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## Middle East

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Throughout the Middle East and North Africa, states enacted laws to increase health-care benefits and coverage. Examples include Ethiopia (passed a new social health insurance law), Israel (increased job security for female employees undergoing fertility treatments), Kuwait (established longer annual, maternity, and sick leave for private sector employees), and Pakistan (fining unlicensed healthcare providers and suspending licenses of negligent medical service providers). Many countries instituted judicial reform, including Morocco, Saudi Arabia, and Turkey. Several developments in 2010 showcase the Middle East's efforts to attract foreign investment, including Qatar (changed foreign ownership limits), Syria (created the new Syrian Investment Company), and Yemen (passed a new foreign investor law). In 2010, grave constitutional questions were faced by Pakistan (conflict between the executive and the high court) and Iraq (conflict over the nomination of a prime minister).

### I. Palestinian Refugees in Lebanon and the Right to Work

Significant advances took place in Lebanese labor law that promises Palestinian refugees living in Lebanon an increased opportunity to obtain meaningful employment. For almost fifty years, the Lebanese government failed to provide the over 400,000 Palestinian refugees in Lebanon with a substantive right to work.<sup>1</sup> This failure of the Lebanese Par-

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1. See *Lebanon-UNRWA*, U.N. RELIEF AND WORKS AGENCY (UNRWA), <http://www.unrwa.org/etemplate.php?id=65> (last visited Jan. 4, 2011) (estimating the number of Palestinian refugees in Lebanon and the systematic denial of basic human rights by the Lebanese government as well as UNRWA's activities in the area); see *Palestinians in Lebanon Gain Rights*, AL JAZEERA, Aug. 17, 2010, <http://english.aljazeera.net/news/middleeast/2010/08/2010817161916277557.html> (describing the new law just passed by Lebanese parliament providing the right to work for Palestinian refugees).

liament to provide the right to work and other fundamental human rights, and its consequent abject poverty, has oppressed Palestinian refugees in Lebanon to a degree that their compatriots in other countries of the Middle East have not endured.

The Lebanese Labor Law of 1962 created conditions for Lebanese employers hiring various skilled and unskilled workers, depending on the profession and on the foreigner's nation of origin.<sup>2</sup> These conditions include the principle of reciprocity, which prohibits employers from hiring a foreigner except to the extent that the foreigner's country permits employers to hire Lebanese nationals. The reciprocity condition discriminates against Palestinians, because there is no Palestinian state through which reciprocity could be established, barring Palestinians from any of the professions subject to the reciprocity condition.

This discrimination was addressed in August 2010 when Lebanon's Parliament passed a new labor law elevating the status of Palestinian refugees born in Lebanon to equal footing with other foreign workers, removing the reciprocity condition from application to Palestinian employees and eliminating the work permit fees as to Palestinian refugees.<sup>3</sup> The new law also provides Palestinians with a right to medical treatment for on-the-job accidents and access to some end-of-service social security benefits.<sup>4</sup>

Some critics assert that the law does not change enough. For instance, the principle of reciprocity still applies to membership in labor unions and professional societies. Membership in the relevant professional society is mandatory for jobs in law, medicine, and engineering. But most societies require the pertinent labor union of a foreign member's home country to reciprocate membership, thus barring stateless Palestinian refugees from obtaining the mandatory membership in these societies.<sup>5</sup>

## II. Algeria\*

On August 26, 2010, in an effort to modernize and reform its banking system, Algeria passed Ordinance No. 10-04. The new Ordinance amends the 2003 Ordinance No. 03-11 regarding money and credit. It increases state participation in the banking system and regulation of foreign ownership in Algerian financial institutions.

### A. THE ROLE OF THE STATE<sup>6</sup>

The new ordinance stipulates that the state will hold a special share in the capital of banks and financial institutions, through which the state shall be represented in their governing bodies.<sup>7</sup> However, the state will not have the right to vote in the corporate bodies

2. Ministerial Decree No. 17561 of 10 July 1962 (Leb.).

3. *Lebanon: Palestinians Still Dissatisfied Despite Labor Law Changes*, INTEGRATED REG'L INFO. NETWORKS (IRIN), Aug. 30, 2010, <http://www.unhcr.org/refworld/docid/4c7cbb2ec.html>.

4. *Id.*

5. *Palestinians in Lebanon Gain Rights*, *supra* note 1; *Lebanon: Palestinians Still Dissatisfied Despite Labor Law Changes*, *supra* note 3.

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6. The State is represented through the nationally-owned Banque d'Algeria.

7. Ordonnance n° 10-04, Journal Officiel de la République Algérienne N 50, Sept, 1, 2010, Art. 6, available at <http://www.cg.gov.dz/media/PDF/lfc2009.pdf>, article 58.

of these banks and institutions.<sup>8</sup> In addition, assets of a bank or financial institution can only be transferred to third parties upon authorization of the state.<sup>9</sup> The new ordinance also provides that the transfer of shares and similar securities must be executed within national territory and the State has the right of first refusal on such transfers.<sup>10</sup> Furthermore, if the transfer of any such shares or similar securities is not conducted in national territory and in accordance with Algerian laws and regulations, the transfer shall be null and void.<sup>11</sup>

## B. FOREIGN OWNERSHIP

Under Article 6 of the new ordinance, foreign ownership in any future opening of banks and financial institution incorporated under Algerian law will only be allowed through a partnership with a national resident.<sup>12</sup> Most importantly, the ordinance stipulates that Algerian national ownership must represent at least fifty-one percent of the capital. The ordinance does allow for the use of several domestic partners/shareholders to satisfy the national ownership requirement.<sup>13</sup>

## C. ANALYSIS

The Algerian government passed the new ordinance with the intent of strengthening the safety and soundness of the Algerian banking system. The new ordinance seeks to accomplish these goals through a closer monitoring of the country's banks and financial institutions. Closer monitoring involves increased participation of the state in the corporate bodies and actions of banks and financial institutions to enhance transparency in the banking system. Ordinance No. 10-04 also seeks to strengthen the protection of national interests through the regulation of foreign ownership of Algerian banks and financial institutions.

