



PRESCRIPTIVE PERIODS IN THE UAE:

Limitation periods for initiating legal proceedings under UAE law

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What is a prescriptive period?
 A prescriptive period (otherwise known as a statute of limitation under common law systems) is a time limitation for filing a claim through legal proceedings under civil law systems.

Why is the prescriptive period relevant?
 Any person or entity that has a right of claim against another person or entity should be mindful of the applicable prescriptive period for such claim since the right to file a claim lapses upon the expiry of the prescriptive period for such claim.

Origination of prescriptive periods in the UAE

The concept of applying a prescriptive period for initiating legal proceedings in the UAE has been influenced by:

1. Napoleonic Civil Code

The Napoleonic Civil Code, which was published in 1804, outlines various prescriptive periods for certain civil claims.

This is understood to be a key influence in the drafting of the UAE Civil Code (the "Civil Code") as well as other civil codes in the Middle East region, such as the civil codes of Egypt and the Kingdom of Saudi Arabia.

2. Al-Majallah

Al-Majallah is the Islamic civil code of the Ottoman Empire, which was drafted between 1868 and 1876.

The Al-Majallah provides that a right shall not lapse by the passage of time. However, the Hanifi and Maliki schools interpret this provision to mean that, whilst a right shall not lapse by the passage of time, no claim in relation to such right shall be heard after the expiry of a certain period.

Reasons for placing a time limitation on a claim

Reasons for applying a time limitation for filing a claim include the implication of waiver of such claim after the lapse of a certain period of time, and the difficulty in proving a claim after the lapse of a certain period (since, after the lapse of a certain period of time, evidence tends to become lost and memories tend to fade). →

NOTABLE EXCEPTIONS TO THE 15 YEAR PRESCRIPTION PERIOD:

NATURE OF THE CLAIM:

HARMFUL ACT

Claim for compensation for a harmful act (similar to the common law concept of tort)
LIMITATION PERIOD: 3 years from the date upon which the claimant became aware of the harmful act (up to a maximum time of 15 years from the date on which the harmful act took place)
LAW: Article 298 Civil Code

NATURE OF THE CLAIM:

COMMERCIAL ACTIVITIES OF A TRADER

Claim for compensation for a harmful act (similar to the common law concept of tort)
LIMITATION PERIOD: 10 years
LAW: Article 95 UAE Law No. 18 of 1993 ("Commercial Transactions Law")

NATURE OF THE CLAIM:

AIR CARRIAGE

Claim for liability against an air carrier or any of his subordinates
LIMITATION PERIOD: 2 years from the date on which the airplane arrives or was supposed to have arrived, or from the date on which the carriage was stopped
LAW: Article 370 Commercial Transactions Law

NATURE OF THE CLAIM:

BENEFICIAL ACT

Claim arising from a beneficial act (e.g. claim of recovery of what has been taken from another's property, claim for money taken without any right of claim thereto, payment of another's debt, claim re voluntary agency, etc.)
LIMITATION PERIOD: 3 years from the date upon which the claimant became aware of his right of recourse (up to a maximum time of 15 years from the date on which the right of recourse arose)
LAW: Article 336 Civil Code

NATURE OF THE CLAIM:

DISPOSITION BY A DEBTOR

Claim for a disposition by a debtor which is detrimental to a creditor

LIMITATION PERIOD: 3 years from the date upon which the claimant became aware of the cause rendering the disposition ineffective (up to a maximum time of 15 years from the date on which the disposition was made)
LAW: Article 400 Civil Code

NATURE OF THE CLAIM:

RIGHT OF RENEWAL

Claim in respect of a periodic renewing right where there is no written evidence of the right of such renewal
LIMITATION PERIOD: 5 years (unless there is lawful excuse to hear the claim after such period)
LAW: Articles 474(1) and 477(2) Civil Code

NATURE OF THE CLAIM:

PROFESSIONAL SERVICES, TAXES AND DUTIES

In the case of:
 (a) rights in relation to professional services rendered or disbursements incurred in the case of doctors, pharmacists, lawyers, engineers, experts, professors, teachers, and brokers; and
 (b) money reclaimable by reason of overpayment of taxes or duties, but without prejudice to the provision of any specific laws, and where there is no written evidence of the right in question
LIMITATION PERIOD: 5 years (unless there is lawful excuse to hear the claim after such period)
LAW: Articles 475 and 477(2) Civil Code

NATURE OF THE CLAIM:

SUPPLIERS, SERVICE PROVIDERS AND CONTRACTORS

In the case of:
 (a) rights of merchants and craftsmen in respect of items supplied by them to persons not trading in those items, and rights of owners of hotels and restaurants in respect of the cost of accommodation and the cost of food, and moneys expended by them on account of their customers; and

(b) rights of workers, servants, and hired people for daily or non-daily wages and the cost of supplies provided by them; regardless of whether the claimant is still carrying out other work for the claimee, and where there is no written evidence of the right in question
LIMITATION PERIOD: 2 years (unless there is lawful excuse to hear the claim after such period)
LAW: Article 476 & 477 Civil Code

NATURE OF THE CLAIM:

INHERITANCE

Claim for inheritance unless there is a lawful reason for hearing such claim thereafter and the other heirs have no lawful excuse for such claim not being heard after such period
LIMITATION PERIOD: The period set for claiming such inheritance
LAW: Article 482 Civil Code

