

GCC: 2015 in focus

the Oath records the fraternity's take on the road ahead for the GCC region.

KUWAIT



Having a majority in the National Assembly during the current legislative term, the government of Kuwait has been able to push through a myriad of legislations in 2014, most of which relate to the business sector and servicing the National Development Plan (NDP). This trend is expected to continue throughout 2015.

The bylaws of the State's newly promulgated Direct Investment Law were issued in the fourth quarter of 2014. This resulted in the Direct Investment Authority streamlining the old rules, allowing investors to go beyond the classical model of companies established in the GCC, – which require 51 per cent local equity/ shareholding – and conducting business through a local agent. Additionally, a new commercial agency

law is expected to pass through legislation in early 2015, updating the current rules and regulations.

Though not yet published, the first draft of amendments to the Capital Markets Authority (CMA) Law has been announced, with plans in place to simplify processes by introducing swifter control mechanisms through the executive bylaws. Furthermore, after years of stagnation within the PPP sector due to unfavorable legislative frameworks, Kuwait introduced a new PPP law which goes into effect in 2015. News about drafting robust insolvency laws has also surfaced, focusing on helping failing companies recover rather than liquidate in an effort to strengthen the private sector's commercial activity.

New family-owned private companies, which have no significant government shareholding, are being qualified for IPOs, marking a reversal of the trend of delisting companies as witnessed in the past years. That being said, the challenges of dwindling oil prices and geopolitical developments must be viewed through the prism of the above legislative framework.



ABDULLAH ALHAROUN, legal counsel, International Counsel Bureau (ICB), Kuwait

OMAN



Labour law will continue to be a key issue in the Oman market over 2015, as the government continues its drive to create job opportunities for Omani nationals. We are likely to see increased Omanisation requirements for middle and senior management positions. We can also expect further moratoriums on employment visas for certain occupations.

Amendments to the existing Labour Law (Royal Decree 35/2003) are also pending. It is expected

that these amendments will contain additional requirements on working schedules, leave and overtime pay, and fixed term contracts for foreigners.

Oman has just enacted a new competition law. Over the course of 2015, we should begin to see how this law will be enforced by the relevant regulatory bodies. Firms operating in the Oman market will be well advised to keep a watching brief on this new law.

Corporate governance also promises to be an area of further regulatory activity. A new Code of Corporate Governance is likely to be issued by the Capital Market Authority in 2015. There is also expectation that a new government authority for corporate governance will be established.



CHARLES SCHOFIELD, head of corporate, Addleshaw Goddard, Oman

BAHRAIN



2015 is likely to see increased government spending in Bahrain leading to newer and bigger projects taking shape in the country. Falling oil prices and volatility in the region in 2015 may affect the outlook for Bahrain for 2015 but this is likely to be mitigated by the increased government spending.

Bahrain has struggled with the aftermath of the global financial crises and political unrest as investors and business have chosen Abu Dhabi, Dubai or Doha over Manama in recent years. However, the investment climate remained pretty stable over the last year and the Bahrain government is working to find ways to make Bahrain one of the most investor friendly countries in the GCC. We expect the Bahrain government to continue

encouraging private investment into key sectors such as Information Communications and Technology, education, healthcare, financial services, tourism, energy and business services. Bahrain remains an attractive place for businesses on a number of levels.

The financial sector is well regulated and supervised by the Central Bank of Bahrain ("CBB"), which has long been regarded as one of the most prudent, modern and transparent regulators in the region. It is expected that the CBB will continue to update and issue various rules and regulations throughout 2015.

Bahrain already has a well established legal infrastructure which provides many of the protections for investors which are associated with developed countries and such laws are constantly under review including various commercial and companies laws. In 2014, an amendment was issued in relation the Commercial Companies Law and in 2015 we will witness the implementation of those amendments and the introduction of other investor friendly laws which will attempt to make it easier for investors to do business in Bahrain.