Algeria has received support and praise from the International Monetary Fund (IMF) for its proactive efforts in banking and financial reform.<sup>14</sup> In a November 3, 2010 press release, Dominique Strauss-Kahn, Managing Director of the IMF, made a statement following a visit to Algeria pledging the IMF's continued support to the "efforts of the government and the Bank of Algeria to make the banking sector stronger and more efficient."<sup>15</sup> Ordinance No. 10-04 represents such an effort to maintain monetary stability, ensure the safeguarding of clients' interests, and help with early detection of vulnerabilities in the Algerian banking system.

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8. *Id.*

9. *Id.*

10. *Id.*

11. *Id.*

12. *Id.*

13. *Id.*

14. Press Release, Int'l Monetary Fund, Statement by Dominique Strauss-Kahn, Managing Dir. of the Int'l Monetary Fund, on The Occasion of His Visit to Algeria, Press Release No. 10/410 (Nov. 3, 2010), available at <http://www.imf.org/external/np/sec/pr/2010/pr10410.htm>.

15. *Id.*

### III. Ethiopia\*

2010 was an election year in Ethiopia, and the Ethiopian People's Revolutionary Democratic Front (EPRDF) retained power. Preceding the election, the Ethiopian Parliament passed a Proclamation to Provide for the Definition of Power and Duties of the Executive Organs of the Federal Democratic Republic of Ethiopia and a Proclamation to Provide for the Electoral Code of Conduct for Political Parties,<sup>16</sup> neither of which appear to have had a major impact on the workings of State.

In the concurrent national and regional elections held in May, the EPRDF won 499 of the 547 federal parliamentary seats<sup>17</sup> and more than ninety-nine percent of all local seats.<sup>18</sup> The elections were peaceful, but international observers were limited to the regional capitals and thousands of local opposition activists complained of EPRDF-led violence and harassment.<sup>19</sup>

In 2010, the Ethiopian Parliament's activity was less internationally controversial than in 2009. This year, the Ethiopian Parliament deliberated primarily on financial obligations to international donors. Fifteen of the Parliament's thirty-one proclamations adopted during 2010 focused on ratifying loan and other financial agreements with foreign nations, international funds, and development associations.<sup>20</sup>

Additionally, the Parliament passed a Social Health Insurance Proclamation, establishing a national health insurance scheme to cover employees and their families (through their employers) and pensioners and their families (through the Social Security Agency).<sup>21</sup>

### IV. Iran\*

#### A. SUBSIDY REFORM

In January 2010, Iran's parliament, the Majles, passed legislation mandating the elimination of \$100 billion over five years in annual subsidies on energy products, staple foods, and other products and services.<sup>22</sup> While the law was slated to go into effect in September 2010, the government was slow to implement it for fear of renewing unrest similar to that following the rationing of subsidized fuel in 2007.<sup>23</sup>

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16. See ETHIOPIAN PARLIAMENT, <http://www.ethiopar.net/> (last visited Feb. 6, 2011) (text of the proclamations are provided under the "list of bills adopted" link).

17. See ETHIOPIAN PEOPLE'S REVOLUTIONARY DEMOCRATIC FRONT (EPRDF), <http://www.eprdf.org.et/EPRDFE/faces/ssi/more.jspx?id=327&type=news>, (last visited Feb. 6, 2011).

18. See *Background Note: Ethiopia*, U.S. DEP'T OF STATE, Nov. 5, 2010, <http://www.state.gov/r/pa/ei/bgn/2859.htm>.

19. *Id.*

20. See ETHIOPIAN PARLIAMENT, *supra* note 16.

21. *Id.*

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22. *Iran Again Delays Phasing Out Fuel Subsidy*, ARAB NEWS, Nov. 21, 2010, <http://arabnews.com/economy/article197547.ece>.

