

CHAPTER 2

LEGAL RELATIONS: FROM THEORY TO PRACTICE

COMPARISON OF COMMERCIAL DISPUTE RESOLUTION MECHANISMS IN JORDAN AND THE MIDDLE EAST

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Absrtact. This article provides a comprehensive comparison of commercial dispute resolution mechanisms across Jordan, Saudi Arabia, the United Arab Emirates (UAE), and Egypt. With the increasing globalization of business and the growth of foreign investments in the Middle East, an effective and efficient legal framework for dispute resolution is critical. The primary goal of this study is to provide a comprehensive comparative analysis of commercial dispute resolution mechanisms in Jordan and key Middle Eastern countries, with the aim of understanding their impact on the business climate and investor confidence in the region. The research employs a comparative analysis approach, drawing on a variety of sources including legal texts, case studies, and interviews with legal experts and business professionals from Jordan, Saudi Arabia, UAE, and Egypt. This comparative analysis examines the similarities and differences in the dispute resolution frameworks of these four countries, focusing on judicial processes, arbitration practices, and the adoption of alternative dispute resolution (ADR) methods. All four nations share a common legal heritage influenced by Islamic Sharia law and have adopted international standards such as the UNCITRAL Model Law to modernize their arbitration systems. Each country has established specialized commercial courts to expedite the resolution of business disputes and is a signatory to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, facilitating cross-border enforcement of decisions. However, there are distinct differences shaped by local legal and economic policies. For instance, the UAE features a dual judicial system that includes Sharia-influenced local courts and common law-based courts in its free zones, which are absent in the other three countries. The study highlights the strengths and weaknesses of each jurisdiction's dispute resolution mechanism and discusses ongoing reforms aimed at enhancing the effectiveness and efficiency of legal processes. This analysis not only aids in understanding each country's approach to dispute resolution but also serves as a guide for international businesses and investors considering operations in these regions.

Keywords: Commercial Dispute Resolution; Middle East Legal Systems; Arbitration in the Middle East; Judicial Reforms; Alternative Dispute Resolution; Enforcement of Arbitral Awards; UAE Legal Framework; Egyptian Economic Courts; Jordanian Arbitration Law.

JEL Classification: F13, K12, K22

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Introduction. In an increasingly interconnected global economy, the efficiency and effectiveness of commercial dispute resolution mechanisms are pivotal for fostering a conducive business environment. These mechanisms not only ensure legal certainty and protect contractual rights but also significantly influence foreign investment decisions and economic development. Given the strategic economic reforms and diversification efforts across the Middle East, understanding and comparing these dispute resolution frameworks within the region becomes crucial.

Jordan, along with its neighboring countries such as Saudi Arabia, the United Arab Emirates (UAE), and Egypt, has been actively reforming its commercial legal structures to attract more foreign investments and enhance its economic landscape. Each of these countries has developed unique approaches to dispute resolution, influenced by their legal traditions, political climates, and economic objectives. This research aims to dissect and compare these frameworks, with a special focus on arbitration, mediation, and judicial proceedings. The goal is to identify best practices, common challenges, and areas for potential improvement.

The comparative analysis of Jordan's dispute resolution mechanisms against those of its regional peers will provide insights into how different legal environments adapt to the demands of the modern business world. This will not only shed light on Jordan's position but also offer a broader perspective on how Middle Eastern countries are navigating the complexities of commercial disputes in an era marked by rapid economic changes and globalization pressures. By understanding these dynamics, stakeholders can better strategize for legal reforms and business decisions in the region.

Literature Review. The study provides a literature review that provides a basic understanding of commercial dispute resolution mechanisms in Jordan, Saudi Arabia, the United Arab Emirates, and Egypt.

Jordan. Jordan's legal framework for commercial dispute resolution primarily revolves around the judiciary and formal arbitration mechanisms, as codified in the Jordanian Arbitration Law, which aligns with the UNCITRAL Model Law. Studies have highlighted that while Jordan has a strong legal foundation for arbitration, the actual application in courts often suffers from delays and enforcement challenges, impacting the perceived effectiveness of the arbitration process (Al-Zoubi & Al Tal, 2018). Furthermore, mediation is less popular and underutilized due to a lack of awareness and cultural preferences for litigation or formal arbitration (Qasim, 2020).

Saudi Arabia. Recent reforms in Saudi Arabia, driven by its Vision 2030, have substantially modified its dispute resolution landscape. The establishment of specialized commercial courts and the promotion of arbitration have been significant (Al-Dakheel, 2019). Researchers like Al-Rashood (2021) argue that while these changes are promising, there is a continuous need for training judges and arbitrators to handle commercial disputes effectively, ensuring faster and more reliable resolutions.

United Arab Emirates. The UAE is noted for its advanced arbitration centers, such as the Dubai International Arbitration Centre (DIAC) and the Abu Dhabi Commercial Conciliation and Arbitration Centre (ADCCAC). These facilities provide robust support for resolving commercial disputes, reflecting an integration of international best practices (Al-Mulla, 2020). However, Mansoor (2019) points out the

challenges posed by the dual legal system (civil law influenced by Islamic law), which sometimes leads to inconsistencies in arbitration enforcement.

