

JUDGMENT SUMMARY

Neutral Citation	[2026] ADGMCFI 0001
Case Number	ADGMCFI-2024-169
Name of Case	Dijllah Jewellery FZE v AVA Trade Middle East Limited
Judge	Justice Paul Heath KC
Date Issued	13 January 2026
Catchwords	Principles of contractual interpretation. Objective meaning and business common sense. Breach of contract. Contracts for difference. Unauthorised deductions to trading account.
Cases Cited	<i>Arnold v Britton & Ors</i> [2015] UKSC 36 <i>Dijllah Jewellery FZE v AVA Trade Middle East Ltd</i> [2025] ADGMCFI 0010 <i>Prenn v Simmonds</i> [1971] 1 WLR 1381 (HL) <i>Rainy Sky SA & Ors v Kookmin Bank</i> [2011] UKSC 50 <i>Reardon Smith Line Ltd v Yngvar Hansen-Tangen</i> [1976] 1 WLR 989 (HL) <i>Sara & Hossein Asset Holdings Ltd v Blacks Outdoor Retail Ltd</i> [2023] UKSC 2 <i>Wood v Capita Insurance Services Ltd</i> [2017] UKSC 24
Executive Summary	<p>The Abu Dhabi Global Market (“ADGM”) Court of First Instance (Commercial & Civil Division) delivered judgment in favour of the Claimant, Dijllah Jewellery FZE (“Dijllah”), ordering the Defendant, AVA Trade Middle East Limited (“AVA Trade”), to pay the sum of USD 988,884 along with interest and costs.</p> <p>The dispute arose after AVA Trade deducted USD 988,884 from Dijllah’s trading account, initially claiming the deduction was a retrospective adjustment because Dijllah had used privileges reserved for Islamic trading accounts.</p> <p>Following the Court’s previous judgment in these proceedings which ruled that the account was not designated as an Islamic Account by</p>

	<p>Dijllah, AVA Trade submitted that the deduction was justified under the general terms for conventional accounts. The Court held that the terms of the parties' contract did not support this. Consequently, AVA Trade's retrospective deduction constituted a breach of contract.</p>
Overall Summary	<p>Background</p> <p>Dijllah is a gold bullion company that used a trading account held with AVA Trade to hedge client activities between February and June 2023. On 7 June 2023, Dijllah requested a withdrawal of USD 1 million from a trading account held with AVA Trade. AVA Trade rejected this request and subsequently deducted USD 988,884 from the account, retaining the funds for its own benefit.</p> <p>AVA Trade defended the deduction by alleging that Dijllah had verbally requested to designate its account as an "<i>Islamic Account</i>" (which is "SWAP free" and does not charge overnight interest), and had used the SWAP free account privileges. However, in a Preliminary Issues Judgment dated 23 May 2025, the Court found that as a matter of fact, Dijllah had not elected to designate the account as an Islamic account.</p> <p>AVA Trade argued that even if the account was a conventional (i.e. non-Islamic) trading account, it was entitled to make the deduction under Clause 15 of the General Terms and Conditions agreed between the parties. AVA Trade's expert gave evidence that the deduction amount was consistent with the industry standard formula for SWAP charges that would have applied to a conventional account.</p> <p>Analysis</p> <p>The Court applied the leading authorities on English law principles of contractual interpretation, examining the objective meaning of the language of the General Terms and Conditions in their commercial context. The Court's considered the distinction between the clauses governing fees for conventional and Islamic accounts.</p> <p>The Court interpreted Clause 15.9.4, which, in relation to conventional accounts, provided that financing charges are to be debited "<i>on the next trading day following the day to which it relates</i>". The Judge found that this strict timing is commercially vital because traders need contemporary data to apportion charges to their own clients. The clause does not provide for retrospective recalculation.</p> <p>In contrast, Clause 25.4, in relation to Islamic accounts, explicitly granted AVA Trade the right to take actions including "<i>retrospectively effecting required adjustments</i>" if a client were to use SWAP free benefits of an Islamic account. The Court noted that this power to adjust retrospectively would help prevent misuse of the more favourable terms of an Islamic account.</p>

	<p>Conclusion</p> <p>The Court found that AVA Trade could not rely on the retrospective adjustment powers found in Clause 25.4 because, as the Court had ruled in the Preliminary Issues Judgment dated 23 May 2025, Dijllah's account was not designated as an Islamic account in accordance with the General Terms and Conditions. The Court further held that the General Terms and Conditions did not entitle AVA Trade to calculate and deduct these charges retrospectively simply because it had mistakenly treated the account as an Islamic one. The Court ruled that AVA Trade was liable to Dijllah in breach of contract by applying Dijllah's money for its own benefit, and ordered repayment of the deduction.</p>
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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.