

## JUDGMENT SUMMARY

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| <b>Neutral Citation</b>                  | [2025] ADGMCFI 0007   |
| <b>Case Numbers</b>                      | ADGMCFI-2020-020 and ADGMCFI-2022-299   |
| <b>Name of Cases</b>                     | <p>NMC Healthcare LTD and associated companies</p> <p>NMC Healthcare LTD (in administration) (subject to a deed of company arrangement) &amp; Others v Bavaguthu Raghuram Shetty &amp; Others</p>   |
| <b>Judge</b>                             | Justice Sir Andrew Smith  |
| <b>Date Issued</b>                       | 14 April 2025   |
| <b>Catchwords</b>                        | <p>Anti-money laundering legislation. Suspicious Transaction Reports.</p> <p>Disclosure in civil litigation.</p>  |
| <b>Cases Cited</b>                       | <p>NMC Healthcare Ltd &amp; Ors v Dubai Islamic Bank PJSC &amp; Anor [2023] ADGMCFI 0017</p> <p>Dubai Court of Cassation, Commercial Case No 1098/2018 (17 November 2019)</p> <p>Dubai Court of Cassation, Civil Case No 440/2021 (11 November 2021)</p> <p>Dubai Court of Cassation, Civil Case No 357/2022 (22 December 2022)</p> <p>Kirtanlal International v State Bank of India and ors [2002] DIFC CFI 041</p> <p>Brendon International Ltd v Water Plus and anor [2024] EWCA Civ 220</p>   |
| <b>Legislation and Authorities Cited</b> | <p>Federal Decree-Law No. (20) of 2018 on Anti-Money Laundering, Combating the Financing of Terrorism and Financing of Illegal Organisations, as amended by Federal Decree-Law No. (26) of 2021 (the “AML Law 2018”) – Articles 1, 2, 5, 6, 9, 15, 16, 17, 25, 27, 33 and 34(2)</p> <p>Federal Law No. (8) of 2004 on Financial Free Zones – Article 3(1)</p> <p>Abu Dhabi Law No. (4) of 2013, as amended by Abu Dhabi Law No. (12) of 2020 (the “ADGM Founding Law”)</p> <p>Federal Law No. (5) of 1985 concerning the Issuance of the Civil Transactions Law of the United Arab Emirates (the “UAE Civil Code”) – Articles 282, 283 and 285</p> <p>Federal Decree-Law No. (10) of 1980 on the Central Bank, the Monetary System and Organisation of Banking – Article 94</p> |

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|                          | <p>Federal Law No. (4) of 2002 regarding the Criminalization of Money Laundering (the “2002 AML Law”) – Articles 12, 15, 16 and 20</p> <p>UAE Central Bank Circular, 24/2000</p> <p>Cabinet Decision No. (38) of 2014 on the Implementing Regulation of Federal Law No. (4) of 2002 regarding the Criminalization of Money Laundering – Article 22</p> <p>Cabinet Decision No. (10) of 2019 on the Implementing Regulation of Federal Decree-Law No. (20) of 2018 on Anti-Money Laundering, Combating the Financing of Terrorism and Financing of Illegal Organisations (as amended), as amended by Cabinet Resolution No. (24) of 2022 – Articles 17(1), 18(1) and 42</p> <p>ADGM Insolvency Regulations 2022 – Section 251</p> <p>ADGM Courts, Civil Evidence, Judgments, Enforcement and Judicial Appointments Regulations 2015 – Section 73(1)</p> <p>United Kingdom Proceeds of Crime Act 2002</p> <p>Faruqi’s Law Dictionary (2008)</p> <p>Bennion, Bailey and Norris on Statutory Interpretation (8th Ed, 2020) – Section 21.2</p> |
| <b>Executive Summary</b> | <p>This judgment addresses an application by the Bank of Baroda (“<b>Baroda</b>”) to prevent the disclosure of Suspicious Transaction Reports (“<b>STRs</b>”) in ongoing civil litigation initiated by NMC Healthcare and its administrators against Baroda and others, alleging fraud. The central legal question revolves around the interpretation of UAE’s anti-money laundering legislation, specifically Article 17 of Federal Law No. (20) of 2018, and whether it prohibits the disclosure of STRs in civil proceedings. The Court analysed the confidentiality rule surrounding STRs and its exceptions; considered expert opinions on UAE law and previous case precedents. The Court ultimately granted Baroda’s application, concluding that the legislation prevents such disclosure in this context.</p>  |
| <b>Overall Summary</b>   | <p><b>Background</b></p> <p>This Abu Dhabi Global Market (“<b>ADGM</b>”) Court of First Instance (Commercial &amp; Civil Division) judgment concerns an application by the Bank of Baroda (“<b>Baroda</b>”), the Third Defendant in proceedings brought by NMC Healthcare Ltd and others (the "<b>NMC Claimants</b>"), seeking that it should not be required to disclose any Suspicious Transaction Reports ("<b>STRs</b>") of which it has control. The application was opposed by the NMC Claimants.</p> <p><b>Analysis</b></p> <p>The central question before the Court was whether the anti-money laundering legislation of the United Arab Emirates (“<b>UAE</b>”), specifically Federal Law No. (20) of 2018 (as amended), prevents a party in ADGM civil litigation from disclosing STRs made to the Central Bank of the UAE.</p>   |