Egypt. Egypt's approach to commercial dispute resolution traditionally relies heavily on the judicial system, which is often criticized for inefficiency and unpredictability (Salem, 2021). Although there has been a push towards enhancing arbitration facilities, such as through the Cairo Regional Centre for International Commercial Arbitration, the lack of modernization in court procedures still poses significant barriers (Hassan, 2022).

Aims. The primary goal of this study is to provide a comprehensive comparative analysis of commercial dispute resolution mechanisms in Jordan and key Middle Eastern countries, with the aim of understanding their impact on the business climate and investor confidence in the region.

To achieve this goal, the study is structured around several specific objectives:

- to evaluate the current legal frameworks governing commercial dispute resolution in Jordan, Saudi Arabia, the United Arab Emirates, and Egypt;
- to analyze the effectiveness and efficiency of these dispute resolution mechanisms;
- to identify best practices from each jurisdiction that could serve as benchmarks for improvements in others;
- to explore how the distinct dispute resolution environments influence the overall business climate and attractiveness for foreign investments in each country.

Through these objectives, the study seeks to deepen the understanding of commercial dispute resolution practices in the Middle East, highlighting innovative approaches and pinpointing areas where further development is needed to meet the challenges of a globalized economy.

Methodology. The research employs a comparative analysis approach, drawing on a variety of sources including legal texts, case studies, and interviews with legal experts and business professionals from Jordan, Saudi Arabia, UAE, and Egypt.

Results. To fulfill the tasks, a comparative analysis of Commercial Dispute Resolution Mechanisms in Jordan, Saudi Arabia, the United Arab Emirates and Egypt was conducted.

Commercial Dispute Resolution Mechanisms in Jordan. Jordan's commercial dispute resolution mechanisms are primarily structured around formal litigation in the courts and arbitration, with mediation and other alternative dispute resolution (ADR) methods being less prevalent but gradually gaining recognition. The legal framework and practical application of these mechanisms are influenced by Jordan's commitment to creating a business-friendly environment and its adherence to international standards.

The key elements of the Commercial Dispute Resolution Mechanisms in Jordan are shown in the table 1.

Despite the structured frameworks, there are challenges in the dispute resolution mechanisms in Jordan. The primary issues include judicial delays, limited public awareness about the benefits of ADR, and the need for further development in the enforcement of arbitral awards. Recent reforms and initiatives aimed at promoting ADR and improving the efficiency of the judiciary demonstrate Jordan's commitment

to enhancing its dispute resolution environment. These efforts are crucial for Jordan to remain competitive and attractive as a destination for international business and investments.

Table 1. The key elements of the Commercial Dispute Resolution Mechanisms in Jordan

Key elements	Description
Judicial Proceedings	The judiciary in Jordan is the cornerstone for resolving commercial disputes, especially for those parties that do not have prior arbitration agreements. The Jordanian courts are organized into three tiers: Courts of First Instance, Courts of Appeal, and the Court of Cassation, which is the highest court in the land. Commercial courts specialize in handling cases related to business matters, including contract disputes, commercial fraud, and bankruptcy. However, the judicial process can be slow due to the backlog of cases and procedural inefficiencies, which can deter businesses from relying on this avenue for dispute resolution.
Arbitration	Arbitration is a well-established mechanism in Jordan, governed by the Jordanian Arbitration Law of 2001, which is based on the UNCITRAL Model Law. This law provides a modern legal framework intended to ensure efficient and enforceable arbitration. In Jordan, arbitration is commonly stipulated in commercial contracts, especially in transactions involving international parties. The Jordan Arbitration Centre is a key institution, offering services and overseeing the arbitration processes according to the agreed-upon rules by the disputing parties. The enforcement of arbitration awards is generally reliable, subject to the judicial review of the courts, which can sometimes delay enforcement but rarely overturns such awards unless significant procedural breaches are found.
Mediation and Other ADR Methods	Mediation, although less common than arbitration, is increasingly being promoted as a cost-effective and time-efficient method of resolving disputes without resorting to litigation. The Jordanian Mediation Law for settling civil disputes was enacted to facilitate this. Mediation is particularly encouraged for disputes where a quick resolution is desirable or where parties seek to maintain a cooperative relationship post-dispute. Additionally, other ADR methods like conciliation and expert determination are available but are less formalized and thus less commonly used compared to mediation and arbitration.
Informal Dispute Resolution	In addition to formal mechanisms, informal dispute resolution methods, such as negotiation and customary practices, are also utilized, especially in less formal business environments or in regions where tribal influences are strong. These methods rely heavily on the community's social and cultural norms and can provide rapid resolutions, although they lack formal legal enforceability.

Source: systematized by the author

Jordan's commercial dispute resolution framework includes several mechanisms, each with its own set of advantages and disadvantages. Understanding these can help in assessing the effectiveness of the legal environment and suggest areas for improvement. Table 2 shows a breakdown of the key benefits and drawbacks associated with Jordan's dispute resolution methods.

