disciplined and proportionate: DIFC Courts have robust enforcement powers within their sphere. That sphere is bounded by geography and jurisdictional nexus. Where another court is properly exercising jurisdiction, Part 50 cannot be stretched to shadow or supplement that exercise.

For DIFC practitioners, the practical lesson is clear, i.e., match procedure to jurisdiction. Choose the court whose enforcement jurisdiction covers the assets you seek to reach. Parallel enforcement is permitted where it is genuinely parallel, not where it is parasitic.

For further information or analysis of the CJT decision and its application to your enforcement strategy, the DIFC team at BLK Partners is available to advise.

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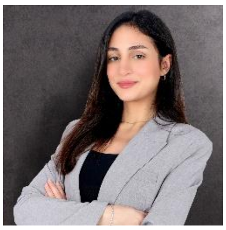

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