23. *Id.*

Iran is an oil-rich country, but it sends much of its petroleum abroad to be refined. It is stated the gasoline subsidy reform is partially in response to recently passed sanctions that have tightened the flow of refined fuel into Iran.<sup>24</sup>

The Iranian government is making direct payments to low-income Iranians in order to ease the hardship expected to follow the implementation of the reforms.<sup>25</sup> While the poor in rural areas will receive financial help when the subsidy reform takes effect, many middle class Iranians in the country's cities will be left to find ways to cope.<sup>26</sup>

Businesses are expected to receive a percent of the revenues resulting from the subsidy reform to help them invest in energy efficient technologies.<sup>27</sup> Furthermore, higher energy prices could push the domestic automobile industry to modernize itself, as carmakers in the past have had little incentive to make their products energy efficient.<sup>28</sup> As gasoline prices rise to meet international levels, car manufactures will be forced to design cars that will use energy more efficiently.<sup>29</sup> As a further by-product of the reforms, these new energy-efficient Iranian-made cars could be suitable candidates for export.<sup>30</sup>

## V. Iraq\*

### A. ELECTIONS

The passing of new legislation was stalled in Iraq following the March 7, 2010 parliamentary elections due to the delay in forming a government by the newly elected members of the Council of Representatives.<sup>31</sup> The elections resulted in the Al-Iraqiya Party, headed by Ayad Allawi, winning 91 of the 325 parliamentary seats, and the State of Law party, headed by Nuri Al-Maliki, winning 89 seats.<sup>32</sup> Neither party won the 163 seats necessary to form a majority, promulgating questions of constitutional law as to who would be Prime Minister and head the government.<sup>33</sup> On March 25, the Federal Supreme Court issued an opinion on the relevant article, Article 76 of the Iraqi Constitution, unanimously holding that the words, "the nominee of . . . the largest . . . bloc" (the Prime Minister designate) meant the nominee from the party with the largest number of elected

24. *Id.*

25. Ladane Nasser, *Iran's Ahmadinejad Seeks 'Economic Revolution' With Subsidies, Energy Plan*, BLOOMBERG, Oct. 31, 2010, <http://www.bloomberg.com/news/2010-10-31/iran-s-ahmadinejad-seeks-economic-revolution-with-subsidies-energy-plan.html>; *Iran Govt Urged to Enforce Subsidy Law*, PRESS TV, Sept. 8, 2010, <http://www.presstv.ir/detail/141767.html>.

26. Thomas Erdbrink, *Iran's Middle Class To Be Hard Hit as Subsidy Program is Overhauled*, WASH. POST, Nov. 6, 2010, <http://www.washingtonpost.com/wp-dyn/content/article/2010/11/06/AR2010110603061.html>.

27. Dominique Guillaume & Roman Zyteck, *Energy Price Reform: Iran to Cut Oil Subsidies in Energy Reform*, IMF SURVEY MAGAZINE, Sept. 28, 2010, <http://www.imf.org/external/pubs/ft/survey/so/2010/int092810a.htm>.

28. *Id.*

29. *Id.*

30. *Id.*

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31. *Iraq Elections*, N.Y. TIMES, Nov. 11, 2010, <http://topics.nytimes.com/top/news/international/countries-and-territories/iraq/elections/index.html?scp=1-spot&sq=Iraq%20elections&st=cse>; Iraqi Constitution art. 61, available at [http://www.uniraq.org/documents/iraqi\\_constitution.pdf](http://www.uniraq.org/documents/iraqi_constitution.pdf).

32. *Iraq Elections*, *supra* note 31.

33. *Id.*

representatives to form a majority, or the nominee from a coalition of parties that forms a majority.<sup>34</sup> Following the ruling, Mr. al-Maliki formed a majority coalition ensuring his second term as Prime Minister over former Prime Minister Ayad Allawi.<sup>35</sup> The Iraqi Supreme Court ratified the results of the election on June 1, 2010.<sup>36</sup>

## B. STALLED LEGISLATION

Although government operations have continued, no budget has been passed this year.<sup>37</sup> The new Speaker of Parliament, Osama al-Najafi, said that he received a letter from the government stating that it had run out of money to make welfare payments, leaving thousands of widows and indigents without funds for necessities.<sup>38</sup> Furthermore, the Framework Hydrocarbons Law that was returned to the Council of Ministers from the Oil and Gas Committee in October 2008 has yet to be ratified.<sup>39</sup> The Framework is one of four laws that will regulate investment, production, and revenue distribution from Iraq's oil and gas industry.<sup>40</sup> Without the framework, investment in Iraq's oil industry and oil production could not be maximized, reducing state revenue.<sup>41</sup>

## C. NGO LAW

Before the elections, the Council of Representatives passed the *Law on Non-Governmental Organizations* on March 2, 2010.<sup>42</sup> The law regulates the formation of new NGOs and the registration of foreign NGOs within Iraq.<sup>43</sup> The new law departs from previous drafts by no longer prohibiting Iraqi NGOs from receiving foreign funding or affiliating with a foreign entity.<sup>44</sup> Registration of NGOs is frozen, however, until the passage of the Implementing Regulation.<sup>45</sup>

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34. See Federal Supreme Court of Iraq, Opinion 25 (Mar. 25, 2010), available at <http://www.iraqja.org/opn/25fed2010.htm> (opinion available only in Arabic); translated in *Federal Supreme Court Opinion on Article 76 of the Constitution Concerning the Nomination of the Prime Minister*, GLOBAL JUSTICE PROJECT IRAQ, Mar. 28, 2010, <http://www.gjpi.org/2010/03/28/federal-supreme-court-opinion-on-article-76-of-the-constitution-concerning-the-nomination-of-the-prime-minister/>.

35. *Iraq Elections*, *supra* note 31.

36. Sarah Miley, *Iraq Supreme Court Ratifies March Election Results*, JURIST, June 1, 2010, <http://jurist.org/paperchase/2010/06/iraq-supreme-court-ratifies-march-election-results.php>.

