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Middle East

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Middle East

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Middle East

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This article discusses significant international legal and political developments in the Middle East and North Africa (MENA) region.

I. Algeria

A. ENVIRONMENTAL REGULATIONS

The year 2019 was characterized by the promulgation of environmental laws and decrees. These legal instruments were aimed at protecting natural

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spaces—whether terrestrial, marine, or air—against the threats of chemical, biological, and physiological damage resulting from human activity.

The fight against marine pollution included preventative action against the occurrence of maritime events causing or likely to cause a massive oil spill at sea. In addition to oil, the legislation covers products that may constitute serious or imminent danger or damage to the marine and coastal environment. Dangerous goods carried at sea, defined as those that may constitute or cause nuisance or danger to persons, property, or the environment, must be identified and carefully secured and segregated. Goods fitting this definition include explosive substances, gases, flammable and oxidizing liquids and solids, as well as toxic, infectious, radioactive, and corrosive materials.¹ Algeria also acceded, *inter alia*, to the United Nations Convention on the Law of the Sea and the International Convention for the Prevention of Pollution from Ships (1973).²

In the fields of nuclear and space, a newly enacted nuclear safety policy aimed to protect individuals and the environment against radiological hazards and added responsibility for the operators of nuclear installations. Further, radioactive waste is now subject to stricter regulations. Space activities are governed by the Treaty on the Exploration and Use of Outer Space, its terms, which Algeria ratified with Law 19-06 on July 17, setting the rules for the peaceful use of outer space and creating an Algerian space agency.³

B. DECEMBER PRESIDENTIAL ELECTION PROTESTS

The year was marked by protests in which Algerians marched to force longtime President Abdelaziz Bouteflika to resign after twenty years in power, and to push for more government transparency and democracy.⁴ In April, following Abdelaziz Bouteflika's resignation, Abdelkader Bensalah was appointed as the interim president and planned presidential elections for December 12, 2019.⁵ Tens of thousands of Algerian organized protests to express their determination to reject the elections until all loyalists of the

1. *Pollution in Algeria*, FANACK.COM (Apr. 9, 2019), <https://fanack.com/pollution/pollution-in-algeria/>.

2. Convention on the Law of the Sea, Dec. 10, 1982, 1833 U.N.T.S. 397, https://treaties.un.org/Pages/ViewDetailsIII.aspx?src=TREATY&mtdsg_no=XXI-6&chapter=21&Temp=mtdsg3&clang=_en.

3. *Emerging Nuclear Energy Countries*, WORLD NUCLEAR ASS'N (Oct. 2019), <https://www.world-nuclear.org/information-library/country-profiles/others/emerging-nuclear-energy-countries.aspx>.

4. See 'The B's must go': Algerians keep up pressure on old guard, AL JAZEERA (Apr. 19, 2019), <https://www.aljazeera.com/news/2019/04/algerian-protesters-pressure-political-guard-190419135822859.html>.

5. *Algeria announces presidential election for December 12*, FRANCE 24 (Sept. 16, 2019), <https://www.france24.com/en/20190915-algeria-presidential-election-fixed-december-12-says-bensalah-bouteflika>.

Bouteflika regime, including Ahmed Gaid Saleh and Abdelkader Bensalah, are removed.⁶

II. Bahrain

A. BANKRUPTCY LAW

The Bahraini Reorganization and Bankruptcy Law, promulgated by Law No. 22 of 2018 (the Bankruptcy Law), came into force at the end of 2018, replacing Law No. 11 of 1987 (the Old Law).⁷ Following the model of Chapter 11 in the United States Bankruptcy Code, the Bankruptcy Law is directed at reorganization, aiming to help businesses to continue operations and avoid liquidation—as opposed to the Old Law’s focus on adjudication of bankruptcy and distribution of assets. The spirit of the Bankruptcy Law is reflected in Article 2, which provides that the objectives of the Bankruptcy Law include preserving and protecting the bankruptcy estate, optimizing its value, and avoiding liquidation when reasonably possible.⁸

Pursuant to Article 51 of the Bankruptcy Law, commencement of bankruptcy proceedings results in a general moratorium of claims, judicial procedures, and enforcement procedures on bankruptcy assets of the debtor.⁹ The Bankruptcy Law also contains cross-border insolvency provisions, providing that a foreign creditor (or representative of a foreign bankruptcy proceeding) shall have the right to apply directly to the court (and may request the commencement of bankruptcy procedures), and that foreign creditors shall receive treatment equal to that of Bahraini creditors.¹⁰

B. OPEN BANKING

In December 2018, the Central Bank of Bahrain issued regulations on “open banking,” compelling retail banks in Bahrain to allow third-party payment initiation service providers and account information service providers to gain free and efficient access to customer accounts.¹¹ According

6. Hamid Ould Ahmend, *Algeria’s protesters march against ruling elite as elections approach*, REUTERS (Oct. 11, 2019), <https://www.reuters.com/article/us-algeria-protests/algerias-protesters-march-against-ruling-elite-as-elections-approach-idUSKBN1WQ1V6>.

7. See *Bahrain’s new bankruptcy code: A move towards global conformity*, HASSAN RADHI & ASSOCIATES (2018), http://hassanradhi.com/en/newsletter/bankruptcy_code (last visited May 31, 2020).

8. Law no. 22 of 2018 on promulgating the Reorganization and Bankruptcy Law, art. 2 (قانون رقم 22 لسنة 2018 بإصدار قانون إعادة التنظيم والإفلاس), available at https://www.ilo.org/dyn/natlex/natlex4.detail?p_isn=109200&p_lang=en (Bahr.).

9. *Id.* at art. 51.

10. *An Overview of U.S. Bankruptcy Law Involving a Foreign Representative of a Foreign Proceeding*, AM. BANKR. INST. (Apr. 1998), <https://www.abi.org/abi-journal/an-overview-of-us-bankruptcy-law-involving-a-foreign-representative-of-a-foreign>.

11. *Regulations relating to ‘Open Banking’*, CENT. BANK OF BAHR. (Dec. 6, 2018), https://cbb.complinet.com/net_file_store/new_rulebooks/e/d/EDBS_KH_Regulations_relating_to_Open_Banking_6_Dec_2018.pdf.

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to the CBB, this regulation was intended to pave the way for new financial services (such as online payments) without relying on credit or debit cards. Furthermore, it seeks to allow for the aggregation of account information from different providers and to implement active financial management tools for customers.

On October 9, 2018, Bahrain issued Royal Decree 48/2018 on Value Added Tax (VAT), which came into effect on January 1, 2019.¹² The law was enacted in line with Bahrain's obligations under the Gulf Cooperation Council (GCC) VAT Convention. The Bahraini VAT law, however, deviates from VAT laws previously implemented by other GCC countries, such as Saudi Arabia and the United Arab Emirates. In particular, the Bahraini VAT law includes more comprehensive exemptions from VAT, as well as a wider application of zero rates.

