



Dubai Court's Achievement Bulletin Enhancement of UAE's Competitive potentials in

Ease of Doing Business Report

2013





**The speech of
Dr. Ahmed Saeed Bin Hazim**
Director General of Dubai Courts

Remarkable progress achieved by The United Arab Emirates in The Doing Business Report for 2013's, upon occupying number (26) globally. This report, published by the World Bank, includes 185 countries competing to prove their worth to achieve advanced positions to be a favorite distinct environment for doing business. Among the ten criteria of assessment, Dubai courts addressed the responsibility to illustrate the efficiency of the business environment in the UAE through both criteria of contract enforcement and resolve cases of insolvency, which perceived progress reached to thirty points in the first criterion and fifty points in the second criterion, rather than has been achieved in the previous year, which is considered to be a globally distinctive achievement by all standards.

Thus, We, in Dubai Courts, proud that we are Emirati, and are also proud that we are belonging to a leadership with no national ambitions limit except the sky. On this occasion, we celebrate today a new achievement by Emaratis, as well we celebrate the efforts of our judicial and administrative cadres in attaining such special national achievement. As well We raise our deepest congratulations and blessings to serve Sir, His Highness Sheikh / Khalifa Bin Zayed Al Nahyan, President of the State, and to his brother, Sir, His Highness Sheikh / Mohammed bin Rashid Al Maktoum, Vice President, Prime Minister and Ruler of Dubai, wishing them and all Rulers and people of the UAE more global achievements.

Race continues, and efforts are vigorous and sustained, to continue achieving better results in the coming sessions within this report. We pay tribute to all the partners who have played with us a prominent role in achieving such significant progress and we look forward to continue in the coming years. Finally, I thank to all those who contributed in the preparation of this document.



The Speech of Dr. Yousef Ali Al Suwaidi

Director of Strategic and
Institutional Performance
Department

The Ease of Doing Business Report issued by the World Bank measures the legislative and organizational environment that relates to business environment through 10 indicators, and focuses on the life cycle of establishments, small and medium-size local enterprises, whereas the role of Dubai Courts as the main corporation plays the role of representing the United Arab Emirates in both fields of Enforcing Contract and Resolving Insolvency, and as a support corporation in both fields of starting a business and protecting investors.

Interest comes to Dubai Courts by detailed efforts to contribute in raising the ranking of the United Arab Emirates in the two field of Enforcing Contract and Resolving Insolvency in Doing Business in terms of full awareness of the importance of keeping up orientation aimed to enhance the country's competitiveness globally, which comes at the forefront of leadership's priorities and vision by making the UAE one of the best countries in the world, whereas the culmination of such efforts came exceptionally this year by upgrading UAE 50 ranks in the field of resolving insolvency and 30 ranks in the field of enforcing contracts, which was a major factor in the upgrade of the State to the 7th rank to occupy the 26 rank globally.

In this context, and since 2008 * Dubai Courts and through systematic institutional work has innovated and implemented a range of projects and initiatives which have resulted in achievements that enhances business development and improve performance, reflected directly in the reform of Judiciary in the Emirate of Dubai in general, and the commercial judiciary which is the subject of evaluation of Doing Business report in particular; The most important achievements made in August 2008, aimed in promoting specialized judiciary through the establishment of six Courts of First Instance such as (Commercial Court - Civil Court - Labour Court - Real Estate Court - Criminal Court - Family Court), which contributed significantly in adjoining the characteristic specialization to judicial practices, in addition to the renovate of specialized administration support units (department of Commercial cases department and commercial execution section as well as the commercial Appellate Division), which played a key role in providing specializes administrative support to the Commercial judiciary in Dubai Courts.

The results of the Ease Doing Business Report 2013 are only a station in our journey towards our vision of «Pioneering in the work of courts», however the sustainable development in all its forms and at all levels are the characteristic of institutional work in the Dubai Court. The culture of quality, excellence and creativity are the prevailing institutional culture, and all that because «race towards excellence has no end line».

* Adopting Dubai Courts to represent the United Arab Emirates in the ease of doing business Report.



Introduction to the Ease of Doing Business Report published by World Bank

The Ease of Doing Business Report which was launched in the year 2002, measures governmental procedures and enactments for business activities and their enforcement through 185 countries, which looks into small and medium size local enterprise and evaluates governmental procedures that have been applied on them during their lifecycle. Both of Practicing Business Activities report and standard model for cost calculation are the only standard tools which are used across group of various and vast range of countries for measuring effect of process of putting governmental rules and regulations on commercial activities.

