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trowers & hamlins

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Foreword

Welcome to the autumn edition of Middle East Business Law Review.

Economies across the world have been hit hard by the global financial crisis. As a region, the Middle East was one of the last to be seriously affected. However, despite the economic downturn, some sectors and markets continue to thrive and there are encouraging signs. The Middle East looks as though it will have one of the fastest-growing economies in the world this year as can be seen in Qatar, and there will also be some of the largest government spending pledges as evidenced by Saudi Arabia's SR475 billion budget for the year. The recent rise in the price of oil will increase confidence in the region that the worst has passed. Our clients have been increasing activity through the summer and we look forward to stronger activity still as we move towards the end of 2009.

In this issue, Rami Cheblak offers an overview of restructuring initiatives of corporate structures in Oman and the Gulf region following the recent surge in activity due to the current global financial crisis. Meanwhile, Robyn Waller examines the recent federal abolition of the minimum share capital and its impact on Limited Liability Companies within the United Arab Emirates.

Also in this issue, Donovan Rinker-Morris provides an overview of the Saudi Arabian General Investment Authority, its role and the steps involved for foreign companies wishing to establish a presence in the Kingdom. Buthaina Amin reviews the draft Unified Tax Law in Jordan and its likely impact on Jordan's national economy and Mark Orman discusses Abu Dhabi's suite of new property laws that are about to be issued by the Municipality and the Executive Council later on this year. Neale Downes and Abdullah Mutawi provide an overview on the administration process of financial institutions in the Kingdom of Bahrain.

Finally, Johannes Eisser considers the implications of the change in UAE Law permitting full business ownership by foreign companies.

If you have any queries on the issues raised in the articles in this edition, please do not hesitate to contact any of the writers, or me, at any time.



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Restructuring in Oman

The past year has seen a burgeoning growth in restructuring initiatives in the Gulf region and, whilst this trend predates the current financial crisis, restructuring or organisational restructuring is still topical. Restructuring initiatives in the Middle East region pose different challenges to those in the US and European jurisdictions, where more established processes and regulations allow smoother implementation.

Restructuring in the Middle East

Restructuring is now much more common in the Middle East. There are a number of reasons for this. First, the impact of the global financial crisis has resulted in a new emphasis on finding ways to cut costs. Second, because a number of businesses in the Middle East have traditionally been run or owned by high profile local families, there has been a tendency to avoid making public reference to the failure of businesses. Third, despite the pace of economic development in the GCC region in recent years, local

insolvency laws in some jurisdictions have remained relatively unchanged and may be out of step with the regulatory requirements that have arisen alongside such economic growth. This economic growth and increased foreign investment in recent years has seen the expansion into the region of international companies that are used to restructuring in their home jurisdictions. Coupled with the onset of the current financial crisis, these developments have led to regional restructuring initiatives surfacing more frequently and publicly. However, notwithstanding the increased volume of regional restructuring activity, challenges with implementation remain.

Oman restructuring challenges

To date, Oman has weathered the economic crisis relatively well, with no significant corporate or financial collapses. The current trend of restructuring in Oman is therefore being driven not by insolvency, but by international companies looking to save costs. One of the key issues facing international clients is arrangements with local agents, many of which may have been in place for several years. The commissions paid to agents under these arrangements can be significant. Setting up a new



company in Oman, and channelling current business into the new company, can allow international companies to save the expense of agent commission payments and operate more autonomously. However, the implementation of such restructuring initiatives gives rise to a number of challenges.

Omani agency law is protective of local agents, particularly in relation to termination, which can be a protracted and costly process. For example, the law provides that compensation is payable by the principal where the agreement is terminated, or is not renewed, without the agent having committed a breach justifying such termination or non-renewal. Typical issues arising on termination of long-standing agency agreements are: use of old agreements that are balanced in favour of the agent (dating from a time when there was a smaller, more influential pool of agents), challenges finding legal grounds for termination, costly pay-offs backed by minimum compensation requirements under agency law, and protracted termination disputes.

As part of their operations, agents will often maintain a strong relationship, and hold sway, with Government authorities. An awareness of this political dimension, and an ability to manage relationships with Government officials, is an important part of successfully managing a restructuring process in Oman.