On August 1, 2019, Royal Decree 30/2018 with respect to Personal Data Protection went into effect.¹³ The law, issued in 2018, is modeled after the European Union's General Data Protection Regulation (GDPR).¹⁴

III. Egypt

A. NGO LAW

In July 2019, Egypt's parliament approved a new law regulating non-governmental organizations, maintaining many existing restrictions on their work.¹⁵ The new law will also prohibit cooperation with foreign organizations or experts, impose a strict system of prior approval for foreign organizations to work in Egypt, and allow for government surveillance and monitoring of organizations' daily activities.¹⁶

B. BANKING LEGISLATION

The Egyptian cabinet has approved a new Banking Act,¹⁷ which introduces measures for licensing e-payment and fin-tech businesses, authorizing the Central Bank to regulate crypto currencies, ensuring data protection and customer privacy, and requiring all banks' fiscal years to begin in January.

12. Royal Decree 48/2018 (Oct. 6, 2018), Official Gazette No. 3387, *available at* <http://www.legalaffairs.gov.bh/Media/LegalPDF/L4818.pdf> (Bahr.).

13. Royal Decree 30/2018 (July 19, 2018), Official Gazette No. 3375, 5, *available at* <http://www.legalaffairs.gov.bh/Media/LegalPDF/K3018.pdf> (Bahr.).

14. Hazir Reka, *Companies Struggle with GDPR and global privacy – a report*, REUTERS EUR. (Dec. 30, 2019), <https://blogs.thomsonreuters.com/legal-uk/2019/12/30/companies-struggle-with-gdpr-and-global-privacy-a-report/>.

15. *Egypt: New NGO Law Renews Draconian Restrictions*, HUMAN RIGHTS WATCH (July 24, 2019), <https://www.hrw.org/news/2019/07/24/egypt-new-ngo-law-renews-draconian-restrictions>.

16. *Id.*

17. *Egypt's cabinet approves new Banking and Central Bank Act*, ENTERPRISE (Oct. 3, 2019), <https://enterprise.press/stories/2019/10/03/egypts-cabinet-approves-new-banking-and-central-bank-act/>.

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C. MEDIA REGULATIONS

In September, Egypt's Supreme Council for Media Regulation issued new regulations regarding talk shows, sports, and religions television programs.¹⁸ The regulation, published in the official gazette *Al-Waqa'e Al-Masryia*, requires that a talk show or television program should not run for more than two hours, including the time fixed for the commercial advertisements.¹⁹

D. RESIDENCE

The Defense and National Security Committee of the House of Representatives approved amendments to the law of Entry and Residence of Foreigners in Egypt.²⁰ The law will stipulate that the prime minister has the right to grant Egyptian citizenship to any foreigner who bought a state-owned property or a private property, established an investment project in accordance with the Egyptian Investment Law, or deposited money in hard currency.²¹

E. CRYPTO REGULATION

"In May 2019, the Central Bank of Egypt announced that it is working on a draft law for crypto-related activities.²² When introduced, it will oblige financial institutions in the country to obtain licenses in advance for creating, advertising, or operating platforms that issue or facilitate trading of crypto currencies."

F. ALIMONY LAW

The Parliament approved in plenary a draft law presented by the cabinet to amend some provisions of the Penal Code promulgated by Law No. 58 of 1937, known as the 'Alimony Law.'²³ The draft law includes toughening the penalty on people who do not pay alimony to their spouses after divorce, raising the delay fine from EGP 500 to EGP 5,000, and imprisonment for a year.

18. *SCMR issues new regulations on T.V. programs*, EGYPT TODAY (Sept. 7, 2019), <https://www.egypttoday.com/Article/2/74546/SCMR-issues-new-regulations-on-T-V-programs>.

19. *Id.*

20. *Parliament approves law granting residence to foreigners buying property*, EGYPT TODAY (June 10, 2019), <https://www.egypttoday.com/Article/2/71425/Parl%E2%80%99t-approves-law-granting-residence-to-foreigners-buying-property>.

21. *Id.*

22. Elena Perez, *Egypt Lays out path for a Crypto Future with Draft Law*, COINTELEGRAPH (June 6, 2019), <https://cointelegraph.com/news/egypt-lays-out-path-for-a-crypto-future-with-draft-law>.

23. *Egypt's parliament approves new amendments to Alimony Law*, EGYPT DAILY NEWS (Oct. 28, 2019), <https://menafn.com/1099182623/Egypt-parliament-approves-new-amendments-to-Alimony-Law>.

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G. MILITARY PENSIONS

“In May 2019, the Parliament approved a draft law to increase military pensions by fifteen percent. Former army officers will see a minimum pension raise of 150 Egyptian Pounds (\$8.80) or the sum of their total incurred benefits up to a maximum of 900 Egyptian Pounds (\$52.79).”²⁴

H. SOCIAL SECURITY AND PENSIONS

In July 2019, the Parliament granted final approval to the Social Security and Pensions Act, which mandates that twenty-one percent of public and private sector workers’ salaries be contributed to a pension fund.²⁵ The new act sets a minimum pension of sixty-five percent of the social insurance subscription minimum wage; pensions will rise by up to fifteen percent on a yearly basis, and injury pensions for workers who do not receive salaries will increase from ten Egyptian Pounds to the minimum amount of pensions.²⁶ The Act also integrates the social security law and pensions law into one social security act.²⁷

I. REFERENDUM

In April 2019, Egypt held a referendum approving amendments to the country’s constitution.²⁸ The most publicized amendments were those preserving the two-term limit on the presidency and an increase in term duration to six years,²⁹ which also applies to President Abdel Fattah El-Sisi’s current term.³⁰ Furthermore, the amendments provide that President El-Sisi’s first two terms will not be considered with respect to the term limit,³¹ thus allowing him to stay in office for an additional two terms. The amendments substantially expand the power of the executive branch over the judiciary by authorizing the president to appoint senior judges and making him head of the Higher Council for Judiciary Authorities, which appoints public prosecutors.³² Further amendments solidify the influence of the military over all branches of government.³³ The most important corporate

24. *Egypt approves 15% raise in military pensions*, MIDDLE EAST MONITOR (May 13, 2019), <https://www.middleeastmonitor.com/20190201-egypt-approves-15-raise-in-military-pensions/>.

25. *International Update: Recent Developments in Foreign Public and Private Pensions*, SOCIAL SECURITY ADMINISTRATION (Feb. 2020), https://www.ssa.gov/policy/docs/progdesc/intl_update/2020-02/index.html.

26. *Id.*

27. *10 facts about the new Social Security and Pensions Act*, EGYPT TODAY (July 20, 2019), <https://www.egypttoday.com/Article/1/73006/10-facts-about-the-new-Social-Security-and-Pensions-Act>.

28. *Egypt’s 2019 Constitutional Referendum*, THE TAHIR INST. FOR MIDDLE EAST POL’Y (Apr. 30, 2019), <https://timep.org/reports-briefings/egypts-2019-constitutional-referendum/>.