Evaluation process is performed through collecting and analyzing comprehensive data in quantity for comparing between environment of governmental regulations in relation with doing cross countries and instant business. Since the report encourages for challenge towards increasing capabilities, and it provides measurable standards for reconciliation, and it

constitutes a source for academics, reporters, private sector researchers and others who are interested in knowing the latest developments in business activities of all countries.

First report has been issued in the year 2003 and it covered five areas (indicators) at 133 country. 2013 report covered 11 areas (indicators) at 185 country. The report concentrated on analyzing and measuring countries performance on the most economically active cities, since the report aims in providing subjective foundation for understanding the procedural environment of commercial activities and working on improving and enhancing it in different parts of the world.

Ease of doing Business Indicators:

Report Indicators



The Indicators in which Dubai Courts represents the UAE

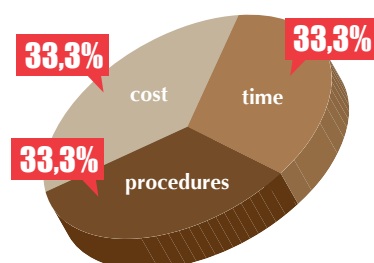
First Indicator:

Enforcing Contract

Countries ranking is based on three main indicators:

lawyers, court and enforcement fees as a percentage of claimed value

days taken for adjudicating a commercial case through court



steps of opening a legal case and receiving judgment and executing it

Sub-contracts enforcement indicators measure the efficiency of judicial system in adjudicating a commercial case. Data are obtained by tracking the development of one of the commercial disputes before the local courts step by step; the data are collected through studying rules of civil defense and other regulations related to the court, in addition to surveys which includes Local Lawyers specialized in Litigation in addition to the Judges, And the arrangement based on the facility of contract's execution represented the simple average of the percentile arrangement in all indicator's components.

The evaluation will be as follows:

1-Procedures:

The list of raising Claim steps which they collect from each country by following the chronology

of each commercial dispute upon the concerned Court, is a procedure known as any dealing, in pursuant to Law or commonly practices, between two parties or between them and the concerned Judge or Session Clerks Office, also they can calculate another procedures steps related to Court Internal Affairs or to the relationship between the two parties of Claim and their Lawyer, and this includes procedures of raising Claim and sending Notification, assign the Case to a Judge ,the Adjudication steps and the necessity steps of Executing the Judgment.

2- Time:

The duration is enrolled based on calendar days and calculated commencing from the time of plaintiff starting the procedures for the claim in the Court until the time of settling the Debt. This period includes the days in which the Court Session is set besides waiting periods in between. The average of duration consumed in different stages of adjudication which includes serving of documents and notifications and issuance of verdict (duration of argument and defense until the issuance of Judgment), and payment of debts. (duration of executing Judgment).

3- Cost:

Cost is calculated as a percentage of Claimed Value, assuming it is equivalent to 200% double the average of national income per individual. Bribes not be included , only three types of Costs are registered which are: Judicial Fees, Judgment Execution Costs, average of Lawyer Fees.

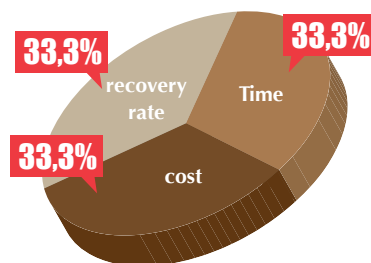
Judicial fees include all Court fees which Seller (Plaintiff) has to pay to the Court in advance regardless the final Cost bore by him. But Execution Costs is all Costs which Seller (Plaintiff) has to pay in advance for executing Judgment through the general sale of movable assets to the Buyer, regardless the final cost bore by the Seller. And the average of Lawyer fees is represented - the fees which Seller (Plaintiff) has to pay in advance to a Local Lawyer to represent him- in Standard case Study.

Second Indicator : Resolving Insolvency (Closing business previously)

Built the ranking of countries based on three main indicators :

Recovery rate is calculated on the basis of cents recovered by creditors for each dollar through restructuring measures or liquidation.

Recorded the time required to recover the creditors for their money calendar years...



Calculated the cost of the lawsuit as a percentage of the value of the debtor's property. Include legal fees and expenses charged by the government, and the fees charged by the concerned in the field of insolvency and organize auctions officials and residents, lawyers and all fees and other costs.

The report studies time and cost required to process claims of bankruptcy in which local firms be party. The World Bank has changed the name of this indicator from closing business to resolve insolvency which reflects accurately the content of the indicators without any change in content or scope.