In addition to agency issues, other restructuring issues can arise in relation to permits and employees.

If a new company is set up, it will often require operational approvals and permits

from Government authorities in order to carry out its activities. The process of obtaining these permits can be a bureaucratic one. There are often no documented official procedures for the transfer of such permits. Direct engagement of Government authorities is usually required to ascertain these processes and responses can vary according to official discretion.

Oman's Labour Law provides for the automatic transfer of employees upon a business transfer (not unlike TUPE in the UK). However, this provision may not always apply to the transfer of company employees sponsored by local agents to the new company. In addition, 'Omanisation' requires companies to have a minimum percentage of Omani employees, which varies by sector, and needs to be factored into the restructuring process.

The future

Recent regional trends indicate quite clearly that, as economies contract, restructuring expands. The current financial crisis has not only lead to flurries of regional restructuring activity, but has also had a profound impact on regional business culture and local attitudes towards pursuing business solutions that were previously overlooked. As the volume and scale of restructuring initiatives grows both in Oman and the Middle East generally, and local familiarity with such initiatives increases, the regional challenges associated with implementation are bound to become progressively easier to overcome.



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Abolition of minimum share capital requirements for UAE limited liability companies

The recent Federal abolition of the minimum share capital has been heralded as a sign that the UAE is focused on regenerating the economy through easing the requirements for setting up a business, thus encouraging local and international investment.

The Commercial Companies Law of 1984 (CCL) was amended on 7 July 2009 to remove the effect of considerably reducing (with some exceptions) the specified minimum share capital requirement originally set down in the CCL. The requirement that a minimum of 51% of the limited liability company (LLC) be owned by a UAE national, or company owned by a UAE national, remains in place.

Federal Law Number 1 of 2009 amends Article 227 of Federal Law Number 8 of 1984. Article 227 stipulated that the share capital of an LLC should not be less than AED 150,000 (in Dubai this was, in practice, set at AED 300,000) and that the value of each share should be a minimum of AED 1,000.

The new Federal Decree has removed the minimum share capital requirement, and the stipulations on share value, stating only that:

'The limited liability company shall have enough capital to achieve the object for which the Company was established and it shall be determined by its partners and it shall be composed of equal shares.'
(unofficial translation)

The local UAE media have reported that this change in the law opens the door to regional and international investment and increases the ease of doing business. Sultan Bin Saeed Al Mansouri, the Minister of Economy was quoted in Gulf News on 10 August 2009 as saying:

'The decree reflects the wise leadership's vision, which aims to develop the investment atmosphere in the UAE and diversity of investment sectors to guarantee ongoing economic development and prosperity for UAE nationals and residents'

The amended law is intended to encourage the growth of small businesses in the UAE, and reduce the paperwork (and thus the considerable time) involved in setting up an LLC. These intentions are to be applauded when one considers that the UAE ranks 49th in the World Bank's ease of doing business rating, just below Armenia and Tonga.

Previously under the CCL, a foreign company wishing to set up an LLC in Dubai required no less than 14 documents, originating from several different sources, to be reviewed by various government departments, and many requiring full authentication and translation into Arabic. The amended law will go some way to addressing this time consuming and burdensome procedure by reducing the number of required documents.

Local media have greatly focussed upon the boost that the amendment will bring to small

to medium sized enterprises (SMEs) in the UAE. According to Pawan Bindal of Dun & Bradstreet (*Emirates Business 24/9*), SMEs constitute 58% of all private sector employment in Abu Dhabi and 24% of overall GDP. The abolition of minimum capital requirements, will ultimately encourage more SME start ups. However, SMEs face a large number of other obstacles to setting up in the UAE, from registration expenses and high rent, to difficulty in obtaining credit and the high interest rates that come from successful applications.

Interpretation and practical application

In practice, it remains to be seen how the various government departments involved in approving an application to establish an LLC will interpret Federal Law 1 of 2009.

It has been suggested by the Economic Department in Dubai (the body responsible for issuing business licences) (DDED) and the Ministry of Economy that the minimum required share capital of a company will depend upon the business activities that the company wish to carry out. However, neither body has to date produced public guidelines to clarify this suggestion and it remains unclear how the authorities will view what constitutes the minimum share capital for each activity.