29. CONSTITUTION OF THE ARAB REPUBLIC OF EGYPT, 18 Jan. 2014, art. 140.

30. *Id.* at art. 241.

31. *Id.*

32. *Id.* at art. 185–86, 193.

33. *See id.* at art. 200, 234.

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law amendment repeals the requirement for limited liability companies to have at least one general manager who is an Egyptian national,³⁴ and new registration and reporting obligations imposed on joint stock companies.³⁵ The Egyptian legislature has sought to combat corruption by requiring all payments to the government and other public authorities to be made by bank transfer.³⁶

IV. Iran

A. AMENDMENT TO THE CITIZENSHIP ACT

According to the Global Campaign for Equal Nationality Rights, the Middle East is a region with one of the highest percentages of gender discriminatory citizenship laws.³⁷ Iran was one of twenty-five countries not permitting women married to foreigners to give Iranian nationality to their children.³⁸ But in May 2019, the Parliament enacted a historical amendment granting Iranian citizenship to the children of Iranian women married to foreign men.³⁹ Subsequently, significant human rights criticisms concerning the education, social security, and work authorization of this vast community should diminish.

B. STARTUP PROTECTION ACT

On May 22, 2019, the Board of Ministers passed the Startup Protection Regulations previously proposed by the Ministry of Information, Communications and Technology of Iran. The Regulations protect startups within their first three years of establishment,⁴⁰ applying only to information and telecommunication firms.⁴¹ The startups are immune to any taxes⁴² and social security fees for the employees.⁴³

34. See Law No. 159 of 1981 (Law on Joint Stock Companies, Partnerships Limited by Shares and Limited Liability Companies), vol. 198, art 120 (Egypt).

35. *Id.* at art. 25.

36. Law No. 18 of 2019 (Law on Non-Cash Means of Payment), vol. 13, 11 Mar. 2019 (Egypt).

37. See *Middle East and North Africa*, GLOBAL CAMPAIGN FOR EQUAL NATIONALITY RIGHTS, <https://equalnationalityrights.org/index.php/countries/middle-east-north-africa>.

38. Emma Batha, *Iran Expected to Scrap Ban on Women Passing Nationality to Children*, REUTERS (June 26, 2019), <https://www.reuters.com/article/us-iran-citizenship-law-women/iran-expected-to-scrap-ban-on-women-passing-nationality-to-children-idUSKCN1TRIUY>.

39. Law Amending the Law on Determining the Citizenship of Children of Iranian Women of 13 May 2019 (Iran).

40. Regulations in Support of Start-ups of 22 May 2019 (Iran).

41. See *id.* at art. 1.

42. See *id.* at art. 5.

43. See *id.* at art. 7.

C. CRYPTOCURRENCY REGULATION

On August 4, 2019, the Board of Ministers enacted the Cryptocurrency Regulation for licensing and monitoring mining activities.⁴⁴ Iranian mining licenses only apply to miners with equipment that requires thirty kilowatts, which might exclude homemade mining equipment or small operations. The Regulation also makes crypto mining a taxable event unless miners export the mined tokens out of Iran and bring profits into the country.⁴⁵ The Regulation also clarifies that the Government will not provide any banking or legal support to miners, and that using bitcoin or any other non-Iranian sovereign asset for domestic transactions remains banned.⁴⁶ Notably, the price of the electricity consumed for these activities will be calculated based on its export cost.⁴⁷

D. AMENDING THE ANTI-MONEY LAUNDERING ACT

On January 23, 2019, Iran adopted amendments to its Anti-Money Laundering Act,⁴⁸ which established the Supreme Council of Anti-Money Laundering and Anti-Terrorism Financing, directed by the Minister of Economy.⁴⁹ It also created the Center of Financial Transaction of Iran to collect the data of all governmental and suspicious non-governmental financial transactions.⁵⁰

V. Iraq

The Iraqi government endorsed ratifying the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention) in February 2019.⁵¹ This action raised expectations that recognition and enforcement of arbitral awards in the country would be aligned with international practice. But Iraq was not yet to become a contracting party to the New York Convention.⁵²

44. Approval of the Use of Cryptocurrencies of 4 Aug. 2019 (Iran), *available at* <https://rc.majlis.ir/fa/law/show/1233690>.

45. Davit Babayan, *Iran Authorizes "Haram" Bitcoin as U.S. Sanctions Choke Economy*, NEWSBTC (Jul. 29, 2019), <https://www.newsbtc.com/2019/07/29/iran-authorizes-haram-bitcoin-as-us-sanctions-choke-economy/>.

46. *See* Regulations in Support of Start-ups, at art. 1.

47. *See id.* at art. 4.

48. Law Amending the Anti-Money Laundering Amendment Act of 23 Jan. 2019 (Iran), *available at* <https://rc.majlis.ir/fa/law/show/1107413>.

49. *See id.* at art. 4.

50. *See id.* at art.7.

51. *See* Noor Kadhim, *Finally, Iraq Says Yes to the New York Convention*, KLUWER ARB. BLOG (Mar. 13, 2018), <http://arbitrationblog.kluwerarbitration.com/2018/03/13/scheduled-15-march-better-late-never-iraq-embraces-new-york-convention/>.

52. *See Contracting States – List of Contracting States*, N. Y. ARB. CONVENTION, <http://www.newyorkconvention.org/list+of+contracting+states> (last visited May 31, 2020).

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VI. Israel

A. CIVIL PROCEDURE

The entry into force of Civil Procedure Regulations promulgated in 2018, originally scheduled for September 5, 2019, has been again postponed. On April 15, 2019, the Minister of Justice postponed their enactment until February 2, 2020,⁵³ and on September 16, 2020 (the eve of Israel's second 2019 election), the temporary Minister of Justice postponed their enactment until September 6, 2020. The Minister also ordered that a committee be established to consider the regulations and the timing of their entry into force, in light of claims by the Israel Bar Association that the civil procedure reform harms litigants and grants courts undue discretion in procedural matters.⁵⁴

B. INSOLVENCY LAW

On September 15, 2019, the Insolvency and Economic Recovery Law, 2018-5778, entered into force, replacing an antiquated collection of bankruptcy provisions, including ordinances dating back to the British Mandate and revised piecemeal over time.⁵⁵ The new law seeks to create a centralized bankruptcy code that is suited to the current economic environment and modern social values.⁵⁶

The new law enables bankruptcy trustees to terminate contracts established prior to the bankruptcy order with court approval, if doing so will facilitate the recovery plan, and to allow the performance of contracts duly terminated shortly prior to the bankruptcy order;⁵⁷ limits the right of the holder of floating pledges over the assets of a company implementing a recovery plan to receive a maximum of seventy-five percent of the proceeds from the sale of the pledged assets (the balance of the debt owed to the holder will be treated as unsecured debt);⁵⁸ and stops the accrual of penalty interest upon the commencement of bankruptcy proceedings.⁵⁹

The new law also clarifies that foreign creditors are entitled to the same rights and protections in bankruptcy proceedings as Israeli creditors;⁶⁰ and provides for recognition of foreign bankruptcy proceedings, the issuance of

53. (Civil Procedure Regulations), 5779-2019, KT 8231 p. 3186 (Isr.).

