

Financial Services in MENA: The Ever Evolving Legal Landscape

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Welcome to the [Banking & Finance](#) focus edition of Law Update.

The banking sector led the GCC with a moderate upsurge in loan assets (slight increase in non-performing assets) in 2019 supported by innovative trends in the financial services and the ever-evolving legal regulatory framework. In view of the pace of the credit growth and changes in the outlook of the financial service sector, it is appropriate to begin 2020 with this edition of the Law Update dedicated to the Banking & Finance practice area.

We start by looking at the changing legal and regulatory framework. It has been another busy year for regulators that have continued their pursuit of harmonisation and modernisation across the region as is evident by the evolving legal and regulatory landscape in the financial sector across the Middle East & North Africa. Common themes during 2019, which have been identified, include: the increased focus on the regulation of FinTech activities; heightened corporate governance and money laundering procedures; and the introduction of the personal insolvency laws in the UAE. An overview of the flurry of new legislation enacted throughout 2019 and some notable legislation that is in the pipeline for 2020 are highlighted in this edition.

With the increased focus on the regulation of FinTech activities and the growing importance that financial technology is playing in the financial sector, this edition provides a deeper analysis of the FinTech Sector in the UAE covering the key legal issues this sector faces in the Middle East & North Africa. In light of the much anticipated replacement of the London Interbank Offered Rate (LIBOR) as an index for pricing loans, debt and derivatives, our feature provides a helpful comparison between LIBOR and its proposed replacement, the proposed risk free rates and its potential impact on existing or future lending.

The rise in popularity of Islamic securitisation is discussed in detail in this edition. The featured article examines legal structures of Islamic securitisation and the key commercial considerations for banks and

financial institutions and, in particular, balance sheet treatment by such banks and financial institutions. In this edition we also provide a comprehensive summary of the issues to consider when setting up a derivatives trading relationship with hedging counterparties. In the funds space we have studied the growing recognition of the Dubai International Financial Centre and the Abu Dhabi Global Market as alternatives to BVI and Cayman Islands for the formation of private equity and venture capital funds for Middle East & North Africa and South Asia.

Further, readers will also be provided with a round-up of some of the key developments and trends in the TMT and IP sphere, respectively. In an era of social media marketing, we look at the potential legal pitfalls faced by banks and financial institutions that are using social media to build brand awareness and strengthen client relationships.

Lastly, through our regional network this edition also covers the regional banking updates for the GCC and the greater Middle East & North Africa markets.

We hope you enjoy this edition and please feel free to share any ideas for future articles or feedback generally to info@tamimi.com.