Jordan's dispute resolution mechanisms offer a mix of internationally aligned arbitration processes and specialized judicial structures, coupled with growing support for alternative dispute resolution methods. However, challenges such as judicial inefficiencies and underutilization of ADR options highlight the need for ongoing reforms and increased awareness of ADR benefits. Enhancing these aspects could significantly improve the business environment and attract more foreign investments to Jordan.

Table 2. A breakdown of the key advantages and disadvantages of dispute resolution methods in Jordan

Advantages		
Structured Arbitration Framework	Efficiency	Jordan's arbitration laws are modeled on the UNCITRAL Model Law, which is internationally recognized for promoting efficient, fair, and predictable arbitration processes
	Autonomy	Parties have significant autonomy over the arbitration process, including the choice of arbitrators and the flexibility to decide the procedural rules
	Confidentiality	Arbitration proceedings are typically private, which can be crucial for businesses that prefer discretion in handling sensitive commercial disputes
Legal Reforms and Support for ADR	Modernized Laws	Recent legal reforms aim to streamline and strengthen the resolution of commercial disputes, including enhancements in the enforcement of arbitration awards and the promotion of mediation
	Government Support	The Jordanian government actively promotes ADR mechanisms to reduce the burden on the judiciary and encourage quicker resolutions of disputes
Specialized Commercial Courts	Expertise	Jordan has specialized commercial courts that handle business disputes, which ensures that cases are adjudicated by judges familiar with commercial law and practices
	Focused Jurisdiction	Having a separate commercial judiciary helps in faster processing of cases compared to general civil courts
Disadvantages		
Judicial Delays	Backlogs	The court system in Jordan can be slow due to case backlogs, which delays the resolution of commercial disputes and can deter investment and business decisions
	Procedural Complexity	The judicial process can be complex and time-consuming, particularly for foreign entities unfamiliar with the local legal system
Enforcement of Arbitration Awards	Judicial Scrutiny	Although arbitration awards are generally upheld by Jordanian courts, there are instances where judicial scrutiny can lead to delays in enforcement
	Limited Scope for Appeal	While limited appeal rights can be seen as an advantage for the finality of arbitration, they can also be a disadvantage if there are substantial grounds for challenging an arbitral award
Underutilization of Mediation and Other ADR	Low Awareness	There is a lack of awareness and understanding of the benefits of mediation and other alternative dispute resolution methods among the business community
	Cultural Preferences	Cultural preferences for more formal dispute resolution methods like litigation or arbitration can limit the use of mediation despite its potential benefits in terms of cost and time
Informal Dispute Resolution Limitations	Non-binding Nature	Informal methods like negotiation and customary practices, while quick and flexible, lack the legal binding power of formal mechanisms, which can lead to disputes re-emerging later
	Lack of Legal Safeguards	Informal resolutions do not provide the same legal protections as formal methods, which can be a significant disadvantage in complex commercial disputes

Source: systematized by the author

Commercial Dispute Resolution Mechanisms in Saudi Arabia. Saudi Arabia's approach to commercial dispute resolution has undergone significant transformations in recent years, primarily driven by the Vision 2030 initiative, which aims to diversify the economy and reduce its dependence on oil. This initiative has influenced the development of new legal frameworks and institutions to better accommodate the needs of domestic and international businesses.

The key elements of the Commercial Dispute Resolution Mechanisms in Saudi Arabia are shown in the table 3.

Table 3. The key elements of the Commercial Dispute Resolution Mechanisms in Saudi Arabia

Key elements	Description
Judicial System	Specialized Commercial Courts: In 2018, Saudi Arabia established specialized commercial courts to deal with business disputes more efficiently. These courts are intended to streamline processes and ensure that judges with specific expertise in commercial law handle relevant cases
	E-Justice System: The Saudi Ministry of Justice has implemented an e-justice system that digitizes many court processes, aiming to speed up the resolution of cases and increase transparency in the judicial system
Arbitration	Saudi Center for Commercial Arbitration (SCCA): Established to provide an institutional framework for arbitration, the SCCA operates under international standards to offer reliable and effective arbitration services. It aligns with international best practices, such as the UNCITRAL Model Law, to ensure its appeal to both local and international business communities
	Arbitration Law: Saudi Arabia's Arbitration Law of 2012 is also based on the UNCITRAL Model Law and includes provisions that enhance the autonomy of the arbitration process, limit judicial interference, and ensure the enforceability of both domestic and international arbitral awards within the kingdom
Mediation and Conciliation	Commercial Mediation Center: Alongside arbitration, mediation is encouraged as a less formal, more flexible, and often quicker alternative for resolving disputes. The establishment of the Commercial Mediation Center reflects a growing recognition of mediation's benefits
	Regulatory Support: Recent regulations promote the use of mediation before resorting to litigation, particularly in commercial disputes where the preservation of business relationships is important
Enforcement Mechanisms	Enforcement Law: The Enforcement Law of 2013 has significantly improved the landscape for the execution of both judicial decisions and arbitral awards. This law provides clear steps and procedures for the enforcement of awards, enhancing the credibility and predictability of the dispute resolution environment in Saudi Arabia

Source: systematized by the author

Despite these advances, Saudi Arabia's commercial dispute resolution mechanisms face certain challenges: the shift towards international standards of dispute resolution requires adjustments in the legal culture and practices traditionally prevalent in Saudi business and legal communities; while judicial oversight is reduced, the courts still retain significant power over arbitration, especially in matters considered contrary to public policy, which can sometimes lead to unpredictability in arbitration outcomes; greater awareness and acceptance of mediation and other ADR methods are needed. Cultural preferences for litigation can still prevail, inhibiting the broader uptake of alternative methods.