54. (Civil Procedure Regulations), 5780-2019, KT 8285, p. 44 (Isr.); Matan Barnir, *Replay: The Entry Into Effect of the Reform of the Civil Procedure Regulations Has Been Postponed Again by Half a Year*, GLOBES (Sept. 16, 2019), <https://www.globes.co.il/news/article.aspx?did=1001300925>; Efrat Neuman, *The Temporary Minister of Justice Hands Out Sweets: Gives a Gift to Lawyers a Day Before the Elections*, THE MARKER (Sept. 16, 2019), <https://www.themarket.com/law/1.7846136>.

55. Insolvency and Economic Recovery Law, 5778-2018, SH No. 2708 p. 310 (Isr.), available at https://www.nevo.co.il/law_html/law01/501_802.htm.

56. Insolvency and Economic Recovery Bill, 5776-2016, HH No. 1027 (Isr.).

57. Insolvency and Economic Recovery Law, SH No. 2708 §§ 67–70, 76.

58. *Id.* § 244(a)(2).

59. *Id.* §§ 29(6), 235(c), 243(c).

60. *Id.* §§ 298–99.

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judicial orders in support thereof (including orders for interim relief), and cooperation with foreign bankruptcy courts, trustees, and authorities.⁶¹

C. CORPORATE LAW

In recent years, the Business Judgment Rule (BJR) has been adopted by Israeli courts.⁶² In July 2019, the Economic Department of the Tel Aviv-Jaffa District Court held that the BJR does not apply when the decision of a Board of Directors violates the law.⁶³ This case addressed the decision to distribute proceeds from the sale of shares in a subsidiary to shareholders without court approval, even though the company did not have net profits to distribute a dividend.⁶⁴

D. COPYRIGHT LAW

On January 1, 2019, the Knesset passed Amendment 5 to the Copyright Law, 5768-2007, which adds Chapter H1 to the law.⁶⁵ Chapter H1 entered into force on October 9, 2019 and sets the criteria and procedures for issuing judicial orders (at the request of copyright holders) for the disclosure by Internet Service Providers (ISPs) of the identity of persons suspected of copyright infringement.

VII. Kuwait

A. EASE OF DOING BUSINESS

Throughout 2019, Kuwait continued modernizing its laws in order to attract more foreign investments, develop local business opportunities, and diversify its economy. These improvements were recognized in “World Bank Ease of Doing Business Index 2020,” ranking Kuwait 83 out of 190 countries.⁶⁶ According to the index, Kuwait has strengthened minority investor protections, improved cross-border trading, and simplified

61. *Id.* §§ 301–15.

62. CA 7735/14, *Verdnikov v. Elovitch* (Dec. 28, 2016), Nevo Legal Database (by subscription, in Hebrew) (Isr.); File No. 47302-05-16 Central District Court, *Better Place Israel (HT) 2009 Ltd. (In Liquidation) v. Agasi*, Nevo Legal Database (by subscription, in Hebrew) (Isr.) (holding good faith actions or decisions of corporate officers taken in the absence of conflicts of interest, based on sufficient information, and properly documented, will enjoy a presumption of propriety despite damage or losses).

63. File No. 47621-07-16, *Horev v. B Communications Ltd.*, (Jul. 18, 2019) Nevo Legal Database (by subscription, in Hebrew) (Isr.), available at https://www.nevo.co.il/psika_html/mechozi/ME-16-07-47621-142.htm.

64. *Id.*

65. Copyright Law, 5768-2007, SH No. 2199, p. 34 (as amended by Amendment No. 5). (Isr.).

66. *Doing Business 2020*, WORLD BANK 4, (2020), <https://openknowledge.worldbank.org/bitstream/handle/10986/32436/9781464814402.pdf>.

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company incorporation requirements (as well as requirements to obtain other licenses and permits).⁶⁷

B. BOURSA KUWAIT

In recognition of Boursa Kuwait's market development efforts, Kuwait was upgraded in December 2018 to a Secondary Emerging Market by the Dow Jones Global Benchmark Indices.

Additionally, the privatization of Boursa Kuwait⁶⁸ continued during the first quarter of 2019 when the Capital Markets Authority sold forty-four percent of its shares to a consortium led by the Athens Stock Exchange. The final phase of the privatization process (i.e., Kuwaiti nationals subscribing to fifty percent of Boursa Kuwait share capital) was completed in December 2019. The involvement of major international stock market operators and local Kuwaiti financial institutions in the privatization has been a major boost to the local capital markets sector.

In order to further enhance the regulatory and organizational framework of Boursa Kuwait, the Rulebook promulgated in 2018 was modified in April 2019 with the issuance of the second version of the Rulebook. The modified Rulebook recognizes and regulates certain new transactions, including swaps, short-selling, security lending, and borrowing. It also amends certain rules governing the execution of trades, the sale of five percent or more of shares by public auction, tender offers, and off-market trades.⁶⁹

C. BANKING SECTOR

Until December 2018, non-Kuwaiti investors wishing to own more than forty-nine percent of a local bank were required to obtain Council of Ministers' approval. This rule was amended by Ministerial Resolution No. 694 of 2018, and no longer limits foreign ownership to forty-nine percent, instead requiring investors who wish to acquire more than five percent of the share capital of a local bank to obtain Central Bank of Kuwait's (CBK) approval.⁷⁰

The CBK has also recognized that fintech is playing a pivotal role in innovation in traditional payment systems, as well as modern payment settlement systems involving blockchain technologies and has extended its supervisory oversight into this sector. Pursuant to CBK regulations, e-payment infrastructure service providers and agents are required to obtain

67. *Id.* at 4–5.

68. Capital Markets Authority, *Establishment of the Capital Markets Authority and Regulating Securities Activities*, Law No. 7 (2010), art. 33, <https://www.cma.gov.kw/en/web/cma/law>.

69. *Boursa Kuwait Rulebook*, BOURSA KUWAIT (April 2019), https://cis.boursakuwait.com.kw/Portal/BoursaReports/BK_PR_2019_E_2910201910216385.pdf.

70. Ministerial Resolution No. 694 of 2018, 11 Dec. 2018 (Kuwait).

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approval to operate e-payment platforms and must observe anti-money laundering and counter-terrorism financing regulations.⁷¹

VIII. Lebanon

The economic crash of 2019 signaled itself as early as 2016.⁷² In addition to corruption, crumbling infrastructure, and lacking social services, the Lebanese faced monetary restrictions. Obtaining U.S. dollars became harder,⁷³ and the Central Bank applied a two-tier system for distinguishing importers of essential goods.⁷⁴

On October 17, 2019, the Minister of Telecommunications proposed taxing WhatsApp calls,⁷⁵ prompting thousands to join in the streets demanding “the fall of the system.” People from different ages, sects, regions, gender, and social classes,⁷⁶ joined in protesting against inequality,⁷⁷ economic crisis, dubious financial measures,⁷⁸ corruption, disastrous environmental policies, and above all, the neoliberal system.