RAJ PAHUJA, senior associate, Al Tamimi & Company, Bahrain

UAE



I recently returned to private practice at Hadeef & Partners, the law firm I founded 35 years ago. I returned to a vibrant law firm of 90 lawyers, following 6 years when I was privileged to serve my nation as

Minister of Justice. We are extremely proud of our nation's achievements at a regional and global level. We have been assisted in our journey by the diverse resident base of the UAE, including the capable cadre of national and global lawyers.

Many leading foreign law firms have offices here, deepening the pool of available legal expertise and enhancing standards. At both Federal and Emirate levels, important new laws and regulations have been issued in recent years, and others are under development. The dispute resolution choices and court systems have progressed rapidly. We seek to develop a business and legal environment that meets international standards, whilst respecting local culture and values.

Our economy is the second largest in the Arab world, and our legal infrastructure is expected to keep pace with developments. In 2015, and during the coming years, the ongoing evolution of the UAE legal system will continue to enable a combination of highest international standards with the best the Arabic world has to offer. This evolution will facilitate the UAE's position as a centre of international business.

DR. HADEF AL DHAHERI, founding partner, Hadeef & Partners, UAE

QATAR



Qatar National Vision 2030 aims to transform Qatar into an advanced society capable of sustaining its development and providing a high standard of living for all of its people by 2030. Economic, social, human and environmental developments are stated to be the four pillars of the National Vision. To facilitate this, Qatar has recently issued several new laws and regulations. More are expected.

The government has already announced that the much awaited amendments to the labour and sponsorship laws will be issued shortly. New companies law and arbitration law are also likely to be issued soon, which are expected to accelerate Qatar's journey towards a robust and more investor friendly legal system.

On the financial regulatory front, the regulators in the state, the Qatar Central Bank (QCB), the Qatar Financial Centre Regulatory Authority (QFCRA) and the Qatar Financial Markets Authority (QFMA) have jointly launched a strategic plan, which establishes a regulatory framework setting out a roadmap of strategic priorities for three years (2014-2016). New concepts like deposit insurance are expected to be introduced soon, in accordance with the roadmap. The QFCRA has recently issued consultation papers, proposing changes to some of the major QFC regulations. The high levels of government investment in large-scale construction and infrastructure projects are proving to be a boost to the economy and the attempts to improve regulation and corporate governance in financial services and the capital market sectors are helping to attract more foreign investment into the state.

Indeed, the legal community in Qatar is gearing up for a hectic year ahead in 2015.



ABDUL RASHEED KP, legal consultant, Law Offices of Gebran Majdalany, Qatar

SAUDI ARABIA

HEALTHCARE

On November 29, 2014, the Ministry of Health (MoH) announced forthcoming amendments to the Private Health Institutions Law in the form of a Ministerial Decree. The MoH appears to potentially be encouraging foreign investment in healthcare, although it is still unclear which healthcare sectors will be opened up to this traditionally closed sector. It is expected that the MoH will encourage foreign investment in the form of joint ventures with Saudi-owned entities. It is expected the MoH will privatise other areas of healthcare in the near future. The Saudi Food & Drug Authority earlier this year encouraged all drug manufacturers to appoint more than one distributor in Saudi Arabia. It is expected other sectors may also soon be encouraged to have more than one distributor.

OPENING OF TADAWUL

Draft regulations have been announced to potentially permit direct foreign investment in listed securities in Saudi Arabia. Such is expected to be the first step in a likely two to three year process to move Saudi Arabia from a frontier market to an emerging market.

SAUDIZATION/MINIMUM WAGES

Saudi Arabia has now required a minimum wage of SR3,000 per month for an employee to count toward the Nitiqat Saudization quotas. It is expected such minimum wage will be increase to SR5,300 a month.

WAGE PROTECTION SYSTEM

Similar to the UAE, Saudi Arabia recently implemented a Wage Protection System (WPS), in which employers must provide the employment information of their employees to the Ministry of Labour and pay their employees' salaries directly into a bank account in Saudi Arabia. WPS became mandatory for all companies with 200 or more employees last October.

FINANCE

We see continued implementation of registration of pledges under the Uniform Centre for Commercial Liens. However, a system to register mortgages over property in Saudi Arabia continues to not be available.



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