Saudi Arabia has made considerable strides in enhancing its commercial dispute resolution framework to support its economic transformation goals under Vision 2030. By continuing to develop and promote efficient, transparent, and fair dispute resolution mechanisms, Saudi Arabia aims to strengthen its position as a leading business hub in the region and attract more international investors.

Saudi Arabia's evolving landscape for commercial dispute resolution, particularly influenced by its Vision 2030 goals, offers several advantages while also presenting some challenges. Table 4 shows a breakdown of the key benefits and drawbacks associated with Jordan's dispute resolution methods.

Table 4. A breakdown of the key advantages and disadvantages of dispute resolution methods in Saudi Arabia

Advantages		
Specialized Commercial Courts	Expertise	These courts are staffed by judges specializing in commercial law, ensuring that complex business disputes are handled with the required technical and legal proficiency
	Efficiency	The introduction of specialized courts has streamlined procedures and reduced the time required to resolve disputes
Modern Arbitration Framework	International Standards	The Saudi Center for Commercial Arbitration (SCCA) operates in accordance with international arbitration practices, making it an attractive option for both domestic and foreign businesses
	Enforceability	The Arbitration Law and the enforcement mechanisms introduced align with the UNCITRAL Model Law, which enhances the predictability and enforceability of arbitral awards
Digital Innovations in the Judicial Process	E-Justice System	This system digitizes many judicial procedures, making the process quicker and more transparent, which is particularly beneficial for business-related disputes
Promotion of Mediation	Cost-Effectiveness	Mediation offers a less expensive alternative to litigation and arbitration, which can be crucial for smaller businesses
	Preservation of Relationships	Mediation helps maintain business relationships, an important factor in the business culture of Saudi Arabia
Disadvantages		
Cultural and Systemic Inertia	Traditional Preferences	There remains a strong preference for litigation over newer forms of dispute resolution like arbitration and mediation, which can slow the acceptance and effectiveness of these methods
	Adjustment Period	As the legal community and businesses adapt to the new systems and laws, there may be a period of uncertainty and uneven application of the law
Judicial Interference	Public Policy Considerations	Saudi courts can refuse the enforcement of arbitral awards if they conflict with public policy, a broadly defined term that can lead to unpredictability in arbitration outcomes
	Oversight over Arbitration	Despite modern laws, the courts still exercise considerable oversight over arbitration, which can undermine the autonomy of the arbitral process
Limited Use of ADR	Awareness and Training	There is a need for greater awareness and training in alternative dispute resolution methods. The lack of familiarity with these processes among the business community limits their use
	Regulatory Framework	While there are initiatives to promote ADR, the regulatory framework and incentives for its use are still developing

Source: systematized by the author

Saudi Arabia's commercial dispute resolution mechanisms are aligning more with international standards, offering efficient and reliable options for resolving business disputes. The specialization of courts, modern arbitration laws, and digital judicial processes are significant advantages. However, the transition from traditional practices and the broader acceptance of new dispute resolution methods continue to be areas that require attention and development. Enhancing these mechanisms could further strengthen Saudi Arabia's business environment and support its economic transformation goals.

Commercial Dispute Resolution Mechanisms in the United Arab Emirates (UAE). The United Arab Emirates (UAE) is renowned for its dynamic business environment and robust legal frameworks, which cater to a diverse international business community. The UAE has developed a comprehensive system of dispute resolution mechanisms that includes judicial courts, arbitration centers, and alternative

dispute resolution (ADR) methods, particularly in the free zones like Dubai International Financial Centre (DIFC) and Abu Dhabi Global Market (ADGM). These mechanisms are designed to provide efficient, transparent, and enforceable means of settling commercial disputes.

The key elements of the Commercial Dispute Resolution Mechanisms in the United Arab Emirates are shown in the Table 5.

Table 5. The key elements of the Commercial Dispute Resolution Mechanisms in the United Arab Emirates