37. Abdullah Shames, *Iraq's 2011 Budget Bill Back to Govt For Amendment Due to Disputes*, AK NEWS, Dec. 29, 2010, available at <http://www.aknews.com/en/aknews/2/206445/>.

38. Laura Jakes, *Welfare Funding Runs Out in Iraq*, COMMON DREAMS, Nov. 21, 2010, <http://www.commondreams.org/headline/2010/11/21-0>.

39. *Iraq Status Report: Iraq Policy & Operations Group Bureau of Near Eastern Affairs*, U.S. DEP'T OF STATE, 7 (Nov. 17, 2010), <http://www.state.gov/documents/organization/151366.pdf>.

40. *Id.*

41. U.S. Energy Information Administration *Independent Statistics and Analysis: Iraq Oil*, U.S. DEP'T OF ENERGY, <http://www.eia.doe.gov/emeu/cabs/Iraq/Oil.html> (last visited Feb. 7, 2011).

42. *Iraq*, INT'L CTR. FOR NON-PROFIT L., Aug. 12, 2010, <http://www.icnl.org/knowledge/ngolawmonitor/iraq.htm#analysis>.

43. *Id.*

44. *Id.*

45. *Id.*

## VI. Israel\*

### A. THE EMPLOYMENT OF WOMEN LAW 5714-1954

The Employment of Women Law was amended in February to protect working women who are undergoing fertility treatments.<sup>46</sup> Another amendment in March extended statutory maternity leave from fourteen to twenty-six weeks<sup>47</sup> but it did not increase the national insurance payments to employees during the maternity leave.

### B. EXPANDING EMPLOYER'S OBLIGATION FOR COMPREHENSIVE PENSION INSURANCE

Israel does not require employers to provide all employees with basic pension arrangements. But since 2008, Israeli employers have had to provide employees with basic pension insurance.<sup>48</sup> A General Collective Agreement for Comprehensive Pension Insurance in the Economy, signed in September, increases the minimum contribution to pension insurance after January 2014. Although the new Agreement applies only to certain employers, the Minister of Industry, Commerce and Labor recently announced his intention to extend application of this Agreement to all employers.<sup>49</sup> These developments indicate a clear trend to obligate all employers to provide substantive pension insurance to all employees.

## VII. Jordan\*

After a year without a sitting parliament, Jordanians elected new members on November 9, 2010. Nevertheless, many laws were passed or updated in 2010.

### A. ELECTORAL LAW

Under the electoral law of 2010, the Kingdom's districts, or "electoral zones," are divided into virtual sub-districts.<sup>50</sup> Voters cast ballots for only one candidate in a given district, but candidates who win a plurality of votes in their sub-district are elected.<sup>51</sup> A quota system also allocates reserved seats to women, Christians, and the Circassian community.<sup>52</sup> Some experts have criticized the law as attempting to distribute seats and as a balloting system that, in effect, favors traditional political support.<sup>53</sup>

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\* Orly Gerbi at Herzog, Fox & Neeman in Tel Aviv, Israel, and Eric A. Savage of Littler Mendelson, P.C., in New Jersey authored this section.

46. See Employment of Women (Amendment Number 45) Law, 2010, S.H. 2225 at 326 (Isr.).

47. See Employment of Women (Amendment Number 46) Law, 2010, S.H. 2235 at 440 (Isr.).

48. See Extension Ordinance for Comprehensive Pension Insurance, 2008, Y.P. 5772 at 1736 (Isr.).

49. Notice of Intent to Grant an Extension Order, 2010, Y.P. 6158 at 931 (Isr.).

\* James Weir, a lawyer and consultant based in Amman, Jordan, prepared the report on Jordan. James can be reached at [jweir@thehelmglobal.com](mailto:jweir@thehelmglobal.com).

50. See Law of Election to the House of Representatives (Temporary Law), No. 9, art. 50 (Jordan).

51. *Id.* arts. 4, 40.

52. See Regulation No. (26) for the System of Electoral Districts (2010) (Jordan), available at <http://www.representatives.jo/ellaw.shtm>.

53. See, e.g., Thameen Kheetan, *New Election Law "A Step Backwards"*, JORDAN TIMES, May 9, 2010, <http://www.jordantimes.com/index.php?news=26392>; see also Dima Toukan Tabbaa, *Jordan's New Electoral Law Dis-*

## B. CYBERCRIMES LAW

Jordan's first statutory attempt to address cybercrimes came when the Council of Ministers approved the Information Systems Crime Law on August 29.<sup>54</sup> A previous version of the law met criticism over broad police powers and restrictions on press and speech freedoms.<sup>55</sup> The government responded by amending the law. The current law entered into force on October 16, 2010 and addressed an array of crimes from identity theft and financial crimes to child pornography and the facilitation of terrorism.<sup>56</sup> Preemptive police powers remain but the amended law provides some safeguards, such as requiring warrants.<sup>57</sup>

## C. RENEWABLE ENERGY LAW

Faced with importing an unsustainable ninety-six percent of its energy needs,<sup>58</sup> Jordan imposed a national strategy mandate of producing ten percent of energy needs from renewable sources by 2020. To meet its ambition with action, Jordan issued the Renewable Energy & Energy Efficiency Law.<sup>59</sup> There are three key components to this law: (1) the establishment of the Renewable Energy and Energy Efficiency Fund ("REEF") to provide financial support to qualifying projects;<sup>60</sup> (2) a bypass of the formal tendering process to allow direct proposals and negotiations with the Ministry;<sup>61</sup> and (3) a mandate for utilities to purchase all of the electricity produced from qualified renewable sources.<sup>62</sup> However, even with the purchase mandate, there is no announced feed-in-tariff scheme. Moreover, the law anticipates additional regulations to be determined.<sup>63</sup> Despite these questions, the approach attempts to attract investors while adapting legal frameworks to a Jordanian context.

