

Comsats University Concludes Global Islamic Finance Forum 2015

GIFF 2015 proves itself as a major platform for the development of the international Islamic finance industry.

LAHORE, PAKISTAN , March 11, 2015 /EINPresswire.com/ -- FAAIF CEO Camille Paldi proposes a framework for dispute resolution for the global Islamic finance industry at GIFF 2015 in Lahore, Pakistan. The conference hosted 44 prominent domestic and international speakers including lawyers, bankers, Shari'ah practitioners, academics, students, and Islamic Finance professionals. The wide array of topics, selection of speakers, and excellent organization certainly shed light on the Comsats GIFF forum as a major platform for the development of the Islamic finance industry now and for years to come.



Paldi introduced the concept of the Dubai World Islamic Finance Arbitration Center (DWIFAC) and Jurisprudence Office (DWIFACJO) as the dispute resolution center for the Islamic Finance Industry and suggested that it might be wise to formulate an Islamic finance bankruptcy court for the worlds' sukuk defaults. DWIFAC, which shall be funded by Sheikh Mohammed bin Rashid Al Maktoum, may act as the independent central dispute resolution authority and Shari'ah regulator connecting all of the adjudication apparatus's of Dubai, the UAE, and the DIFC into one consolidated framework for the adjudication of Islamic finance disputes with a centralized Shari'ah authority in the form of the Shari'ah Supreme Council. The decisions of the Shari'ah Supreme Council shall be binding and available to the public for review, thereby giving certainty to legal

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It is imperative that the Islamic finance industry develop a unique dispute resolution mechanism and Islamic finance bankruptcy court.

Camille Silla Paldi

decisions and promoting confidence amongst investors. The DIFC, Dubai Courts, Central Bank of the UAE, and the IICRCA may refer arbitration to DWIFAC and/or utilize the DWIFAC Ambassador's List and facilities. In addition, DWIFAC may utilize the expert determination, mediation, and other services of the Dubai and DIFC Courts and the arbitrators of the IICRCA, DIFC-LCIA, DIAC, and the Central Bank of the UAE governance unit. DWIFAC awards may be enforceable in the Dubai and DIFC Courts through a special protocol.

DWIFACJO may issue a standardized dispute resolution contract, which may be attached to all Islamic finance contracts. The DWIFACJO standardized dispute resolution contract may contain a

similar built-in dispute resolution mechanism as the FIDIC contract containing three stages including (1) the Dispute Resolution Board (DAB), (2) amicable settlement, and (3) final referral to DWIFAC arbitration. Either of the parties may submit a dispute to the DAB at any time. The DAB has 60 days to issue a ruling, which will become binding if neither party objects. However, each party has the right to object through a notice of dissatisfaction within thirty days of the receipt of the DAB ruling. If the parties cannot reach amicable settlement within 50 days from the submission of the notice of dissatisfaction, the dispute can finally be submitted to DWIFAC.

The DAB shall consist of three people who must be suitably qualified in law, Islamic finance, and Shari'ah. DWIFAC may establish an Ambassador's List similar to the FIDIC President's List, from which arbitrators and DAB members may be selected, if not specified in the contract. Persons who have successfully completed a DWIFAC Adjudication Assessment Workshop and International Arbitrator's Islamic Finance Contracts Course and applied for entry to the DWIFAC Ambassador's List of Approved Dispute Adjudicators are entered on the List for five years. Successful attendees at an Adjudication Assessment Workshop are required to be fluent in English and to be thoroughly familiar with Islamic finance, law, and Shari'ah.

Once the arbitration procedure has been initiated, the arbitration shall commence according to the DWIFAC arbitration rules. The arbitrator(s) shall have full power to open up, review, and revise any decision of the DAB relevant to the dispute. Neither party shall be limited in the proceedings before the arbitrator(s) to the evidence or arguments previously put before the DAB to obtain its decision or to the reasons for dissatisfaction given in its notice of dissatisfaction. Any decision of the DAB shall be admissible in evidence in the arbitration. Arbitration may be commenced prior to or after completion of the contract. The obligations of the Parties and the DAB shall not be altered by reason of any arbitration being conducted during the progress of the contract. The arbitration shall be conducted in the English language and any arbitral decision shall be final and binding. All of the DWIFAC decisions are to be published in English, French, and Arabic and the arbitration itself to be conducted in English. In the event of a conflict of laws, the Shari'ah shall prevail. A valid arbitration decision should lead to a verdict that conforms to the rules of the Shari'ah (AAOIFI 2004:559).

In the context of DWIFAC, the center may make arrangements with the Dubai and DIFC courts for enforceability of DWIFAC arbitration awards. However, parties to the dispute must realize that the arbitration award issued by DWIFAC may be overturned or enforced in other jurisdictions (International Bechtel Co. Ltd. v. Department of Civil Aviation of the Government of Dubai 300 F. Supp. 2d 112 (DDC. 2004)) or challenged in UAE courts based on Article 216 of the Civil Procedure Law. Shari'ah Supreme Council decisions shall act as a source of precedent and shall be binding, thus providing legal certainty to Islamic finance dispute adjudication. The Shari'ah Supreme Council established by DWIFAC shall act as the highest Shari'ah authority for DWIFAC arbitration, the UAE, and the DIFC. The full proposal can be found at https://www.academia.edu/4384666/The_Dubai_World_Islamic_Finance_Arbitration_Center_DWIFAC_and_the_Dubai_World_Islamic_Finance_Arbitration_Center_Jurisprudence_Office_DWIFACJO_. Camille Paldi can be contacted at camille@faaif.com.

FAAIF Limited is a legal and management consultancy firm servicing clients in Islamic banking, finance, takaful, and the halal industry. FAAIF Events is an events production and management company <http://www.faaif.com>.

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