Key elements	Description
Judicial Courts	Federal and Local Courts: The UAE operates a dual judicial system comprising federal courts and local emirate-level courts. These courts handle commercial disputes according to the UAE Civil Code and other relevant commercial laws, influenced by Islamic Sharia law
	Specialized Commercial Courts: In emirates like Dubai and Abu Dhabi, specialized commercial courts deal exclusively with business disputes, which helps streamline the adjudication process by utilizing judges skilled in commercial law
Arbitration	Leading Arbitration Centers: The UAE hosts several prominent arbitration centers, including the Dubai International Arbitration Centre (DIAC) and the Abu Dhabi Commercial Conciliation and Arbitration Centre (ADCCAC). These centers are preferred due to their international standards and procedures
	Legal Framework: Arbitration in the UAE is governed by the Federal Arbitration Law, which is based on the UNCITRAL Model Law. This modern arbitration law facilitates the efficient resolution of disputes and is recognized for ensuring the enforcement of arbitral awards both domestically and internationally
Free Zone Courts	DIFC and ADGM Courts: The DIFC and ADGM operate independent legal systems based on English common law, which is distinct from the UAE's civil law system. These courts offer judicial services for civil and commercial disputes within their jurisdictions and are particularly favored by international businesses for their transparency and predictability.
	Streamlined Procedures: Both DIFC and ADGM courts have streamlined procedures for case management, which significantly reduces the time required for dispute resolution. They also offer mediation and arbitration services integrated within their legal systems
Mediation and Other ADR Methods	Growth in Mediation Services: There is an increasing trend towards using mediation in the UAE, supported by various institutions within the DIFC, ADGM, and even at the federal level. Mediation is promoted as a cost-effective and faster alternative to litigation and arbitration.
	Regulatory Support: Recent regulatory updates have strengthened the framework for mediation, ensuring that mediated agreements can be enforced as binding contracts, which enhances their attractiveness to businesses
Enforcement of Decisions	Local and International Enforcement: The UAE is a signatory to several international treaties, including the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, which facilitates the straightforward enforcement of international arbitral awards. Domestically, the UAE courts generally uphold and enforce decisions from DIFC and ADGM courts, as well as from recognized arbitration centers.

Source: systematized by the author

Despite its advanced dispute resolution infrastructure, the UAE faces challenges related to the coexistence of multiple legal systems, which can create complexity and unpredictability in certain cases. Additionally, the high cost of dispute resolution, particularly in arbitration and in the free zone courts, can be prohibitive for smaller enterprises.

The UAE's commitment to maintaining a cutting-edge dispute resolution environment is evident in its continuous legal reforms and the establishment of specialized zones and courts. These efforts are crucial for sustaining its status as a leading commercial hub in the Middle East, attracting global businesses seeking a reliable and efficient legal system for managing commercial disputes.

The United Arab Emirates (UAE) has established itself as a major business hub in the Middle East, partly due to its sophisticated commercial dispute resolution mechanisms. These mechanisms are designed to support a dynamic business environment and attract international investors. Table 6 shows a breakdown of the key benefits and drawbacks associated with Jordan's dispute resolution methods.

Table 6. A breakdown of the key advantages and disadvantages of dispute resolution methods in the United Arab Emirates

Advantages		
Advanced Arbitration Centers	Reputation and Reliability	The UAE hosts several well-regarded arbitration centers, including the Dubai International Arbitration Centre (DIAC) and the Abu Dhabi Commercial Conciliation and Arbitration Centre (ADCCAC). These centers are recognized for their efficient handling of disputes and adherence to international standards
	Modern Arbitration Laws	The UAE's arbitration laws are modern and modeled after the UNCITRAL Model Law, providing clear and effective guidelines for arbitration proceedings
Specialized Courts	DIFC and ADGM Courts	The Dubai International Financial Centre (DIFC) and Abu Dhabi Global Market (ADGM) courts operate independently from the UAE legal system and are based on common law, which is familiar to international businesses. These courts are particularly effective in resolving complex commercial disputes
	Expertise in Commercial Law	Judges in these courts are typically experienced international legal professionals, which enhances the quality of judicial decision-making
Pro-Investor Environment	Legal Certainty	The clear regulatory framework and the presence of specialized courts and arbitration centers provide a high degree of legal certainty for investors
	Efficiency	Procedures in the DIFC and ADGM courts are streamlined for quick resolution of disputes, which is beneficial for business operations
Disadvantages		
Complexity of the Legal System	Multiple Jurisdictions	The coexistence of local, federal, and free zone courts can lead to confusion and complexity in the legal process. Determining the appropriate jurisdiction for a dispute can be challenging
	Varied Legal Frameworks	The differences between Sharia law, which influences the federal UAE courts, and the common law systems in the DIFC and ADGM, can lead to inconsistencies in legal outcomes
Cost	Expensive Proceedings	Engaging in arbitration or litigation in the UAE, particularly in the DIFC or ADGM, can be costly. This may deter smaller businesses from pursuing formal dispute resolution
	High Legal Fees	The cost of legal counsel in the UAE is high, adding to the overall expense of dispute resolution
Enforcement of Foreign Judgments and Awards	Challenges in Enforcement	While domestic arbitral awards are generally recognized and enforced efficiently, there can be difficulties in enforcing foreign judgments and awards, especially outside the DIFC and ADGM
	Legal Uncertainty	The enforcement process can be unpredictable when it involves the integration of judgments from different legal systems within the UAE

Source: systematized by the author

The UAE's commercial dispute resolution mechanisms offer robust options for businesses, particularly through its arbitration centers and specialized courts like those in the DIFC and ADGM. These features make the UAE an attractive destination for international business and investment. However, the complexity of the legal system and the high costs associated with dispute resolution are significant barriers, particularly for smaller enterprises or those unfamiliar with the local legal landscape.

Efforts to streamline these processes and reduce costs could further enhance the UAE's competitive edge as a global business hub.