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*appoints Reformers*, ARAB REFORM BULLETIN, June 22, 2010, <http://www.carnegieendowment.org/arb/?fa=show&article=41040>.

54. See Information Systems Crime Law (Temporary Law), No. 30 (2010) (Jordan), available at [http://www.moict.gov.jo/MoICT\\_kanonjurm.aspx](http://www.moict.gov.jo/MoICT_kanonjurm.aspx).

55. See, e.g., Joel Simon, *CPJ Asks Jordanian King To Toss Out Cyber Law*, COMM. TO PROTECT JOURNALISTS, Aug. 17, 2010, <http://cpj.org/2010/08/cpj-asks-jordanian-king-to-toss-out-cyber-law.php>.

56. See Information Systems Crime Law, *supra* note 54, arts. 3-11.

57. See, e.g., *id.* art. 12(A) (requiring police to obtain permission, based on evidence, from a competent court or prosecutor before conducting a search to enforce the Cybercrime Law).

58. *Data Indicators, Energy Imports*, WORLD BANK, <http://data.worldbank.org/indicator/EG.IMP.CON.S.ZS> (last visited Feb. 26, 2011).

59. See Renewable Energy & Energy Efficiency Law of Jordan (Temporary Law), Law No. 3 (2010) (Jordan), available at <http://www.memr.gov.jo/Default.aspx>.

60. See *id.* art. 11.

61. See *id.* art. 6.

62. See *id.* art. 8.

63. See, e.g., *id.* art. 10.

## VIII. Kuwait\*

### A. EMPLOYMENT

Kuwait Law No. 6 of 2010 (the New Private Sector Labor Law)<sup>64</sup> became effective on February 21, 2010 upon publication in Kuwait's Official Gazette. The New Private Sector Labor Law generally provides more rights for employees working in the private sector in Kuwait, including longer annual leave<sup>65</sup> and maternity leave,<sup>66</sup> revised entitlements to end-of-service indemnities,<sup>67</sup> and additional sick leave.<sup>68</sup> The law also provides for tougher penalties, including jail terms, for individuals and companies found trading in visas or recruiting workers from abroad and then failing to provide them with jobs, or failing to pay salaries on a regular basis.<sup>69</sup> The New Private Sector Labor law requires the government to set up a public authority responsible for the recruitment of expatriate employees and domestic labor and for issuing the comprehensive administrative procedures in relation to expatriate employees and domestic labor, including procedures for obtaining work permits on behalf of employees.<sup>70</sup>

### B. CAPITAL MARKETS LAW

Kuwait Law No. 7 of 2010 (the Capital Market Law)<sup>71</sup> sets up a Capital Market Authority, an independent public authority<sup>72</sup> with a five-member governing body.<sup>73</sup> The Authority will supervise the Kuwait Stock Exchange (KSE)<sup>74</sup> to protect shareholder rights,<sup>75</sup> ensure transparency of trading on the KSE, and prevent insider trading, manipulation of stock prices, and other illegal activities.<sup>76</sup> To accomplish these goals, the Capital Market Authority must (1) approve rules and regulations governing the trading of securities, as defined by the Capital Market Law,<sup>77</sup> on the KSE<sup>78</sup>; and (2) regulate and supervise mergers and acquisitions of companies whose securities, as defined by the Capital Market Law,<sup>79</sup> are traded on the KSE.<sup>80</sup> Notification requirements apply to an investor who proposes to acquire more than a certain threshold of securities listed on the KSE.<sup>81</sup> Additionally, the Capital Market Law establishes a new court of first instance that will specialize in

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\* David Pfeiffer and Lulwa Al Ben Ali, Kuwait office of SNR Denton & Co.

64. Private Sector Labor Law of Kuwait, Law No. 6 (Feb. 21, 2010).

65. *Id.* art. 70.

66. *Id.* art. 23.

67. *Id.* arts. 47, 50, 51, 52.

68. *Id.* art. 69.

69. *Id.* arts. 137-43.

70. *Id.* art. 9.

71. Capital Market Law of Kuwait, Law No. 7 (Feb. 28, 2010).

72. *Id.* art. 2.

73. *Id.* art. 6.

74. *Id.* art. 156.

75. *Id.* art. 73.

76. *Id.* art. 3.

77. *Id.* art. 1.

78. *Id.* art. 154.

79. *Id.* art. 1.

80. *Id.* art. 4.

81. *Id.* art. 101.

hearing cases under the Capital Market Law.<sup>82</sup> The Capital Market Law represents a radical change in the Kuwait Government's supervision of securities' trading and the legal structure of the KSE. Many investors view the Capital Market Authority as a sign of a more transparent and stable regulatory environment in Kuwait.

