

**Court confirms the basis of claim against Deloitte and Touche (Middle East) – a Dubai court will use Lebanese law to examine the Big 4 auditor’s role in the collapse of Lebanese Canadian Bank, the bank shut down by US authorities for its involvement with money laundering by drugs cartels and terrorist financiers.**

*Nest Investments Holding SAL, which was founded by leading Gulf entrepreneur – Ghazi Abu Nahl – is one of several Claimants suing DTME for failures relating to its anti-money laundering checks of Lebanese Canadian Bank.*

[Date XXX] – In February 2018, a Judge of the Dubai International Finance Centre Court dismissed arguments by Deloitte and Touche (Middle East) (DTME) that a claim against them, relating to their audits of the Lebanese Canadian Bank, had no real prospect of success and ruled that it should proceed to trial.

DTME initially appealed the Judge’s decision and resisted various amendments to the claim. However, DTME has rightly decided to abandon its appeal and the amended claim will now proceed. The Judge ordered DTME to pay costs of \$21,000 to the Claimants for dealing with DTME’s unreasonable opposition to amendments to the claim.

In what is believed to be a legal first, the claim is brought in the DIFC under Lebanese Law. The Claimants, including Nest Investments SAL, will allege that DTME knew, or should have known, that Lebanese Canadian Bank was involved in criminal activity, but that in reviewing Lebanese Canadian Bank’s anti-money-laundering and counter-terrorist financing compliance, DTME nevertheless failed to raise any suspicions. The claim also alleges audit failings relating to Deloitte’s audits of Tabadul, a UAE-based subsidiary of the Lebanese Canadian Bank. The Claimants allege that DTME committed intentional or unintentional faults under Lebanese law.

The Court’s position confirms that DIFC Institutions can be liable for the acts or omissions of foreign agents in other jurisdictions.

A spokesperson for the Claimants said:

*“We remain confident in the merits of our Claim against Deloitte in the Middle East. These allegations are serious in nature – involving complicity in money laundering and terrorist financing through the Lebanese Canadian Bank, and serious audit failings in relation to Tabadul in the UAE. The Defendant plays a prominent role in the Middle East audit market and remains the auditor in liquidation at the Bank. It is therefore particularly important that the allegations against DTME are heard and answered in a competent court.”*