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|  | <p>The Court noted that Federal Law No. (20) of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Financing of Illegal Organisations (the “<b>2018 AML Law</b>”) repealed Federal Law No. (4) of 2002 regarding the Criminalization of Money Laundering”, which also contained provisions regarding money laundering and reporting.</p> <p>The crucial provision under consideration was Article 17 of the 2018 AML Law, which, based on the translation adopted for the hearing, states: “<i>The information obtained in relation to a suspicious transaction, or a crime provided for under this Decree-Law shall be considered confidential and may not be disclosed except to the extent necessary for use in investigations, lawsuits or cases related to the violation of the provisions of this Decree-Law</i>”.</p> <p>The Court considered two main issues regarding the exception to this confidentiality rule:</p> <ol style="list-style-type: none"> <li>1. Does the exception cover disclosure in civil proceedings?</li> <li>2. Are the present proceedings brought by the NMC Claimants “<i>related to the violation of the provisions</i>” of the 2018 AML Law?</li> </ol> <p>The Court had before it expert evidence on UAE law from Dr Habib Mohammed Sharif Al Mulla (for Baroda) and Mr Ali Al Aidarous (for the NMC Claimants) regarding the interpretation of Article 17.</p> <p>The Court ultimately preferred Baroda's interpretation, supported by Dr Al Mulla's evidence, concluding that the exception in Article 17 does not cover disclosure in ordinary civil litigation. The Court reasoned that the Arabic word translated as “<i>lawsuits or cases</i>” in the exception, when read in the context of “<i>investigations related to the violation of the provisions of this Decree-Law</i>”, is most likely intended to refer to legal proceedings directly concerning breaches of the 2018 AML Law, rather than general civil litigation where the AML Law might be peripherally relevant. The Court also found force in the argument that interpreting “<i>lawsuits</i>” and “<i>cases</i>” as both covering civil proceedings would render one term redundant, contrary to principles of Arabic legal interpretation.</p> <p>Furthermore, the Court held that even if the exception could, in principle, cover civil proceedings, the proceedings brought by the NMC Claimants are not “<i>related to the violation of the provisions</i>” of the 2018 AML Law. The NMC Claimants' pleaded claims against Baroda are for breach of tortious and contractual duties, informed by regulatory duties, but do not include a claim for breach of the 2018 AML Law itself.</p> <p>The Court also addressed arguments made by the NMC Claimants based on Dubai Court of Cassation cases and a DIFC Court judgment (Kirtanlal International). The Court found that the Dubai Court of Cassation cases did not directly address Article 17 or the issues in the present application. Regarding the Kirtanlal International case, while an STR was referenced in open court, the judgment did not consider the meaning or effect of Article 17.</p> <p>Finally, the Court noted and dismissed concerns raised by the NMC Claimants about the impartiality of Dr Al Mulla's expert evidence.</p> |
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|  | <b>Conclusion</b><br><br>The Court granted Baroda's application, ruling that it is not required to disclose any STRs. The Court invited the parties to seek agreement on the specific terms of the order, including whether it should cover draft STRs and further information provided to the Financial Information Unit. |
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*This statement is not intended to be a substitute for the reasons of the Court or to be used in any later consideration of the Court's reasons.*