## IX. Lebanon\*

The Lebanese government has decided to reshape its energy policy.<sup>83</sup> Law No. 132 (Law) will regulate significant offshore oil and gas resources recently discovered in the Exclusive Economic Zone. The new law follows an earlier law that privatized the electricity sector.<sup>84</sup> The new law provides a regulatory framework to exploit oil and gas resources in compliance with environmental law<sup>85</sup> and in the interest of the State, which receives a portion of the revenue generated by such exploitation. The Law established a specialized authority under the supervision of the Ministry of Energy and Water. The specialized authority will prepare studies, draft technical specifications, and monitor the oil and gas sector.<sup>86</sup> The Law gives the private sector a role to play. Private companies will be able to enter into licenses and exclusive oil and gas exploration agreements. The Law determines how licenses should be awarded and how contacts should be performed.<sup>87</sup> The Ministry of Energy and Water announced that decrees necessary to implement the Law would be issued in 2011. The Ministry expects to start reviewing applications for exploration and drilling sometime in 2012.<sup>88</sup>

## X. Morocco\*

In August 2009, King Mohammed VI delivered a speech in which he stressed the need for judicial reform,<sup>89</sup> listed key goals, including enhancing judicial independence, modernizing Morocco's regulatory framework, and enforcing existing rules to prevent corruption and misuse of power.<sup>90</sup> The Moroccan Ministry of Justice announced a comprehensive

82. *Id.* art. 108.

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83. See Gebran Bassil, *Policy Paper for the Electricity Sector*, MINISTRY OF ENERGY AND WATER (Leb.), 5 (June 2010), [http://www.tayyar.org/tayyar/temp/EDL\\_startegy.pdf](http://www.tayyar.org/tayyar/temp/EDL_startegy.pdf); see Decree Law 132 of 24 Aug 2010 (Leb.) (petroleum resources in marine waters).

84. See Decree Law 462 of 2 Sept 2002 (Leb.) (electricity regulation).

85. See Decree Law 132, arts. 7, 54.

86. *Id.* art. 10.

87. See *id.* art. 11.

88. *Les décrets d'application de la loi sur le pétrole en cours d'élaboration* [The Decrees of the Oil Law Being Drafted], LE COMMERCE DU LEVANT, Nov. 19, 2010, available at <http://www.lecommercedulevant.com/node/17572>.

\* Caitlin Stapleton, an associate with Greenberg Traurig LLP in Washington, D.C., and a former law clerk at the International Court of Justice, prepared this report on Morocco.

89. *Amnesty International Report 2010-Morocco/Western Sahara*, AMNESTY INT'L, May 28, 2010, <http://www.unhcr.org/refworld/docid/4c03a812c.html>.

90. Siham Ali, *King Mohammed VI Calls for Comprehensive Reform of the Judicial System*, MAGHAREBIA, Aug. 24, 2010, <http://www.magharebia.com/cocoon/awi/xhtml1/ar/features/awi/features/2009/08/24/feature-01>.

plan for judicial reform, in conjunction with the Moroccan Ministries of the Interior, Finance, and Public Sector Modernization.<sup>91</sup>

Pursuant to these overhaul and reform goals, the budget of the Moroccan Ministry of Justice has already been increased by seventy percent over the past two years to 670 million dirhams (approximately US\$80 million) for the 2010 fiscal year.<sup>92</sup> In March 2010, Minister of Justice Abdelouahed Radi stated that this expansion of the Ministry's budget enabled the construction of twenty-two new courts, the expansion of forty others, and the implementation of computerized administration across the Moroccan judicial system. Radi noted that Moroccan judges hear 1,000 cases per year and stated that the Ministry of Justice seeks to bring that number down to 700 in 2012 and 500 in 2017, in conformance with international norms.<sup>93</sup>

A new unified law has not yet been passed and many questions remain unanswered. It is not yet clear how judicial reform efforts will balance judicial independence with deference to the role of the High Judicial Council, which appoints and promotes judges, and the King, who presides over the Council. Future reforms should also increase confidence in the judicial system and address public concerns related to procedural fairness and corruption.<sup>94</sup>

## XI. Pakistan\*

### A. PROVISIONAL CONSTITUTION ORDER CASES

The Pakistan Supreme Court heard a series of cases arising from General Pervez Musharraf's 2007 Proclamation of Emergency, Provisional Constitution Order, and Oath Order.<sup>95</sup> General Musharraf's measures required all Supreme Court and High Court judges to take an oath of office or face suspension and house arrest.<sup>96</sup>

In *Sindh High Court Bar Association v. Federation of Pakistan*,<sup>97</sup> the Supreme Court upheld the sanctity of the Pakistani Constitution by holding that it may not be suspended by a measure outside the scope of constitutional provisions.<sup>98</sup> As a result, the Supreme Court voided General Musharraf's orders.<sup>99</sup> In *Justice Chaudhry v. President of Pakistan*,<sup>100</sup> the Supreme Court held that no person, including the president, had any constitutional power

91. *Moroccan Ministry of Justice is Preparing a Draft Comprehensive Reform of the Country's Judiciary*, ASHARQ AL-AWSAT, Aug. 28, 2009, <http://www.aawsat.com/details.asp?section=4&article=533659&issueno=11231>.

92. *Morocco: Judicial Reform That Does Not Call Into Question Dependence Upon the King*, JOURNAUX.MA, Apr. 1, 2010, <http://www.journaux.ma/maroc/actualite-internationale/maroc-une-reforme-de-la-justice-qui-ne-remet-pas-en-en-cause-sa-depen>.