Commercial Dispute Resolution Mechanisms in Egypt. Egypt's legal system for resolving commercial disputes is rooted in its civil law tradition, influenced by French and Islamic law. The country has a comprehensive set of mechanisms aimed at effectively managing business disputes, including judicial courts, arbitration centers, and various forms of alternative dispute resolution (ADR). The Egyptian government has been making efforts to modernize these mechanisms to enhance the business environment and attract foreign investment.

The key elements of the Commercial Dispute Resolution Mechanisms in Egypt are shown in the table 7.

Table 7. The key elements of the Commercial Dispute Resolution Mechanisms in Egypt

Key elements	Description
Judicial Courts	General and Economic Courts: Egypt has a well-established system of general courts that handle civil and commercial disputes, including Courts of First Instance, Courts of Appeal, and the Court of Cassation, which is the highest court in the judicial hierarchy. Additionally, Economic Courts were established in 2008 to expedite the resolution of commercial and economic disputes. These courts are specialized to handle cases involving economic and investment matters more efficiently
	Specialized Circuits: Within these courts, there are specialized circuits for dealing with specific types of commercial disputes, such as those related to intellectual property, competition, and bankruptcy
Arbitration	Cairo Regional Centre for International Commercial Arbitration (CRCICA): The CRCICA is a leading arbitration institution in Egypt and the broader Middle East and Africa region. It administers disputes under its own rules, which are based on the UNCITRAL Arbitration Rules. The center is recognized for its neutral, efficient, and cost-effective handling of arbitration cases
	Legal Framework: Egyptian Arbitration Law No. 27 of 1994 governs arbitration in Egypt. This law is also based on the UNCITRAL Model Law and provides a supportive legal environment for arbitration, ensuring the enforcement of both domestic and international arbitral awards
Mediation and Conciliation	Growth of Mediation Services: Although mediation is less common than arbitration, there is growing interest in mediation as an alternative dispute resolution method. Various initiatives, such as the establishment of the Cairo Mediation Centre, aim to promote mediation as a quicker and less costly alternative to litigation
	Legislative Support: Recent legislative reforms have sought to strengthen the legal framework for mediation, ensuring that mediated agreements have the same enforceability as court judgments if all parties agree
Enforcement of Decisions	Recognition and Enforcement: Egypt is a signatory to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, which facilitates the international enforcement of arbitral awards. However, enforcement of foreign judgments in Egyptian courts can be a lengthy process that involves proving that Egyptian courts do not have jurisdiction over the dispute and that the judgments do not contradict Egyptian public policy

Source: systematized by the author

Despite these mechanisms, Egypt's dispute resolution environment faces challenges: overcrowding and procedural inefficiencies in the courts can lead to significant delays in the resolution of commercial disputes; there is a general perception of unpredictability and slowness in the judicial decision-making process, which can deter foreign investment; while there have been efforts to modernize dispute resolution processes, continuous updates and reforms are necessary to align with international best practices and enhance the overall efficiency of these mechanisms.

Egypt's framework for commercial dispute resolution is evolving, with a clear emphasis on enhancing arbitration and promoting other ADR methods. These developments are crucial for improving the business climate and making Egypt more attractive to international investors. Continued reforms and improvements in the efficiency of judicial and arbitration processes are essential for Egypt to fully capitalize on its strategic position and economic potential.

Egypt's commercial dispute resolution system offers several mechanisms tailored to handle business conflicts, each with its strengths and limitations. Understanding these can provide insights into the effectiveness and areas for improvement within Egypt's legal framework for dispute resolution. Table 8 shows a breakdown of the key benefits and drawbacks associated with Jordan's dispute resolution methods.

Table 8. A breakdown of the key advantages and disadvantages of dispute resolution methods in Egypt

Advantages		
Diverse Range of Dispute Resolution Options	Specialized Courts	Egypt's Economic Courts are specialized in handling commercial and economic disputes, which facilitates a more expert approach to complex business issues
	Established Arbitration Center	The Cairo Regional Centre for International Commercial Arbitration (CRCICA) is well-regarded internationally and provides a reliable venue for arbitration, adhering to internationally recognized rules and procedures
Legal Framework Supporting Arbitration	Alignment with International Standards	Egypt's Arbitration Law (Law No. 27 of 1994) is based on the UNCITRAL Model Law, which enhances the predictability and enforceability of arbitral awards both domestically and internationally
	Recognition of International Norms	As a signatory to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, Egypt demonstrates its commitment to international dispute resolution standards
Efforts Toward Legal Reforms	Legislative Support for ADR	Recent reforms aim to promote alternative dispute resolution methods, such as mediation, to provide faster and less costly dispute resolution options
	Streamlining Procedures	Initiatives to digitize and streamline court procedures are underway, aiming to reduce the backlog and speed up the resolution process in judicial courts
Disadvantages		
Judicial System Challenges	Delays and Backlogs	The judicial process in Egypt can be slow, often burdened by heavy caseloads and procedural inefficiencies, which can significantly delay the resolution of commercial disputes
	Perceived Lack of Transparency and Predictability	There are concerns about the consistency and impartiality of court rulings, which can affect the business community's trust in the judicial system
Enforcement Issues	Complex Enforcement Procedures	Despite legal provisions, the actual enforcement of both domestic and international arbitral awards can be cumbersome and time-consuming
	Challenges with Foreign Judgments	Enforcing foreign judgments in Egypt involves stringent checks, which can complicate the process for international businesses seeking resolution
Limited Use and Awareness of ADR	Underutilization of Mediation	Mediation and other forms of ADR are not as widely used or understood among the Egyptian business community, partly due to cultural preferences and a lack of robust promotional efforts
	Need for Greater Institutional Support	While there are initiatives to promote mediation, further institutional support and public awareness campaigns are necessary to enhance its credibility and usage