A few days into protests, the national unity government requested a deadline to introduce a plan. The economic paper, prolonging the policies of the system, was rejected by protesters⁷⁹ and the government resigned. Banks closed for two weeks, citing the security situation, when in fact they were unable to provide markets with liquidity,⁸⁰ despite transferring money

71. *CBK Resolution No. 44/430 of 2018*, CENTRAL BANK OF KUWAIT, https://www.cbk.gov.kw/en/images/38part2-142658_v10_tcm10-142658.pdf.

72. Dan Azzi, *Bloomberg Lebanon's Richest Need To Take a Haircut*, BLOOMBERG (Nov. 7, 2019), https://www.bloomberg.com/opinion/articles/2019-11-07/lebanon-s-richest-need-to-take-a-haircut?fbclid=IwAR2hT2-n37Gv1oVYAMccXNY7iQf6g0Bf5lio6Z3wfs_mFO14bZHDfVzT8Rk.

73. Stefanie Dekker, *Is Lebanon on Brinks of Collapse*, AL JAZEERA (Nov. 2019) <https://www.aljazeera.com/news/2019/11/lebanon-brink-bankruptcy-191110074708847.html>.

74. Sahar Al Attar, *A Chronicle of an Announced Crisis*, LE COMMERCE DU LEVANT (Nov. 1, 2019), <https://www.lecommercedulevant.com/article/29402-les-raisons-de-la-colere>.

75. *Lebanon protests: How WhatsApp tax anger revealed a much deeper crisis*, BBC NEWS (Nov. 7, 2019), <https://www.bbc.com/news/world-middle-east-50293636>.

76. Mara Mordecai, *Protests in Lebanon highlight ubiquity of WhatsApp, dissatisfaction with government*, PEW RESEARCH CENTER (Nov. 19, 2019), <https://www.pewresearch.org/fact-tank/2019/11/19/protests-in-lebanon-highlight-ubiquity-of-whatsapp-dissatisfaction-with-government/?fbclid=IwAR2sPqzoT9I34Z5joSs5eYHUdWXm9pFwZLH7yywcb0dfMUkrfotAQk1Dpw>.

77. Lydia Assouad, *Lebanon's rent economy has generated extreme levels of inequality*, LE MONDE (Nov. 18, 2019), https://www.lemonde.fr/idees/article/2019/11/18/1-economie-rentiere-libanaise-a-engendre-des-niveaux-d-inegalite-extremes_6019538_3232.html.

78. *Is Lebanon's central bank governor to blame for fuel shortages?* AL JAZEERA (Nov. 15, 2019), <https://www.aljazeera.com/ajimpact/lebanon-central-bank-governor-blame-fuel-shortages-191115175845408.html>.

79. Natalia Sancha, *Libano toma la calle para pedir la salida del Gobierno y un adelanto electoral*, EL PAÍS (Oct. 25, 2019), https://elpais.com/internacional/2019/10/25/actualidad/1572030291_790052.html?prm=enviar_email.

80. Stefanie Dekker, *Lebanon Banks Remain Closed*, AL JAZEERA (Nov. 13, 2019), <https://www.aljazeera.com/news/2019/11/lebanon-banks-remain-closed-191113055759454.html>.

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abroad for wealthy clients. As a result, banks adopted aleatory measures enforcing unofficial capital control,⁸¹ treating customers according to their wealth.⁸²

The ruling class has blamed the revolution for the state of the nation, fighting protesters morally and physically with hired aggressors, propaganda, and the security forces.⁸³ A minority of the ruling class has unsuccessfully attempted to align itself with protesters.

IX. Libya

Legislative reform in Libya remains thwarted by political struggle, as ongoing military conflicts have stalled legislative and judicial processes, and the fracturing of the country limits the application of law and the reach of judicial authority.⁸⁴ Consequently, companies are enforcing claims against Libyan debtors in other jurisdictions. For instance, General Dynamics United Kingdom Limited has successfully petitioned the Court of Appeal of England and Wales to enforce an International Chamber of Commerce arbitral award against the State of Libya.⁸⁵

Criminal investigations by local authorities in connection with war crimes and crimes against humanity have also stalled. While the Public Prosecutor in Tripoli has issued arrest warrants against prominent leaders of armed groups in early 2019, investigations are not progressing.⁸⁶

X. Morocco

A. EDUCATION LAW

In July 2019, Morocco's Parliament passed the proposed Education Bill, Law 51.17, stipulating French is the language of instruction for scientific

81. Dana Khraiche, *Capital Control Seen on the Cards for Lebanon as Crisis Deepens*, REUTERS (Oct. 31, 2019), <https://www.dailystar.com.lb/Business/Local/2019/Oct-31/494666-capital-controls-seen-on-the-cards-for-lebanon-as-crisis-deepens.ashx>.

82. Samia Nakhoul & Lisa Barrington, *Banks will seek to stop money leaving Lebanon when doors open: sources*, REUTERS (Oct. 31, 2019), <https://www.reuters.com/article/us-lebanon-protests-banks/banks-will-seek-to-stop-money-leaving-lebanon-when-doors-reopen-sources-idUSKBN1XA2QH>.

83. *A Major Attack by Supporters of the Amal Movement and Hezbollah on the Demonstrators at the Ring Bridge*, AL JADEED TV (Nov. 25, 2019), <https://www.aljadeed.tv/arabic/news/local/2411201994>.

84. See *A Quick Guide to Libya's Main Players*, EUROPEAN COUNCIL ON FOREIGN RELATIONS (2019), https://www.ecfr.eu/page/-/Lybias_Main_Players_Dec2016_v2.pdf.

85. *Gen. Dynamics United Kingdom Ltd. v. Libya* [2019] EWCA (Civ) 1110 (Eng.).

86. International Commission of Jurists, *Accountability for Serious Crimes under International Law in Libya: An Assessment of the Criminal Justice System*, MINISTRY OF FOREIGN AFF. OF NETH. (2019), <https://www.icj.org/wp-content/uploads/2019/07/Libya-Accountability-serious-crimes-Publications-Reports-Thematic-reports-2019-ENG.pdf>.

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and technical subjects.⁸⁷ The law was adopted a week after the Moroccan Parliamentary Commission for Teaching, Culture, and Communication approved the framework. In addition to implementing foreign languages in these subjects, the law also requires Tamazight (Berber) to be taught in all schools.