For example, the DDED verbally informed the author that the share capital for finance related companies will remain at three million dirhams. Real estate related activities will also require a deposit of several million dirhams. However, all other activities (including historically highly regulated activities such as building contracting) will not be required, by the DDED, to evidence any minimum share capital.



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It has been reported that the Ministry of Economy in Abu Dhabi has stated that minimum capital requirements are still in place, and that they will be decided upon a case by case basis. The size of the company and its planned activities will be main determining factors for the share capital value.

Overall, the new law is positive. It reflects the UAE authorities' concerns as the new law aims to increase the ease of doing business in the UAE and ultimately boost the economy through reducing bureaucracy. However, only time will tell what the actual effect of this new measure will be.



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Saudi Arabian General Investment Authority

For most foreign companies, the Saudi Arabian General Investment Authority (SAGIA) is the gateway for establishing a permanent operation in Saudi Arabia. Foreign companies may appoint agents, distributors, obtain temporary registrations, or create a presence on the ground by other means, but many find establishing a branch or subsidiary in Saudi Arabia to be the ideal strategy for reaching customers in the Kingdom.

SAGIA has licensed thousands of foreign companies to do business in the Kingdom through its "one-stop shop" offices that bring together representatives from several different government authorities in one location. As a result of these and other initiatives, Saudi Arabia was ranked as the 16th easiest country for business in the 2009 "Doing Business in the World" report by the World Bank Group.

Of course, the report only considers small and medium domestic companies, and the rankings are wholly inapplicable for foreign companies. A company with any amount of foreign ownership should not expect the same time frames to complete registration procedures as a 100% Saudi company, but the general licensing regime compares with those adopted by other jurisdictions in the region.

Yet the World Bank report remains silent



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about the requirements to maintain business operations once established. For this, SAGIA can raise unusual issues.

The SAGIA License Pursuance Department, also known as the "Follow Up Department," monitors the activities and operations of companies with foreign investment licenses to ensure compliance with Saudi law and to verify that they are actively practising their licensed activities and no unlicensed

activities. Foreign companies that violate these requirements may be subject to penalties, which include the elimination of certain incentives and privileges, fines of up to 500,000 Saudi Riyals, and/or the revocation of the foreign investment license.

Decisions to impose penalties appear to be uncommon, but the Follow Up Department can issue a temporary freeze on a company's foreign investment license until it is satisfied that the company is compliant. Such a temporary suspension can impede the ability of a company to obtain visas, perform certain routine corporate actions such as replacing management, or similar tasks involving government affairs.

The Follow Up Department typically commences a review by scheduling a visit to a company's headquarters, where their representatives will seek to review certain company documents and assess the activities of the company. If the inspector is unsatisfied, the Follow Up Department may request senior managers to produce additional documents and meet with them at SAGIA.

Many documents requested by the Follow Up Department are commonly requested items for foreign companies, such as the commercial registration certificate, tax certificates, social insurance certificates and similar documents that might be referred to during a tendering process. Others are more unusual, such as copies of the first and last contract executed by the company and the largest contract by gross value the company has executed to date.

Reviewing the contracts permits the Follow Up Department to assess whether the activities of the company match its licensed

activities. However, many such contracts include nondisclosure terms or other restrictions that make complying with SAGIA's request problematic. Further, in many cases, Saudi contracts are part of broader agreements between a foreign company and Saudi customers, such that the portion of the agreements to which the Saudi entity is a party, do not reflect the actual relationship.

The Follow Up Department makes other requests it deems appropriate, such as information about vehicles or other means of transportation owned or leased by the company, information about lease arrangements and the municipal licenses that may be held by landlords rather than the company itself. The Follow Up Department adopts a reasonable and pragmatic approach to reviewing these items, and provided most documents are in order and the company appears to be properly fulfilling its licensed activities, it may waive certain requirements upon review and determination that various documents are immaterial.

The system discourages foreign companies from establishing holding companies in Saudi Arabia or other entities which are not actively pursuing specific projects, and can also raise legal issues for foreign companies doing business in the Kingdom. Reviewing the documents with legal counsel and preparing them for presentation to SAGIA or other government authorities as required is a prudent option for any company with long-term aspirations in Saudi Arabia.



