

Foreword | February 2021

Samer Qudah - Managing Partner - Corporate Structuring
s.qudah@tamimi.com - Dubai Maze Tower

Welcome to this month's issue of Law Update.

We are all hopeful for a better year in 2021 and, so far, there are a number of reasons to feel optimistic.

The first of these is the rollout of the COVID-19 vaccine, which is well under way across the region. In the GCC in particular, governments have approved a number of vaccines and most countries have set themselves a target to inoculate most of their populations by the end of the year. A successful vaccination program will provide a huge boost to domestic consumer spending and also sends a clear message to the international community that our region is ready for an early return to 'business as usual'.

The recovery of the oil price is also good news for our region. While diversification away from oil and gas is a public policy priority for all of MENA's energy producers (and rightly so), the reality today is that the oil price remains one of the most important budgetary considerations for many national administrations. With Brent / WTI now having exceeded pre-pandemic levels and with the likes of Goldman Sachs predicting further increases in 2021, governments across the region now have a much better chance of reversing last year's budget deficits.

A further reason for optimism is the improving environment for regional cooperation. In particular, the lifting of the GCC blockade removes a significant barrier to regional trade and is already unlocking new business opportunities.

Of course, this is not to say that the current market is free of challenges. Far from it - these are difficult times and, as a business community, we are not out of the woods by any means. Nevertheless, at Al Tamimi & Company, we always try to stay positive ("positivity" is one of our corporate values) and one thing I've observed over the years is that it's usually in the positives that you will find opportunity.

Our focus this month is on our [Turnaround, Restructuring and Insolvency \(TRI\)](#) practice. Our Partner and TRI lead, [Alex Saleh](#), provides a clear overview of developments across the region and how MENA is repositioning itself, using lessons learned from 2020, to implement international best practices and send a message to the international business community that the region is one of the best and safest environments in which to do business.

With an ever increasing amount of data being processed by companies, our Telecoms Media and Technology (TMT) team explores the obligations on controllers and processors to notify the DIFC Data Protection Commissioner, as well as affected data subjects, in the event of personal data breaches whilst also considering the impact of electronic signatures. Our Dubai real estate team highlights what creditors and stakeholders need to know about the impact of the new decree on uncompleted and cancelled off-plan projects. In the real estate sector, there is a general view that, due to the nature of distressed projects, there is a need for a particular type of committee which does not necessarily need to be judicial in nature but which has the authority to implement commercially innovative solutions to meet the challenges that unfinished and/or cancelled projects present. The new committee, established under a recent decree, is a positive development for banks, creditors and other shareholders as it has the tools to streamline the process for distressed projects. Ultimately, it is hoped that the backlog of distressed projects before the courts will be relieved by transferring those projects to the committee for consideration.

This month's Jurisdiction Update focuses on Bahrain. Since the launch of the first Bahrain domiciled fund in 1984, the Kingdom has become a thriving hub for funds. Looking to build on its reputation, it has introduced a number of different types of fund to appeal to local and international investors. Our article

examines the types of fund that may be established there and considers the differences between them.

We then turn to the Kingdom of Saudi Arabia, where our experts explore the potential impact of the upcoming labour reforms. In line with Vision 2030 and the Kingdom's drive to modernise the employment market, towards the end of last year the Ministry of Human Resources and Social Development announced a new Labour Reforms Initiative aimed at the partial abolition of the age old right of sponsoring employers to restrict the movement of foreign workers in terms of their employment mobility as well as their right to exit and re-enter the country. To date, foreign workers have only been permitted to work and live in the KSA under the sponsorship of their employer. The proposed reforms are expected to significantly alter the labour market by giving foreign workers a greater degree of autonomy over their movements and choice of employer.

The UAE has witnessed two important judgments: firstly, where a special judicial committee in Dubai ratified a DIAC arbitral award without the usual requirement of seeking ratification of the award by the Court of Appeal; and secondly, the court confirmed that the manager of a limited liability company, as its legal representative, has the power to agree to arbitration in its name unless the company's memorandum of association restricts this authority.

I hope you find this issue informative: should you require further information on any of the topics, do not hesitate to reach out.