Both Parliament and Moroccans remain divided on two provisions, Articles 2 and 31.⁸⁸ Article 2 specifies that scientific and technical subjects can now be taught in foreign languages through the pedagogy, “Linguistic Alternation,” defined as a “progressive educational choice used in multilingual education, in an aim to diversify the teaching of languages . . . while prioritizing Morocco’s two official languages (Arabic and Tamazight).” Article 31 states that “upon completing high school, students should have mastered both Arabic and Tamazight in addition to two foreign languages.”⁸⁹

B. CIVIL SOCIETY ACTIVISM

“We, Moroccan citizens, declare that we are outlaws,” read the statement by hundreds of Moroccan women on September 9, 2019, following the arrest of journalist Hajar Raissouni for “abortion” and “sexual relations outside wedlock.”⁹⁰ Article 490 of the Criminal Code punishes sexual relations out of wedlock, while also forbidding all abortions unless the mother’s life is in danger.

At the initiative of writers Leila Slimani and Sonia Terrab, more than 490 Moroccans signed a manifesto denouncing the “liberticidal laws” of the Criminal Code and launching a “national debate on individual freedoms.”⁹¹

87. See Maulline Gragau, *Morocco’s Controversial New Education Law Sparks Outrage*, THE AFRICAN EXPONENT (July 23, 2019), <https://www.africanexponent.com/post/10606-morocco-parliament-adopts-new-controversial-education-law>.

88. See Tamba Francois Koundouno, *Morocco’s House of Councilors Approves Controversial Education Bill*, MOROCCO WORLD NEWS (Aug. 3, 2019), <https://www.moroccoworldnews.com/2019/08/279669/morocco-house-councilor-controversial-education-bill/>; Saadeddine Othmani, *Arabic enters university education under compulsory law in Morocco for first time*, MIDDLE EAST MONITOR (Aug. 5, 2019), <https://www.middleeastmonitor.com/20190805-saadeddine-othmani-arabic-enters-university-education-under-compulsory-law-in-morocco-for-first-time/>; *Morocco activists, politicians oppose ‘Frenchification’ of education system*, MIDDLE EAST MONITOR (Aug. 10, 2019), <https://www.middleeastmonitor.com/20190810-morocco-activists-politicians-oppose-frenchification-of-education-system/>; Yahia Hatim, *Moroccan Education Minister Urges Schools to Implement New Law on Use of French in Technical Subjects*, MOROCCO WORLD NEWS (Aug. 28, 2019), <https://www.moroccoworldnews.com/2019/08/281313/minister-urges-schools-implement-french/>.

89. See Margot Eliason & Kawtar Ennaji, *New Framework Law Promotes Multilingual Education in Morocco*, MOROCCO WORLD NEWS (July 17, 2019), <https://www.moroccoworldnews.com/2019/07/278437/new-law-multilingual-education-morocco/>.

90. *Moroccan women say they are abortion ‘outlaws’ in protest at journalist’s trial*, FRANCE24 (Sept. 23, 2019), <https://www.france24.com/en/20190923-morocco-women-sex-abortion-manifesto-protest-journalist-raissouni-leila-slimani>.

91. See *We, Moroccan citizens, declare that we are outlaws*, TLAXCALA’S MANIFESTO (Sept. 23, 2019), <http://www.tlaxcala-int.org/article.asp?reference=27071>.

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The signatories of the manifesto declared that they have broken their country's "unfair and obsolete laws." "We are having sex outside wedlock. We are suffering, enabling or being complicit of abortion."⁹²

XI. Oman

A series of new laws were issued in 2019, aiming to modernize the Sultanate's business and investment environment, and encourage the private sector to increase its role in infrastructure development. Some key changes include the introduction of the: Commercial Companies Law,⁹³ Foreign Capital Investment Law,⁹⁴ Privatisation Law,⁹⁵ Public Private Partnerships Law,⁹⁶ Bankruptcy Law,⁹⁷ Takeover Code,⁹⁸ and changes to the Omani tax system regarding withholding tax and the introduction of an Excise Law.⁹⁹

The new Commercial Companies Law makes sweeping changes to the establishment and administration of commercial companies established in Oman, including the introduction of a commercial entity known as the single shareholder company¹⁰⁰ and specific provisions relating to Sukuks.¹⁰¹

The Privatization Laws and Public Private Partnership Laws seek to improve and streamline processes for introducing private investment into public services. The Public Private Partnership Law introduces a legal framework for the government to invite private sector operators to provide services and undertake activities where the government had been engaged exclusively.¹⁰²

Pursuant to the Takeover Code, a person intending to acquire twenty-five percent or more of the voting rights of a company listed on the Muscat Securities Market is obliged to make an offer to all remaining shareholders of the target company.¹⁰³ The requirement also applies when a person

92. *Id.*

93. Royal Decree No. 18, Feb. 13, 2019, Promulgating the Commercial Companies Law, *in* Official Gazette of Oman, <https://www.dentons.com/en/insights/alerts/2019/march/6/the-oman-update-official-gazette-1281>.

94. Royal Decree No. 50, Jul. 1, 2019, Promulgating the Foreign Capital Investment Law, *in* Official Gazette of Oman, <http://www.mola.gov.om/eng/legislation/decrees/details.aspx?Id=1091&type=L>.

95. Royal Decree No. 51, Jul. 7, 2019, *in* Official Gazette of Oman, Privatization Law.

96. Royal Decree No. 52, Jul. 1, 2019, *in* Official Gazette of Oman, Public Private Partnership Law.

97. Royal Decree No. 53, Jul. 1, 2019, *in* Official Gazette of Oman, Bankruptcy Law.

98. Royal Decree No. 2, May 9, 2019, *in* Official Gazette of Oman, Takeover and Acquisition Regulation for Public Joint Stock Companies (draft), [https://www.cma.gov.om/documents/en/OmanTakeOverandAcquisitionRegulationDraft\(April%202015\).pdf](https://www.cma.gov.om/documents/en/OmanTakeOverandAcquisitionRegulationDraft(April%202015).pdf).

99. Royal Decree No. 23, Mar. 13, 2019, *in* Official Gazette of Oman, Excise Tax Law, <https://assets.kpmg/content/dam/kpmg/om/pdf/kpmg-om-excise-tax-royal-decree.pdf>.

100. Royal Decree No. 18, Feb. 13, 2019, *in* Official Gazette of Oman, Promulgating the Commercial Companies Law, ch. 7, art. 291.

101. *Id.* at ch. 3, art. 149–59.

102. Royal Decree No. 52.

103. Royal Decree No. 2, ch. 3 (describing the conditions for takeover and acquisition offers).

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holding twenty-five percent of voting shares or rights increases its stake by acquiring additional shares carrying more than two percent of the voting shares in any six month period from the date of first purchase.

On June 11, 2019, the Secretariat General for Taxation issued a circular stating that withholding taxes payable on the payment of dividends and interest payable by Omani companies on their overseas borrowings stand suspended and deferred for a period of three years. Also, the Excise Law introduced a tax on importation of products causing negative health effects, including the introduction of a 100 percent tax on alcohol, tobacco, and energy drinks.¹⁰⁴

On January 1, 2020, the new Foreign Capital Investment Law will be introduced, permitting full foreign ownership for certain economic activities, subject to approval and registration with an “Investment Service Center,” to be established within the Omani Ministry of Commerce and Industry. The Bankruptcy Law take effects on July 1, 2020, clarifying the insolvency procedures, declaration and consequences of bankruptcy, preventive compositions, and mechanisms by which insolvent companies may be permitted to reorganize and restructure.