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Looking forward to a new property law regime in Abu Dhabi

Abu Dhabi's much-anticipated suite of new property laws are believed to be in the final stages of consideration by the Municipality and the Executive Council and are expected to be issued during the second half of 2009.

This will be timely, and indeed the laws are required, due to the first wave of substantial projects reaching completion such as those on Reem Island and at Al Raha Beach. During boom times in the region, these projects were able to attract investors and buyers despite the lack of a proper regulatory framework. However, times have changed, and it will be vital for Abu Dhabi to have a sophisticated legal framework in place to support investment and maintain consumer confidence. An effective and transparent legal regime will help everyone get the fundamentals right, and will leave Abu Dhabi better placed for economic recovery. Experience elsewhere suggests that there will inevitably be transitional issues for the industry to grapple with. The impact of the new property laws will depend upon their completeness once implemented.

It has been widely reported that the new laws are expected to comprise of: a strata title law, a mortgage law, an escrow law, a law establishing a regulator and a registration law. It will be crucial for each to



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be well considered, comprehensive and also for the administrative bodies involved to be well funded and staffed. In an ideal scenario, we would hope to see the following:

- **Strata law** – the detailed supporting regulations must be issued concurrently with the main law, and should include a prescribed form of Owners' Association Rules, voting powers, service charge guidelines and survey plan standardisation.
- **Mortgage law** – this will need to define banks' and borrowers' rights, particularly in respect of loans for off-plan properties, and should provide robust and effective foreclosure remedies for banks to bring maturity to the market.



- **Escrow law** – supporting regulations as to how this will operate in practice should be introduced concurrently with the law. In the interests of investor confidence, we would hope to see to a robust and intelligent regime prescribed for completion targets, pay-out obligations, termination and refund procedures.
- **Regulatory body and registration laws** – the regulator's office must be established with sufficient budget and staffing to operate effectively. This is challenging given the size of the market, the number of projects and the number of registrations that will be required within a short space of time.

Careful implementation of these new laws is crucial at a time when Abu Dhabi's property market has sustained some of the largest price drops in the world and a tangible loss of consumer confidence. A new legal regime could provide a timely pick-up to the market, and will be vital in creating a sustainable recovery.

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Draft Unified Tax Law in Jordan

The current Jordanian tax system has been criticised as complex and inefficient due to at present, 18 laws which include provisions on tax. The draft Unified Tax Law is intended to be part of the new economic legislation that the Government of Jordan is implementing to improve the investment environment and increase the competitiveness of the national economy.

The proposed legislation is set to streamline and unify the current tax system into one thus amalgamating the different taxes into five main groups: income tax, general sales tax, special sales tax, tax on property transfer and sales duties.

The draft Unified Tax Law will lower the income tax on industry from 15% to 12%, and on companies in the service industry from 25% to 12%. It will also increase personal exemptions to JD12,000 annually and increase family exemptions from JD12,000 annually to JD24,000 annually. With regards to corporate income tax, the draft legislation proposes lowering the rate



levied on banks from 35% to 25%. By doing so, the separate one percent levy on corporate income will be eliminated. The new draft Unified Tax Law also aims to exempt the first JD50,000 of taxable income earned from agricultural activities whilst the 16% General Sales Tax (GST) rate as well as the preferential GST rates and exemptions have been retained.

The measure has been cited as a 'regressive tax' as those who earn more will be taxed less. However, the Government of Jordan has reiterated that the proposed legislation will have a positive effect on the national economy by reducing the amount of taxes collected from individuals as it is aimed to help the poor by granting more tax exemptions on income. Indeed, as the first JD24,000 will be exempt, so will 90% of Jordanian families.

The main area of contention appears to be the reduction in income tax on banks from 35% to 25% which has been condemned by many in the current economic climate. It is estimated that the cut will cost the Government of Jordan JD300 million in lost revenue. However, it has been argued that although the draft Unified Tax Law will lower government revenue for at least the first year or two, the fall will be countered in the long term by a better system of tax collection.

Local industrialists have also stated that a high tax rate on the industrial sector will lead to a decline in the competitiveness of national industries despite the drop in the rate of taxation. This has lead industrialists to call for additional measures such as attractive laws, procedures of registration and licensing in order to improve the investment climate.