The report is derived from the responses of local participant in the research who are engaged in the field of finance insolvency, its accuracy and soundness is verified by study of governmental law and proceedings besides the general sources of information related to poverty system. The ranking is based on easy liquidation of commercial activity to the average of recovery as the data to be comparable among different countries there are assumption about business institution and case utilized.

The evaluation is as under:

Time:

Time require to creditors in recovery of their money to be recorded in calendar year, such time is measure by the report from the moment of company's insolvency till the part payment or due to the bank or full payment. Take in to consideration tricks of and potential delay caused by the parties to interrupt the case such as submitting challenges and appeals and requests to extend legal time limit.

Costing:

Costing of case to be accounted as percentage from debtor's property and expenses to be calculated on the basis of research responses includes legal fees and expenditures drawn by the government, fees of the concerned experts in the field of insolvency, auction organizer, and lawyers and all other fee and charges.

Results:

Creditors recovery of their dues depends on if this company is stemming out from that case as establishment continues its works or its assets going to be sold in retail if the company is continues in practicing its works so there will not be loss the bank may recollect its claim amount 100 cent of one dollar in the case of sale of company's assets in retail so the maximum limit of the amount that can be collected should not be more than 70 % of bank claim mean 70 cent for each dollar.

4 Recovery Rate:

The average recovery of debt is recorded on the basis of cents which is recovered by the creditors for each dollar by reorganizing or re liquidation procedures or debt enforcement procedures (expropriation). The calculation should observe the final result. If this company is withdrawing from that claim as a working establishment or its assets will be sold in retail the expenses of case will deducted. (one cent for each percent dot of debt property's value. At the end to be taken into consideration the loss of amount which was caused due to the period the funds was seized during the insolvency claim including loss resulting from ruining hotels furniture. In line with international practices of accounts the annual ratio of furniture amount 20 % the value of furniture to be equivalent to quarter of total asset . noting that average recovery of debt is current value of balance revenues on the basis of current lending average in the end and taken from international finance statics issued from International Monetary Fund which is completed by data of central banks research department of Economist magazine.

UAE standards in “Business Activity Practice” report for world Bank 2013

Field	2012	2013	change
Starting a business	42	22	↑ 20
Dealing with Construction permits	12	13	↓ -1
Getting electricity	10	7	↑ 3
Registering Property	6	12	↓ -6
Getting Credit	78	83	↓ -5
Protecting Investors	122	128	↓ -6
Paying Taxes	7	1	↑ 6
Trading Across Borders	5	5	↔ 0
Enforcing Contract	134	104	↑ 30
Resolving Insolvency	151	101	↑ 50

World Leaders & changes compared to 2012

Rank	Country	△ Rank
1st	Singapore	=
2nd	Hong Kong	=
3rd	New Zealand	=
4th	USA	=
5th	Denmark	=
6th	Norway	=
7th	UK	=
8th	South Korea	=
9th	Georgia	+7
10th	Australia	+6

GCC Countries Rank

Rank	Country	△ Rank
22nd	KSA	-10
26th	UAE	+7
40th	Qatar	-4
42nd	Bahrain	-4
47th	Oman	+2
82nd	Kuwait	-15

The ease of Enforcing Contract in United Arab Emirates over time

Year	2008	2009	2010	2011	2012	2013
Ranking	144	145	134	134	134	104
Duration (in days)	607	607	537	537	537	524
Cost (% of claim value)	26.2	26.2	26.2	26.2	26.2	19.5
Number of procedures	51	51	49	49	49	49

The ease of Resolving Insolvency in United Arab Emirates over time

Year	2008	2009	2010	2011	2012	2013
Ranking	139	141	143	143	151	101
Duration (in days)	5.1	5.1	5.1	5.1	5.1	3.2
Cost (% of assets value)	30	30	30	30	30	20
Recovery average	10.1	10.1	10.2	11.2	11	29.4

Efforts of Dubai courts in gaining the rank of UAE in practices of business activities:

Dubai courts from the beginning of its selection as representative of UAE in the Doing Business Report on two indicators enforcing contract and Resolving insolvency cases worked industriously through the organizational work system by innovating and implementing set of projects and development initiative's and improvement steps which has formed a solid base for the promotion of Dubai courts as distinguished judicial body contributing in achieving justice in the emirate in general and commercial community particularly with essence of equity and fully independent, the following diagram shows the time sequence of Dubai courts efforts in improving the rank of the country.