XII. Pakistan

Through 2019 Pakistan has been implementing significant changes in its legislative and regulatory landscape, brought about by appropriate judicial action. For example, when adjudicating a writ petition, the Islamabad High Court decided¹⁰⁵ that the Pakistan Telecommunication Authority (PTA) must draft and submit rules governing PTA’s exercise of seemingly discretionary power to block websites, per the Prevention of Electronic Crimes Act, 2016.¹⁰⁶ Accordingly, the ruling would enforce transparency regarding the current ambiguous blocking mechanism because the PTA would be obligated to work within a defined framework.

Another recent development was the introduction of the e-court system in the Supreme Court, established with a video-link between the Court in Islamabad and its Karachi bench, allowing proceedings via video conference.¹⁰⁷ This represents a huge step towards minimizing costs, avoiding time wastage, and promoting efficiency to reduce case backlog.

Finally, in a judgment penned by the present Chief Justice of Pakistan, directions have been issued to all courts to abstain from showing any

104. Royal Decree No. 23, at §11.

105. *Awami Workers Party v. Pakistan Telecommunication Authority*, (2019) Writ Petition No. 634 of 2019, available at <https://globalfreedomofexpression.columbia.edu/wp-content/uploads/2019/10/Order-in-AWP-Website-Blocking-Case.pdf>.

106. Prevention of Electronic Crimes Act, 2016, THE GAZETTE OF PAKISTAN EXTRAORDINARY, Nov. 8, 2016.

107. See Naeem Sahoutara, *SC makes history by hearing case at Karachi registry via e-Court system* THE DAWN (May 27, 2019), <https://www.dawn.com/news/1484909/sc-makes-history-by-hearing-case-at-karachi-registry-via-e-court-system>.

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leniency towards the delivery of false testimony.¹⁰⁸ This is expected to form an integral component of criminal jurisprudence. According to that judgment, “Truth is the foundation of the criminal justice system and justice is the core and bedrock of a civilized society and, thus, any compromise on truth amounts to a compromise on a society’s future as a just, fair and civilized society.”¹⁰⁹

XIII. Qatar

A. PROTECTION OF THE ARABIC LANGUAGE

In 2019, the legislature issued the Protection of the Arabic Language Law.¹¹⁰ The law addresses both the public and private sectors, seeking to preserve the use and relevance of the Arabic language in the Emirate, where with a high number of expatriates, foreign languages, particularly English, are dominant in public life. The law requires all ministries, government agencies, and other public bodies and institutions to use Arabic in meetings and discussions, decisions, regulations, contracts, and correspondence.¹¹¹

B. FOREIGN INVESTMENT LAW

One of the most significant legal developments for the business community in 2019 involves the Foreign Capital Investment Law of Qatar (Law No. 13 of 2000) being replaced by Law No. 1 of 2019 (the Foreign Investment Law), even though the law has not yet entered into force.

The restriction that foreigners generally cannot hold more than forty-nine percent of private Qatari companies is superseded. As such, ownership above the level of forty-nine percent is now permitted, subject to consent from the Ministry of Commerce and Industry.¹¹² In addition, Cabinet approval is needed for foreign shareholding above forty-nine percent in publicly listed companies.¹¹³ No guidelines concerning the exercise of the Ministry’s discretionary approval have yet been released, although forthcoming executive regulations are expected to dictate. In the event of an unfavorable Ministry decision, aggrieved parties can appeal only to the Minister of Commerce and Industry.

Non-Qataris are still restricted from any holdings in banks, insurance companies, or commercial agencies,¹¹⁴ and foreign involvement may only be

108. See Abdul Rasool Syed, *A major stumbling block for justice* PAKISTAN TODAY (Oct. 25, 2019), <https://www.pakistantoday.com.pk/2019/10/25/a-major-stumbling-block-for-justice/>.

109. *Id.*

110. Law No.7 of 2019, Law for the Protection of the Arabic Language (Qatar).

111. *Id.* at art. 3–4.

112. Law No. 1 of 2019, On Regulating Non-Qatari Capital Investment in the Economic Activity, art. 3 (Qatar).

113. *Id.* at art. 7.

114. *Id.* at art. 4.

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permitted by resolution of the Cabinet.¹¹⁵ The Cabinet is also empowered to place restrictions on other fields of activities.¹¹⁶ The prior restrictions for businesses trading in real estate have been removed; however, the restrictions for land ownership by foreigners will still apply. Finally, companies and individuals authorized by Qatar Petroleum to perform petroleum operations or which aim to invest in the oil, gas, and petrochemical sector are completely exempted from the provisions of the Foreign Investment Law.¹¹⁷

XIV. Saudi Arabia

On January 1, 2019, the Transfer Pricing Bylaws issued by the General Authority for Tax and Zakat,¹¹⁸ providing the first comprehensive regulations for transfer pricing practices, entered into force. According to the bylaws, persons and entities may be requested to provide transfer pricing documentation. The required form and content of such documentation is generally in line with the requirements of the OECD's Base Erosion and Profit Shifting Action 13 for Country-by-Country Reporting. In the spring, the legislature passed the Competition Decree.¹¹⁹ The Executive Regulations¹²⁰ to the Competition Decree were issued in September and the new competition regime was enacted in the third quarter,¹²¹ expanding merger control measures considerably. The Executive Regulations include additional details for notification and merger control procedures,¹²² and introduce a turnover-based notification threshold pursuant to which notification is required for combined annual turnover of the parties to the transaction exceeding Saudi Arabian Riyal 100 million.¹²³ This threshold is additional to the existing market share-based threshold.

The Saudi Arabia Monetary Authority (SAMA), the Kingdom's financial regulatory authority, has updated its Guidelines for Banking Licenses.¹²⁴ The new guidelines seek to increase transparency and ease registration of foreign financial institutions, thereby boosting Saudi Arabia as a regional

115. *Id.*

116. *Id.*

117. *Id.* at art. 25.

118. GENERAL AUTHORITY OF ZAKAT & TAX, TRANSFER PRICING GUIDELINES (2019), <https://gazit.gov.sa/en/HelpCenter/guidelines/Documents/GAZT%20Transfer%20Pricing%20guidelines%20-%20EN.pdf>.

119. Royal Decree No. M/75, Mar. 27, 2019, Competition Law, *in* Official Gazette of Saudi Arabia.

120. Executive Regulations to Royal Decree M/75 of 29/6/1440H (2019), published on 20/7/1440H, entered into force on 30 September 2019, *available at* https://gac.gov.sa/pdf/comp_law_regulations.pdf [hereinafter Executive Regulations].

121. Royal Decree No. 75, at art. 28.

122. Executive Regulations at art. 11.

123. *Id.* art. 12.