93. *Id.*

94. *Morocco Rule of Law Assessment*, U.S. AGENCY FOR INT'L. DEV., ii-iv (Sept. 2010), [http://pdf.usaid.gov/pdf\\_docs/PNADT305.pdf](http://pdf.usaid.gov/pdf_docs/PNADT305.pdf).

\* Rina Shah, a law student at the University of Houston, prepared this report.

95. *See Supreme Court Annual Report (April 2009 to March 2010)*, SUPREME COURT OF PAKISTAN, 139-147 (2010), [http://www.supremecourt.gov.pk/Annual\\_rpt\\_ap09mar10/10.pdf](http://www.supremecourt.gov.pk/Annual_rpt_ap09mar10/10.pdf).

96. *Id.*

97. *Id.* at 141-43.

98. *Id.* at 142.

99. *Id.* at 141.

100. *Id.* at 143-45.

to remove or suspend a judge of a Superior Court.<sup>101</sup> These cases signify an emphasis on upholding the rule of law in Pakistan. In particular, the Supreme Court prohibited circumventing constitutional provisions and supported judicial independence and a national separation of powers.

## B. BLASPHEMY CASES

Public attention turned to Pakistan's blasphemy laws after the first female convicted under the laws was sentenced to death,<sup>102</sup> with particular concern raised by groups like the Human Rights Commission, Muslim NGOs, and the Catholic bishops' National Commission for Justice and Peace.<sup>103</sup> With the blasphemy laws being criticized for their disparate use against non-Muslims, Asma Jahangir, the new president of the Supreme Court Bar Association, suggested trying all blasphemy cases in High Courts.<sup>104</sup> The Pakistan Parliament is set to review the anti-blasphemy laws at its next session.

## C. HEALTHCARE

In 2010, legislators passed the Punjab Healthcare Commission Act, which created the Punjab Healthcare Commission and established uniform requirements for licensing and registration of medical providers.<sup>105</sup> The Commission has the authority to fine providers not duly licensed and suspend/revoke licenses for violations including repetitive medical negligence.<sup>106</sup>

## XII. Qatar\*

The wealthiest ranked country in the world for 2010, Qatar,<sup>107</sup> is revamping its investment and tax laws to provide for a climate in line with the economic development goals of Qatar National Vision 2030.<sup>108</sup>

101. *Id.*

102. See Michael Nazir-Ali, *Repeal Pakistan's Blasphemy Law*, GUARDIAN (U.K.), Nov. 13, 2010, <http://www.guardian.co.uk/commentisfree/belief/2010/nov/13/pakistan-blasphemy-law-asia-bibi>.

103. See Jane Perlez, *Christian Seeks Pardon in Pakistan Blasphemy Case*, N.Y. TIMES, Nov. 22, 2010, <http://www.nytimes.com/2010/11/23/world/asia/23pstan.html>; *Rising Blasphemy Cases Worry Pakistan Activists*, CATH NEWS INDIA, Nov. 16 2010, <http://www.cathnewsindia.com/2010/11/16/rising-blasphemy-cases-worry-pakistan-activists/>.

104. Tom Hussain, *Blasphemy Conviction Has Pakistan Up in Arms*, NATIONAL (U.A.E.), Nov. 23, 2010, <http://www.thenational.ae/news/worldwide/south-asia/blasphemy-conviction-has-pakistan-up-in-arms>; *Asma Jahangir for Trying Blasphemy Cases in High Courts*, ASSOCIATED PRESS OF PAK., Nov.21, 2010, [http://ftpapp.app.com.pk/en/\\_index.php?option=com\\_content&task=view&id=122470&Itemid=2](http://ftpapp.app.com.pk/en/_index.php?option=com_content&task=view&id=122470&Itemid=2); *Pakistan Parliament to Review Anti-Blasphemy Law*, INDEP. CATHOLIC NEWS, Nov. 21, 2010, <http://www.indcatholicnews.com/news.php?viewStory=17160.s>.

105. See Punjab Healthcare Commission Act, 2010, Chapters II and III, Act XVI of 2010 Punjab Gazette, 465-77 (Pakistan), available at <http://punjablaws.gov.pk/laws/2434.html>.

106. *Id.*

\* Joseph F. Jacob of Albany, New York, prepared the report on Qatar.

107. *The Richest Countries in the World*, GLOBAL FINANCE MAGAZINE, <http://www.gfmag.com/tools/global-database/economic-data/10501-the-richest-countries-in-the-world.html>.

108. *Qatar National Vision 2020*, QATAR INVESTMENT PROMOTION DEP'T, <http://www.investinqatar.com.qa/about/qatar%20vision> (last visited Feb. 26, 2011).

## A. INVESTMENT LAW

On February 1, 2010, Law No. 1 of 2010 amended Qatar's Investment Law No. 13 of 2000,<sup>109</sup> which allowed foreign investors up to forty-nine percent ownership in all sectors of the national economy.<sup>110</sup> With special government approval, however, it allowed 100% ownership in certain sectors including: agriculture, industry, healthcare, education, and tourism.<sup>111</sup> The new law allows foreign investors up to 100% ownership in businesses such as information technology, consultative, and distribution services.<sup>112</sup> Qatar is considering the cancelling of the sponsorship system, in which foreigners need to be sponsored by a Qatari national to enable a free entry and acceptance of jobs in the country.<sup>113</sup> This cancellation will enable unrestricted labor to the market by foreigners, further removing barriers to investments.