Few expect the law to be passed in its current form. Although the simplification of the current tax system will make it easier to monitor taxes and therefore the Government of Jordan expects to yield higher returns, some believe that a decreased income tax on banks will not be approved, nor will the proposed exemptions on families earning less than JD24,000 a year.

Ultimately it is feared that the cumulative effect of months of debate, detailed Government discussions, a lengthy implementation process and a delay before the tax rebates take effect, the draft Unified Tax Law will arrive too late to address the current financial concerns.



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Administration of financial institutions in the Kingdom of Bahrain

The Middle East and the Gulf in particular, is not a region familiar with failing financial institutions. However, recent events have provided further proof that its banks are not immune to the effects of the global economic crisis. Whilst a number of regional financial institutions found themselves in difficulties – in certain cases moving quickly to reinforce their capital base – the failure of two Bahrain-based financial institutions has given rise to a number of firsts in the area of insolvency and consequent actions taken by regulators.

In August 2009, Trowers & Hamblins was appointed by the Central Bank of Bahrain (CBB), the regulator of Bahrain's financial services industry, as the external administrator of The International Banking Corporation BSC(c) (TIBC) under Part 2 of Chapter 10 of Central Bank and Financial Institutions Law 2006 (CBB Law). This section of the CBB Law provides a framework within which parties involved in the administration of a CBB licensee should operate.

How does an administration take effect?

When the CBB deems one of its licensees to have become insolvent, it may, under Article 136 of the CBB Law, either assume the administration of the licensee in question itself or appoint an "external administrator" to

conduct the administration on its behalf. Unlike similar processes in other jurisdictions, any external administrator shall act as an agent of the CBB and will owe its duties to the CBB rather than to the licensee or creditors. However, the external administrator would still seek to exercise its powers in the best interests of creditors and other stakeholders. The licensee must bear all costs and expenses of the administration, including the fees of any external administrator appointed.

The first important step that the administrator must take upon assuming office is to immediately publish a notice to this effect in the Official Gazette and in one Arabic and one English language local newspaper. The notice must also be displayed in every place of business of the licensee throughout the entire period of administration. On the day following the publication of these notices, the appointment of the administrator will then take effect.

It is, however, open to the licensee to appeal the decision of the CBB to place it into administration within ten days of the decision being published. If the licensee does appeal the decision, the CBB has a duty to respond to the licensee with its written decision within fifteen days from submission of the appeal. Should the appeal be rejected, the CBB must then give reasons for its decision. This decision can be challenged by the licensee in the Bahrain courts within 30 days of its receipt.

What are the administrator's duties?

Once the licensee has been placed into administration, the administrator will be able to exercise all the necessary powers in order to manage and run the licensee's business. The administrator is able to take any actions in the interest of the licensee and for the

protection of its customers and creditors. This includes the power to suspend operations, suspend or limit the discharge of financial obligations, conclude agreements and sign any documents, and to commence and defend any legal proceedings in the name of the licensee. The administrator may also dismiss any employees (provided that reasons are given), declare a moratorium with respect to any of the licensee's debts and discharge obligations to certain creditors in preference to others, should it be advantageous to the licensee to do so. The administrator may also nullify any agreement entered into by the licensee before the administration period if it would be in the interest of the licensee to do so, to protect its customers or to avoid irrevocable damage. If any such agreement is to be nullified, it can be done only with permission from a competent court.

It is important to note that, during the course of the administration, no action may be taken to enforce any security over any property of the licensee and no legal proceedings or any other measures may be commenced, or continued, against the licensee or its property, without the approval of the administrator. However, such action may be taken if it is in the course of executing a court judgment or order which was issued before the administration commenced.

The 30-day inventory report

During this initial period of the administration, the administrator will work to collate information in order to prepare an inventory of the licensee's rights, assets and liabilities. This inventory must be prepared within thirty days of the administrator assuming office and submitted to the CBB. One copy of the inventory will be kept at the CBB and another copy, if required, will be placed at

the licensee's principal place of business, where it will be available for inspection by creditors and other interested parties.

Following this initial thirty day period, the external administrator and CBB will work together to decide how best to go forward with the administration and the next steps to take. The administration must be terminated within two years from its commencement and, with prior approval of the CBB, the external administrator may submit a petition to the Competent Court for compulsory liquidation of the licensee.

