Dubai Supreme Court Enforces Civil Compensation for Economic Loss Ordered in a Criminal Judgment Rendered by a Chinese Court



I. Introduction

The enforcement of foreign judgments can be regarded as one of the most crucial stages of international litigation. The inability to have a foreign judgment enforced not only undermines the effectiveness of judicial proceedings but may also render the entire process of cross-border litigation practically meaningless. Successful enforcement, however, depends on compliance with a number of fundamental requirements, which may vary depending on the applicable legal regime, notably on whether enforcement is sought under domestic law or pursuant to an applicable international convention.

In addition, not all foreign judgments are eligible for recognition and enforcement. In principle, only judgments dealing with private-law matters fall within the scope of recognition and enforcement, to the exclusion of judgments

relating to criminal or public-law matters. Certain exceptions may nevertheless exist. This is the case, for instance, where a criminal court orders civil compensation, such as compensation for economic loss suffered by the victim.

Against this broader background, a recent decision of the Dubai Supreme Court (*Maḥkamat at-Tamyīz* محكمة التمييز), rendered on *24 September 2026*, concerning the enforcement of an order for civil compensation for economic loss issued by a Chinese court, provides useful insights into the practical application of these principles and their relevance when the enforcement of foreign judgments is sought abroad.

II. The Facts

X1 and X2 (Chinese State-owned companies, jointly, "the respondents") sought the enforcement in the Emirate of Dubai, UAE, of an order for compensation for economic loss rendered in their favour by a Chinese court in criminal proceedings initiated against Y1 (the appellant) and Y2 (the third respondent) (both Chinese nationals, jointly, "the judgment debtors").

The respondents stated that they had attempted to execute the Chinese judgment in China but had been unable to locate sufficient assets belonging to the judgment debtors. This, they argued, justified bringing enforcement proceedings before the Dubai courts, where the judgment debtors' assets could be located. The Chinese judgment was subsequently declared enforceable, and this decision was upheld on appeal. Dissatisfied with the outcome, Y1 appealed to the Supreme Court.

Before the Supreme Court, Y1 challenged the appealed decision on several grounds, which can be summarised as follows: (1) Y1 had not been properly notified of the proceedings; (2) the Chinese court lacked indirect jurisdiction because the UAE courts had jurisdiction over the dispute; and (3) there were discrepancies in the parties' identities, notably between the names appearing in the translation of the foreign judgment and those of the parties to the enforcement proceedings in the UAE.

III. The Ruling

In its decision of 26 September 2026, the Dubai Supreme Court rejected all grounds of appeal and upheld the enforcement of the Chinese judgment in Dubai.

As is its usual practice, the Court first set out the applicable legal framework. It recalled that, under Articles 222 and 225 of the UAE Federal Civil Procedure Law, where an applicable international treaty governs the recognition and enforcement of foreign judgments, the treaty takes precedence over domestic law in determining the applicable conditions. The Court then reproduced the relevant provisions of **the 2004 UAE–China Convention on Judicial Assistance in Civil and Commercial Matters**, in particular Articles 15, 17, 20, 21, 23 and 24, before recalling the facts of the case and addressing Y1's arguments.

First, it dismissed the argument that Y1 had not been properly notified of, or legally represented in, the Chinese proceedings. Relying on the certified translation of the Chinese criminal judgment, the Court found that the judgment debtors had been aware of the proceedings and had appeared before the Chinese court.

The Court also confirmed the indirect jurisdiction of the Chinese court. It therefore rejected Y1's argument that the Dubai courts had exclusive jurisdiction because part of the alleged conduct, or its consequences, had occurred in Dubai. The Court noted that the offences concerned the misappropriation of funds belonging to two Chinese state-owned companies and that the assets involved included property belonging to the Chinese State.

Finally, the Court dismissed the objection concerning discrepancies in the parties' names, finding that these were merely the result of translation errors.

IV. Comments

While the outcome reached by the Court and its general approach may be welcomed, a few aspects of its reasoning deserve further comments.

First, the Court's reference to Article 15 of the 2004 Sino-Emirati Convention deserves some clarification. The Court referred to that provision and reproduced its content, although it does not appear to be directly relevant to the recognition or enforcement of foreign judgments. As its title clearly indicates, Article 15 concerns "Grounds for Refusing a Request for the Taking of Evidence", rather than the enforcement of foreign judgments. One possible explanation may lie in the wording of the Arabic version of the provision, which refers to "Cases in Which the Execution of a Request for the Taking of Evidence May Be Refused" (*ḥālāt jawāz rafḍ tanfīdh ṭalab al-ḥuṣūl ʿalā al-adilla* / حالات جواز رفض تنفيذ طلب الحصول على الأدلة). The use of the term تنفيذ (*tanfīdh*), which may refer to execution or enforcement depending on the context, may perhaps explain the Court's reference to this provision.

Secondly, the Court could have been more precise about the nature of the judgment whose enforcement was sought. The case concerned the enforcement of an order for compensation for economic loss made in criminal proceedings before a Chinese court, rather than the enforcement of the criminal aspects of the judgment as such. This distinction is important. The latter would not, as such, fall within the Convention's mechanism for the recognition and enforcement of foreign judgments. By contrast, the 2004 Sino-Emirati Convention expressly provides a basis for the enforcement of civil awards made by criminal courts. Article 17 covers judgments "in civil, commercial and personal status matters, *including judgments rendered by criminal courts in civil matters*" (emphasis added). It would therefore have been useful for the Court to make clear that it was enforcing the civil consequences of the Chinese criminal judgment, rather than the criminal judgment itself. This distinction is particularly important in light of a previous decision in which the same Court appears to have approved the enforcement of a foreign judgment declaring enforceable a criminal judgment rendered pursuant to a bilateral treaty between the State of origin (USA) and the requested State (Ontario – Canada) (on this case, see my comments on this blog here and here). The present case was legally different: the enforcement sought clearly concerned an award of compensation for economic loss made in the Chinese criminal proceedings, for which Article 17 of the 2004 Sino-Emirati Convention itself provided a specific basis.

Finally, and more importantly from a private international law perspective, the Court's treatment of the Chinese court's indirect jurisdiction is open to criticism.

While the Court was right to examine this issue, particularly in view of Y1's argument that the Dubai courts had exclusive jurisdiction, it did not assess the jurisdiction of the Chinese court by reference to the specific grounds of indirect jurisdiction provided for in Article 19 of the Convention. Remarkably, Article 19 was neither cited nor referred to in the Court's general discussion of the applicable legal framework. Instead, the Court contented itself with identifying a number of factors showing that the dispute had a close connection with China. These included the fact that the injured companies were Chinese entities, that the funds involved included assets belonging to the Chinese State, and that the damage concerned the property of Chinese companies, apparently in the absence of a genuine commercial transaction involving Dubai. These considerations may well support the conclusion reached by the Court. However, where the applicable treaty lays down specific grounds for determining the indirect jurisdiction of the court of origin, the enforcing court should assess that jurisdiction by reference to those treaty-based grounds rather than simply establishing that the dispute had a sufficiently close connection with the State of origin. The outcome may therefore be correct, but the reasoning would have been stronger and considerably more convincing had the Court applied Article 19 directly.