



Kobre & Kim's Claim Monetization & Dilution Team



Andrew Stafford KC
London
andrew.stafford@kobrekim.co.uk



Jef Klazen
New York
jef.klazen@kobrekim.com



John Han
Hong Kong
john.han@kobrekim.com



Nada Oteifi
Dubai
nada.oteifi@kobrekim.com



Paul Hughes
Dubai
paul.hughes@kobrekim.com



Richard Clarke
Dubai
richard.clarke@kobrekim.com

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Global Creditors Can Fight Fraudulent Conveyance in Dubai

International investors and other claimants have long struggled to enforce cross-border claims in the United Arab Emirates (UAE) and the wider Middle East. A 2024 precedent-setting decision in Dubai's High Court, secured by Kobre & Kim and local co-counsel, shows another avenue for global creditors to battle recalcitrant debtors and increase their chances of a swift and significant recovery on their cross-border claims.

International investors and other claimants have long struggled to enforce cross-border claims in the United Arab Emirates (UAE) and the wider Middle East. Debtors frequently deploy tactics such as fraudulent conveyance to transfer their assets out of reach. A 2024 precedent-setting decision in Dubai's High Court, secured by Kobre & Kim and local co-counsel, shows another avenue for global creditors to battle recalcitrant debtors and increase their chances of a swift and significant recovery on their cross-border claims.

A Landmark Ruling for Creditors in the UAE

In May 2024, Kobre & Kim and co-counsel obtained a judgment in the Dubai Court of Cassation unwinding the debtors' transfer of shares to a family member. The transfer occurred before the issuance of a final judgment confirming the debt owed to Kobre & Kim's client. In this decision, the court agreed with the team's argument that the assets were dispersed without real consideration, which thereby signaled the intent to remove assets ahead of an impending judgment.

Building Off a Previous Victory

This case is part of a global strategy deployed by Kobre & Kim to monetize an English claim, which was recently recognized by the Dubai courts as one of the first foreign judgments to be enforced onshore in the UAE under the new enforcement regime.

The decision marks not just a win for the client but also the latest step forward in strengthening the enforceability of judgments and other debts in the UAE. It potentially expands the application of creditor tools to stamp out attempts of fraudulent conveyance, closing in on evasive debtors, and strengthening the enforceability of cross-border claims in the UAE.

**Timothy de Swardt**

BVI

timothy.deswardt@kobrekim.com

The above is just one instance of how creditors can leverage creative cross-border actions to construct a novel strategy in the UAE to unwind a debtor's fraudulent transfer.

Alongside the tools available in bankruptcy proceedings and the prospect of personal liability against individual directors, creditors now have an expanded suite of tools at their disposal in the UAE to combat recalcitrant debtors across the region.

About Kobre & Kim

Kobre & Kim is a global law firm that focuses on cross-border disputes and investigations, often involving fraud and misconduct. The firm:

- Formulates and executes cross-border strategies across global jurisdictions, including Dubai, Israel, Cyprus, PRC, Hong Kong, Korea, Brazil, Cayman, BVI, New York and Delaware.
- Focuses on helping clients realize value from their claims, developing investigative, enforcement and asset tracing/recovery plans in the pre-dispute stage to maximize future monetization.
- Often works with other law firms as special counsel to enforce high-value judgments, arbitration awards, and defaulted debt worldwide with our integrated team of former government prosecutors, Hong Kong solicitors, UK solicitors and barristers (including King's Counsel) and offshore lawyers.
- Maintains our independence as advocates ready to litigate against virtually any institution by avoiding repeat client relationships, and the conflicts of interest that come with them.