Where are we now and next steps?

Since assuming our role as external administrator on 10 August 2009, we have been working within the framework of the CBB Law to carry out our duties. In accordance with the CBB Law, and as detailed above, we have prepared an inventory of TIBC's rights, assets and liabilities and have made this available to creditors and for inspection at TIBC's principal place of business. Having completed this initial phase, our primary role is now to develop an asset recovery strategy for the benefit of the creditors which will involve working closely with the CBB and creditors in order to maximise recovery and realisation of assets.



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New draft investment law and proposed changes to laws affecting foreign investment in the UAE

In mid September 2009 the press in the UAE reported that foreigners may be entitled to full business ownership in the UAE. Based on statements made by the Minister of Economy Sultan bin Saeed Al Mansouri, the reports indicate that both a new industry law and a new foreign investment law are being drafted and will be submitted to the cabinet for approval within two months.

The UAE government has reiterated that it is determined to improve its international competitiveness and to liberalise its economic system. The UAE is seeking to reduce its reliance on the oil and gas sector, diversify its economy and attract foreign investment. Recently the UAE government scrapped the AED150,000 minimum share capital requirement for limited liability companies in order to facilitate business start-ups.

Current laws affecting foreign investment

Unlike Qatar or Saudi Arabia, the UAE does not have a specific law which addresses issues relating to foreign investment. In the UAE, a number of laws apply of which the Federal Law No 8 of 1984 concerning Commercial Companies (Companies Law),

Federal Law No 1 of 1979 – regarding Regulation of Industries, Federal Regulation of Conditions of Purchases, Tenders and Contracts, Financial Order No 16 of 1975 and Federal Law No 18 of 1981 concerning Commercial Agencies currently have the greatest impact on foreign investors.

Up to now, foreigners have had to partner with a UAE national in order to conduct business in the UAE. The mandatory involvement of a UAE national and the fact that international investors are limited to a minority 49% stake in UAE companies is widely considered as a major obstacle when doing business in the UAE.

Proposed new laws and changes

The Minister of Economy did not announce any details of the new foreign investment law and new industry law apart from stating that the new laws aim to create the right environment to attract foreign investment. In line with the UAE government's policy, the Minister of Economy stated that the UAE is aiming for high-tech and capital-intensive industries. However, according to the Minister's statements, which were published in the national newspapers, it appears as though the sectors and industrial projects in which 100% foreign ownership will be allowed have yet to be determined.

It is unclear if the new foreign investment law will address issues relating to foreign ownership of land and real estate. At the moment each of the emirates has its own laws dealing with ownership of land and real estate as there are no comprehensive federal laws in this regard; although the UAE Constitution provides that it comes under the banner of the federal government. In previous years the different standards in each of the emirates were considered to be



a complicated issue when drafting the foreign investment law.

Effect on free zones

Currently within the free zones, foreigners already have the right to own 100% of a business and are not required to share ownership with UAE nationals. However, if 100% ownership is permitted outside the free zones, investors may view this as an opportunity to migrate to the UAE mainland in order to avoid the limitations of free zone licences. However, free zones may stay competitive if they provide superior centralised services, infrastructure, products and tax incentives. Furthermore, an additional incentive for foreign companies to look towards free zones would be because they also generally guarantee a tax free environment for a number of years.

However, companies operating in free zones are currently not exempt from UAE and GCC customs duties because products manufactured within the free zones are not classified as originating from the UAE. It may be the case that free zone companies will be exempt from customs duties if they fall under the new industrial law.

Conclusion

The scope and content of the new foreign investment law and industry law are still unclear. Only after these laws have been issued will it be possible to determine if they are an improvement on the current regime.

It is not the first time that government officials have publicly discussed new laws and amendments to laws affecting foreign investment. In fact, the introduction of a foreign investment law has been tabled for a number of years and the abolition of one of the major obstacles, the UAE national majority requirement for companies, for even longer.

The latter will probably, if at all, only be addressed in a revised Companies Law which will hopefully also remove weaknesses and short comings of the current regulations.