Source: systematized by the author

Egypt's commercial dispute resolution mechanisms offer comprehensive legal tools designed to handle a wide range of business disputes effectively. The presence of specialized courts and a solid arbitration framework are significant advantages. However, challenges like judicial delays, enforcement difficulties, and the underutilization of ADR methods highlight areas where continued reforms and improvements are crucial. Enhancing these aspects could significantly improve the efficiency of dispute resolution in Egypt and strengthen its appeal as a favorable business environment in the region.

Common features and differences in commercial dispute resolution mechanisms in Jordan, Saudi Arabia, the United Arab Emirates and Egypt.

Commercial dispute resolution mechanisms in Jordan, Saudi Arabia, the United Arab Emirates (UAE) and Egypt share several common features due to the influence of Islamic law and regional business practices. However, different national legal frameworks and economic policies also create significant differences tailored to each country's specific needs and strategic objectives. Table 9 shows the results of a comparative analysis of common features and differences in commercial dispute resolution mechanisms in Jordan, Saudi Arabia, the United Arab Emirates, and Egypt.

While there are fundamental similarities in the commercial dispute resolution frameworks of Jordan, Saudi Arabia, the UAE, and Egypt, primarily due to their shared legal heritage, there are distinct differences shaped by each country's specific legal, economic, and strategic contexts. These differences are particularly evident in the efficiency of judicial processes, the prominence and use of arbitration centers, the adoption of ADR, and the enforcement of legal decisions. Understanding these nuances is crucial for businesses operating within these jurisdictions and for policymakers aiming to reform and enhance their dispute resolution environments.

Discussion. The exploration of commercial dispute resolution mechanisms in Jordan compared with other Middle Eastern countries like Saudi Arabia, the United Arab Emirates (UAE), and Egypt reveals a region marked by both shared challenges and distinctive approaches shaped by differing legal, economic, and cultural landscapes. This discussion delves into the intricacies of these systems, examining how each country's unique historical and socio-political context influences the effectiveness and adoption of various dispute resolution methods.

Common Regional Trends. Across the region, there is a noticeable trend toward modernizing and improving the efficiency of dispute resolution mechanisms. This is evident in the adoption of international arbitration norms and the establishment of specialized commercial courts aimed at enhancing investor confidence and compliance with international business standards. Countries like the UAE and Saudi Arabia have made significant strides in developing arbitration centers that adhere to international best practices, reflecting a broader regional ambition to position themselves as global arbitration hubs.

Table 9. Common features and differences in commercial dispute resolution mechanisms in Jordan, Saudi Arabia, the United Arab Emirates and Egypt

Common Features		Differences	
Legal Frameworks Influenced by Sharia Law	All four countries have legal systems that are influenced to varying degrees by Islamic Sharia law, which impacts how commercial laws are interpreted and applied	Judicial Structure and Efficiency	Jordan and Egypt both have traditional court systems that can be slow and are sometimes perceived as lacking transparency. Saudi Arabia has made recent reforms to its judiciary, emphasizing the efficiency and specialization of its commercial courts as part of Vision 2030. The UAE offers a unique dual judicial system, with Sharia-influenced local courts and separate common law-based systems in the DIFC and ADGM, offering faster dispute resolution for international businesses
Use of Arbitration and International Standards	Jordan, Saudi Arabia, the UAE, and Egypt have modern arbitration laws influenced by the UNCITRAL Model Law, reflecting a regional commitment to align with international dispute resolution standards	Arbitration Centers and Usage	Jordan has a relatively less prominent international arbitration profile compared to the other countries. Saudi Arabia's SCCA and Egypt's CRCICA are prominent arbitration centers with strong regional influence. The UAE stands out with multiple arbitration centers, including DIAC, ADCCAC, as well as DIFC and ADGM arbitration facilities, making it a hub for international arbitration
Specialized Commercial Courts	Each country has established specialized courts to handle commercial disputes efficiently, employing judges with specific expertise in commercial law	Adoption and Promotion of ADR Methods	Egypt and Jordan are progressively working to promote mediation and other ADR methods, but these are still underutilized compared to arbitration. Saudi Arabia and the UAE are actively promoting and integrating ADR methods, especially mediation, into their legal systems, with substantial institutional support and regulatory frameworks
Recognition of International Treaties	All four countries are signatories to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, facilitating the cross-border enforcement of arbitral decisions	Enforcement of Decisions	Enforcement mechanisms vary significantly, with the UAE (especially in the DIFC and ADGM) providing the most streamlined and reliable enforcement for both local and international judgments and arbitral awards. Saudi Arabia has improved its enforcement mechanisms as part of broader economic reforms. Jordan and Egypt face challenges with enforcement efficiency, though both are working on reforms to improve their systems