124. SAMA Banking Licensing Guidelines and Minimum Criteria SAUDI ARABIAN MONETARY AUTH. (Dec. 2018), http://www.sama.gov.sa/en-US/Laws/BankingRules/SAMA_Bank_Licensing_Criteria_en.pdf.

financial center. The revised guidelines provide SAMA's minimum licensing criteria for applicants seeking to carry out banking activities in Saudi Arabia,¹²⁵ while explicitly permitting foreign banks to establish branches.¹²⁶ In principle, branches of foreign banks will be subject to the same legislative and prudential requirements as locally-incorporated banks. But the SAMA's prudential standards provide exceptions; most notably, foreign banks are not required to maintain capital in Saudi Arabia.¹²⁷ Yet, SAMA reserves the right to impose capital requirements on a case by case basis, such as setting where the branch plans to conduct high-risk business or wishes to focus on activities that require high levels of capacity or competence.¹²⁸ While the new SAMA guidelines do not specify which specific activities fall within the scope of this definition, it is expected that branches engaged with large numbers of customers, or conducting business that may affect the financial stability of the wider market, will likely trigger capital requirements.

XV. Tunisia (1)

A. THE CONCEPT OF EFFECTIVE BENEFICIARY

The concept of "Real or Effective Beneficiary" was recently introduced in Tunisian law. The effective beneficiary is defined as any natural person who owns or exercises actual final control or authority, direct or indirect, over the legal entity, the legal arrangement, or the structures of the administration or the management, as well as any natural person on behalf of whom and for the benefit of whom the transactions are performed by a natural person, a legal entity, or a legal arrangement. The definition of effective beneficiary also encompasses any natural person who has the status of partner, shareholder, or member, in a legal entity or arrangement and an amount of contribution in capital or voting rights, enabling such natural person the actual control over it.¹²⁹

With respect to companies, the Effective Beneficiary is identified as being:¹³⁰

(1) The natural person or persons who hold directly or indirectly a percentage equal to or exceeding twenty percent of the capital or voting rights;

(2) If the identity of the Effective Beneficiary(ies) is unclear or he was not determined based on the criterion referred to under item (1), the natural person or persons exercising in any way either in the facts or legally, a control or a power over the management bodies or the administration, or

125. *Id.* at § 2.

126. *Id.* § 2(1)(4).

127. *Id.* § 3(A)(10).

128. *Id.* at § 3(A)(11).

129. Law No. 2018-52 of 29 Oct. 2018, on the National Registry of Enterprises (Tunis.).

130. Governmental Decree No. 2019-54 of 21 Jan. 2019, Setting the Methods and Criteria of the Determination of the Effective Beneficiary (Tunis.).

the direction, or over the General Meeting or over the course of business of the legal entity; or

(3) In case the Effective Beneficiary is not determined based on the criteria referred to under items (1) and (2), the Effective Beneficiary is the natural person occupying the position of main manager.

The list of the Effective Beneficiary must be filed with the National Registry of Enterprises. The filing requires that certain information and documents be provided with respect to each of the Effective Beneficiary identified.¹³¹

XVI. Tunisia (2)

A. PRESIDENTIAL ELECTIONS INTRODUCED

Presidential elections planned for November were introduced after the death of President Beji Caid Essebsi on July 25, 2019, to ensure a new president would take office within the constitutionally required ninety days. Analysts suggest that the election of law professor Kais Saied over better-known names, including many associated with Tunisia's revolution or the old regime of overthrown president Zine al-Abidine Ben Ali, reflects widespread discontent with the ailing economy—a key factor pushing Tunisians onto the streets in 2011.¹³²

XVII. United Arab Emirates

On April 30, the UAE Economic Substance Resolution was enacted, requiring certain businesses to maintain demonstrable economic substance in the UAE as a means of establishing compliance with EU standards.¹³³ On July 2, 2019, the UAE Cabinet of Ministers issued the list provided in the Foreign Direct Investment Law,¹³⁴ allowing relaxation of foreign ownership restrictions on entities engaged in designated onshore sectors. The list comprises 122 activities in which companies with up to 100 percent foreign shareholding may engage. It also imposes additional requirements on entities with over forty-nine percent foreign shareholding, in particular, high minimum share capital requirements.

131. *Tunisia Clarifies The Determination And Disclosure Of Ultimate Beneficiaries*, TPA GLOBAL (Feb. 7, 2019), <https://www.tpa-global.com/nieuws/2019-02-07/tunisia-clarifies-the-determination-and-disclosure-of-ultimate-beneficiaries>.

132. Michael Safi, *Tunisia Election: 'Robocop' Kais Saied wins Presidential Runoff*, GUARDIAN (Oct. 14, 2019), <https://www.theguardian.com/world/2019/oct/14/tunisia-election-exit-polls-point-to-landslide-win-for-robocop-kais-saied>.

133. Economic Substance Regulations, No. 31 of 2019, Official Gazette of U.A.E., Sept. 11, 2019, available at https://www.mof.gov.ae/en/lawsAndPolitics/CabinetResolutions/Documents/Cabinet%20of%20Ministers%20Resolution%20No%20%2031%20of%202019%20Concerning%20Economic%20Substance_English.pdf.

134. Foreign Direct Investment Law, No. 19 of 2018, Official Gazette of U.A.E., Sept. 30, 2018, available at <https://jac.it/wp-content/uploads/2018/12/Federal-Law-Regarding-Foreign-Direct-Investment.pdf>.

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In July 2019, the Central Bank introduced new corporate governance regulations for banks.¹³⁵ These regulations are issued as part of a comprehensive effort by the Bank to crisis-proof the country's banking and follow the introduction of new capital adequacy requirements under the Standards re Capital Adequacy¹³⁶ issued by the Central Bank at the end of June 2018, and a new banking law.¹³⁷ The new corporate governance regulations align standards in the banking sector with international best practices, and expand the existing regime to establish an overarching framework for minimum acceptable standards.¹³⁸ Ultimate responsibility and accountability for implementing the corporate governance standards falls to banks' boards.¹³⁹ The regulation's scope is not restricted to entities licensed by the Central Bank, but also applies to all international banks or groups of banks represented in-country.¹⁴⁰ International banks or groups of banks maintaining branches or subsidiaries in-country must ensure compliance with the minimum standards set by Circular 83/2019. With the Standards re Capital Adequacy, the Central Bank seeks further stability by ensuring that banks' risk exposure is backed by an adequate capital basis. The standards thus reaffirm the application of the Basel II Regulations implemented in 2009, and implements the Basel III Regulations, ensuring that banking regulations remain in line with international standards.¹⁴¹

135. Corporate Governance Regulation for Banks, No. 83 of 2019, Official Gazette of U.A.E., July 18, 2019, *available at* <https://www.centralbank.ae/en/laws-and-regulations/regulations/banking>.

136. Standards Regarding Capital Adequacy, No. 72 of 2019, Central Bank of the U.A.E., June 2019, *available at* https://www.centralbank.ae/sites/default/files/2019-07/Capital%20Adequacy%20Standards%20-%20June%202019_0.pdf.

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