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News from around the region

RO 3 billion to be invested in power projects in Oman

In response to a surge in electricity consumption, the Chairman of the Public Authority for Electricity and Water has announced investment of RO 3 billion in electricity projects in the Sultanate of Oman in coming years. Among the various projects envisaged, a number of electricity and water plants are to be built in several governorates and regions of the Sultanate.

In the height of the surge in electricity consumption, peak electricity loads at the main link system reached 3600 MW during summer 2009. The contracted power production capacity stood at 3730 MW, in addition to 499 MW from other resources which is beyond consumption.

RO 3 million service projects in the Dhahirah region of Oman

The Ministry of Regional Municipalities and Water Resources is implementing service and development projects to the value of RO 3.32 million in the Dhahirah region with a view to activating economic, tourist and social activities. As part of the overall aim of the projects, the towns are to be linked to allow general improvement of traffic in order to meet the future growth of the region.

Masdar City free zone

Abu Dhabi Future Energy Company PJSC ("Masdar") invited Trowers & Hamblins to attend a presentation to obtain a better understanding of Masdar's plans for the operation of the Masdar City free zone including the establishment and registration of companies with up to 100% foreign ownership. To date, Masdar City and Abu Dhabi Media Zone twofour54 are the only designated free zones in the Emirate of Abu Dhabi.

Conferences

■ **The Abu Dhabi Conference**

Abu Dhabi, 10 and 12 November 2009
Trowers & Hamblins will be hosting Masterclass B – Structuring, financing and executing successful projects in Abu Dhabi – between 14:00 – 17:30 on Thursday 12 November.

Andrew Rae, Resident Managing Partner in our Abu Dhabi office, will be taking part in a panel discussion on building sufficient road and rail networks between 14:00 to 17:00 Tuesday 10 November.

■ **Organisational Restructuring Masterclass**

Bahrain, 18 November 2009
Trowers & Hamblins will be hosting workshop 2: Legal issues – regulations, laws and codes – between 11:00 – 12:15.

■ **Mergers and Acquisitions 2009**

Abu Dhabi, 7 – 9 December 2009
Dominic O'Neil, Resident Managing Partner in our Bahrain office, will be speaking about the role of Sovereign Wealth Funds (SWF) in the M&A market at 14:40 on 9 December.

Snapshot Bill Jefferies



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Bill Jefferies specialises in cross-border M&A and private equity work in the Middle East, North Africa and South Asia region. Since moving to the Bahrain office four years ago, Bill has advised a number of high profile private equity funds and investment banks within the region, focussing on their investments (both acquisitions and disposals) and fund-raising and structuring activities. His current workload involves private equity and strategic investment in Middle East and South Asia infrastructure.

Following a shift in emphasis towards restructuring and portfolio management in the first two quarters of the year, there appear to be the first signs of recovery in transaction volumes, although it remains to be seen how strong and sustained it will be. The correction in asset prices and scarcity of debt finance have tipped the balance in favour of private equity investors, particularly in the infrastructure sector. Bill cautiously anticipates private equity deals continuing to pick up in the second half of the year, looking forward to the ongoing challenges we face in this more risk-conscious private equity environment.

Bill enjoys travelling, especially around the Gulf region which he finds fascinating, as well as pursuing his passion for sport, in particular, football, cricket, golf and watersports.

Snapshot Guy Danalis



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Guy Danalis is based in the firm's Abu Dhabi office where he specialises in M&A, joint ventures and corporate advisory advice. Prior to joining Towers & Hamlin in 2007, Guy worked for a major national firm in Australia and was in-house counsel for a Japanese tourism and property developer.

The work of the Abu Dhabi corporate team is diverse with clients that include defence contractors, education service providers, consultancies and product distributors as well as the private office of a member of the Abu Dhabi royal family. The team is also advising numerous companies looking to establish and invest in the UAE, particularly in the construction and engineering consultancy fields. Current instructions include advising on a major M&A deal for a significant UAE construction and trading company which spans the Middle East and Asia as well as a corporate restructure for a leading worldwide engineering consultancy.

In his spare time Guy likes to spend time with his five year old daughter as well as travelling and scuba diving. For an Australian, the Middle East is a great place from which to visit Africa, Asia and Europe providing the opportunity for travel that would usually be once in a lifetime holiday trips.

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