Source: systematized by the author

Innovations and Modernizations:

- Saudi Arabia has recently undergone substantial reforms under its Vision 2030 initiative, which include the creation of specialized commercial courts and the enhancement of procedural efficiencies in its legal systems. These reforms are designed to streamline commercial dispute resolutions and are indicative of a broader shift toward economic diversification and modernization;

- The UAE distinguishes itself with a dual judicial system that integrates both local and English common law frameworks, especially within its free zones like DIFC and ADGM. These jurisdictions offer arbitration and mediation services that operate according to international standards, attracting foreign businesses with their promise of a familiar and reliable legal environment.

Challenges and Adaptations. Despite these advancements, the region faces inherent challenges that affect the efficacy of dispute resolution mechanisms:

- *Enforcement Issues:* Across all these countries, particularly in Egypt and Jordan, the enforcement of arbitration awards and court decisions remains a significant challenge. This issue stems partly from bureaucratic delays and the lack of sufficient training among judiciary members on the complexities of modern commercial disputes;
- *Cultural Preferences:* There is a strong cultural preference for litigation over newer forms of dispute resolution such as mediation and arbitration in many parts of the region. In countries like Jordan and Egypt, efforts to promote ADR mechanisms have been met with varying degrees of resistance, reflecting a broader hesitation towards adopting practices that deviate from traditional judicial processes;
- *Economic and Political Stability:* The political climate in Egypt has historically affected its legal system's stability, which in turn impacts the predictability and reliability of dispute resolution outcomes. Political fluctuations can undermine the effectiveness of legal reforms and influence the impartiality and efficiency of judicial proceedings.

Strategic Implications for Policy and Practice. Given these observations, several strategic implications arise for policymakers and practitioners in the region:

- *Continued Legal Reforms:* there is a critical need for ongoing legal reforms that not only focus on adopting international arbitration practices but also on improving court efficiencies and enforcement mechanisms. Such reforms should include the training of legal professionals and the promotion of ADR methods through public awareness campaigns;
- *Enhancing Judicial Cooperation:* to address enforcement issues, there is a need for enhanced cooperation between judicial systems within the region, particularly in recognizing and enforcing foreign arbitral awards and court decisions.
- *Tailored ADR Approaches:* recognizing cultural nuances and adapting ADR mechanisms to fit local contexts may help increase their acceptance. This could involve integrating traditional dispute resolution elements that are culturally resonant within modern arbitration and mediation frameworks.

Conclusions. This comparative analysis of commercial dispute resolution mechanisms in Jordan, Saudi Arabia, the United Arab Emirates (UAE), and Egypt reveals a complex landscape shaped by both shared influences and distinct national characteristics. Each country has developed its legal framework to manage commercial disputes effectively, incorporating international norms and practices to varying extents, which reflects their commitment to maintaining a robust business environment. Here are the key conclusions drawn from the study:

1. *Common Legal Foundations and Divergent Practices.* All four countries share a foundation in Islamic Sharia law, which influences their commercial legal practices. However, they diverge significantly in how they have integrated these traditional practices with modern needs and international standards. This is most evident in the UAE's adoption of a dual legal system and Saudi Arabia's extensive judicial reforms under Vision 2030.

2. *Advancements in Arbitration.* There is a clear trend towards favoring arbitration over traditional litigation across the region. The UAE, Saudi Arabia, and Egypt have established significant arbitration centers that are recognized internationally, which enhances their global commercial competitiveness. Jordan, while smaller in scale, has also aligned its arbitration laws with international standards, ensuring a favorable environment for dispute resolution.

3. *Challenges in Enforcement and Judicial Efficiency.* Despite advancements, enforcement of arbitral awards and court decisions remains a challenge, particularly in Jordan and Egypt where judicial processes can be slow and bureaucratic. Saudi Arabia and the UAE have made more substantial progress in this area, with the UAE in particular leading in enforcement efficiency, especially in its free zones.

4. *Growing Role of ADR.* Alternative dispute resolution methods, particularly mediation, are gaining traction as cost-effective and less adversarial options. While still underutilized in some countries like Egypt and Jordan, there is growing institutional support to promote these methods, reflecting a broader trend towards enhancing the efficiency of commercial dispute resolution.

5. *Implications for International Business and Investment.* For international businesses and investors, understanding the specific dispute resolution mechanisms available in these countries is crucial. The UAE and Saudi Arabia offer more sophisticated, albeit sometimes costly, environments for dispute resolution, with particular appeal to international entities. Jordan and Egypt provide opportunities as well, particularly with ongoing reforms aimed at improving their legal landscapes.

As the Middle East continues to attract international business and investment, ongoing reforms and improvements in commercial dispute resolution mechanisms will be essential. Enhancing judicial efficiency, broadening the adoption of ADR, and ensuring the enforcement of decisions are critical areas that require continuous attention. Moreover, increasing the transparency and predictability of these systems will further strengthen the region's position as a secure and attractive business destination.

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