NATURE OF THE CLAIM:

SALE OF GOODS

Claim for rescission of a contract or for reduction in or supplement to the purchase price in the case of delivery of goods
LIMITATION PERIOD: 1 year
LAW: Article 524 Civil Code

NATURE OF THE CLAIM:

CONSTRUCTION

Claim for any total or partial collapse of a building which has been constructed or an installation which has been erected, or a defect which threatens the stability or safety of a building
LIMITATION PERIOD: 10 years from the time of delivery of the work (unless the contract specifies a longer period and unless the parties intend that the building or installation should remain in place for less than 10 years)
 Proviso: No claim for compensation shall be heard after the expiry of three years from the collapse or discovery of the defect
LAW: Articles 880 and 883 Civil Code

NATURE OF THE CLAIM:

INSURANCE

Claims arising out of contracts of insurance
LIMITATION PERIOD: 3 years from the date of occurrence of the incident giving rise to the claim or the person having knowledge of the occurrence thereof
LAW: Article 1036 Civil Code

NATURE OF THE CLAIM:

JOINT PROPERTY

Claims for cancellation and redivision of joint property
LIMITATION PERIOD: 1 year
LAW: Article 1173 Civil Code

NATURE OF THE CLAIM:

CHEQUES

Cheque-related claims
LIMITATION PERIOD:
 (a) 2 years from the date of expiry of the time limit set for presentation of the cheque, in the case of a claim for recourse by the bearer of a cheque against the drawer, endorsers and other parties liable for payment of the value of the cheque;
 (b) 1 year from the date on which the liable party paid the value of the cheque or from the date of the judicial claim lodged for payment thereof, in the case of a claim for recourse by liable parties against each other; and
 (c) 3 years from the date of expiry of the time limit set for presentation of the cheque, in the case of the claim of a bearer against the drawee

Exception: the prescriptive periods set out above shall not apply where a drawer has not provided consideration for the payment to be made under the cheque, or has provided such consideration but withdrawn it (either in whole or in part), nor shall it apply to actions against parties who have released an illegitimate profit

LAW: Article 638 Commercial Transactions Law

NATURE OF THE CLAIM:

CRIMINAL OFFENCES

DISCLAIMER:

The information set out above is intended to be used as general guidance only. Please seek legal advice in relation to any particular matter before acting (or refraining to act) in accordance with the information set out above.

Actions for felonies, misdemeanours and contraventions

LIMITATION PERIOD:

- (a) 20 years in the case of offences against the public order, punitive offences, blood money offences, felonies punishable by death sentence or life imprisonment;
- (b) 5 years in the case of misdemeanours; and
- (c) 1 year in the case of contraventions, unless the accused dies beforehand, in which case the right of action shall cease upon death of the accused

LAW: Article 20 of UAE Federal Law No. 35 of 1992 (the "Criminal Procedure Law")

NATURE OF THE CLAIM:

MARITIME LAW

Claims relating to maritime law

LIMITATION PERIOD:

- (a) 1 year in the case of claims for carriage of goods by sea;
 - (b) 1 year in the case of charterparty claims;
 - (c) 2 years in the case of pilotage and towage claims;
 - (d) 2 years in the case of marine collision claims; and
 - (e) 2 years in the case of marine insurance claims
- LAW:** (a) Article 287(a) of UAE Federal Law No. 26 of 1981 as amended in 1988 (the "Maritime Code");
 (b) Article 224 Maritime Code;
 (c) Articles 314 and 317 Maritime Code;
 (d) Article 326 Maritime Code; and
 (e) Article 399 Maritime Code

NATURE OF THE CLAIM:

EMPLOYMENT

Any employment claim brought under UAE Federal law No. 8 of 1980 (the "Labour Law")

LIMITATION PERIOD: 1 year from date of accrual of right of claim

LAW: Article 6 of UAE Law No. 8 of 1980 (the "Labour Law")

“ It is important to note that some of the free zones in the UAE have their own prescriptive periods for certain claims (or statutes of limitation, in the case of the DIFC, which operates as a common law system).

Prescriptive periods in the UAE

Article 473 of the Civil Code states the general rule that the prescriptive period for a claim shall be 15 years in the UAE unless:

- a. there is lawful excuse to hear a claim after such period has expired; or
- b. the prescriptive period for such claim is specified to be a different period elsewhere in the law.

According to Article 478 Civil Code, the prescriptive period commences from:

- a. the date upon which the right falls due for exercise; or
- b. the date upon which a condition is satisfied where such right is dependent on the satisfaction of a condition; or
- c. the date that the entitlement is proved where the claim relates to a guarantee of an entitlement.

Article 481 of the Civil Code provides that the prescriptive period shall be suspended where there is a lawful excuse whereby the claim could not be made (e.g. the claimant being a minor (under the age of 21), the claimant not being of full mental capacity, and moral laws such as the relationship between husband and wife or parent and child). In such case, the calculation of time shall commence or re-commence from the date on which such lawful excuse no longer applies.

It is important to note that some of the free zones in the UAE have their own prescriptive periods for certain claims (or statutes of limitation, in the case of the DIFC, which operates as a common law system).

It is therefore best to be mindful of the applicable jurisdiction when relying on the aforementioned prescriptive periods. □