## B. INCOME TAX LAW

Qatar's Income Tax Law No. 11 of 1993<sup>114</sup> comprised a tax bracket regime ranging from no tax for net income under 100,000QR and up to thirty-five percent for net income over 5,000,000QR.<sup>115</sup> This law was repealed and replaced on November 17, 2009 with the enactment of Income Tax Law No. 21 of 2009.<sup>116</sup> Effective January 1, 2010, a flat tax rate of ten percent of the net income will be collected.<sup>117</sup> The new law also requires every taxpayer to withhold taxes in the amount of five percent in the case of technical fees and royalties and seven percent in the case of interest, commission, and other services, from the gross payments for the delivery of services in Qatar by nonresident companies.<sup>118</sup> The Ministry of Economy announced that the law would apply only to foreign corporations and not individuals.<sup>119</sup> It also suspended tax withholding of five percent or seven percent required in Article 11.2 until further consideration by the Ministry has occurred.<sup>120</sup>

109. Investment Law of Qatar Regulating the Investment of Foreign Capital in Economic Activities, Law No. 13 (2000) available at [http://www.investinqatar.com.qa/files/rule\\_13e.pdf](http://www.investinqatar.com.qa/files/rule_13e.pdf).

110. *Id.* art. 2.1.

111. *Id.* art. 2.2.

112. 2010 *Investment Climate Statement—Qatar*, U.S. DEP'T OF COMMERCE, <http://www.state.gov/e/eeb/rls/othr/ics/2010/138132.htm>.

113. *Cancellation of Sponsorship System Being Studied*, QATAR ONLINE, Nov. 15, 2010, <http://www.onlineqatar.com/840-Cancellation-of-sponsorship-system-being-studied.html>.

114. Income Tax Law of Qatar, Law No. 11 (1993), available at <http://www.mof.gov.qa/english/PDF/01.pdf>.

115. *See id.* art. 19.

116. Income Tax Law of Qatar, Law No. 21 (2009), available at <http://www.mof.gov.qa/english/tax/PDF/DRAFT%20INCOME%20TAX%20LAW%20English%20condensed.pdf>.

117. *See id.* art. 11.

118. *See id.* arts. 11.2.a-b.

119. Press Release, Ministry of Economy and Finance (Qatar), available at [http://www.mof.gov.qa/arabic/media\\_center/News-2009/new-18-11.html](http://www.mof.gov.qa/arabic/media_center/News-2009/new-18-11.html).

120. Press Release, Ministry of Economy and Finance (Qatar), available at [http://www.mof.gov.qa/arabic/media\\_center/news/2009/Tax\\_1\\_2010.html](http://www.mof.gov.qa/arabic/media_center/news/2009/Tax_1_2010.html).

### XIII. Saudi Arabia\*

Efforts by Saudi Arabia to modernize its judicial system and laws continued in 2010. In September, the Saudi Judiciary announced the appointment of 331 judges to reduce the time required to resolve disputes.<sup>121</sup> The Kingdom also announced new specialized family law courts.<sup>122</sup>

A much-anticipated mortgage law is expected to attract international lenders into Saudi private and commercial real estate markets. As drafted, the law creates a central authority to serve as a formal registry to make it easier to validate mortgages.<sup>123</sup> Lenders will have the ability to report delinquent mortgage holders to the authority and compel the debtor to pay the debt or face foreclosure proceedings.<sup>124</sup> The law is expected to draw a commercial finance business boom in the Kingdom. The Saudi Arabian Monetary Agency, the Kingdom's central bank, is one of the authorities overseeing the draft.

Another important piece of legislation that will surely draw foreign capital into Saudi Arabia is The Economic Cities Act. Under the Act, King Abdullah Economic City, one of four economic centers currently under development, will be the first place in Saudi Arabia where foreign nationals and companies may own property in the Kingdom.<sup>125</sup> Implementing regulations are pending.

New rules strengthened the power of Saudi judges to deal with check fraud. Presently, litigation of financial disputes in the Kingdom can take two years to resolve. Judges will now be able to compel debtors to disclose financial assets and pay at least part of the check's value, expediting resolution of financial disputes.<sup>126</sup>

Under an agreement reached by the six Gulf Cooperation Council (GCC) countries (UAE, Saudi Arabia, Kuwait, Qatar, Bahrain, and Oman), the Kingdom announced that Saudi citizens may now travel to GCC countries using an identification card instead of a passport.<sup>127</sup> This measure also allows GCC nationals to enter Saudi Arabia using their identification cards.<sup>128</sup>

Other 2010 legal developments include a new law aimed at preventing underage marriage in the Kingdom,<sup>129</sup> the adoption of labor laws affecting employee and employer

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\* Sarah Al-Shawwaf and Brian J. Vohrer, attorneys with the Washington, D.C. office of the law firm Dewey & LeBoeuf LLP, prepared the report on Saudi Arabia.

121. *Saudi Arabia Promotes, Appoints 331 Judges to Courts*, ARABIAN BUSINESS, Sept. 5, 2010, <http://www.arabianbusiness.com/saudi-arabia-promotes-appoints-331-judges-courts-346837.html>.

122. Jassim Alghamdi, *Shortage of Judges Set to Rise in Saudi Arabia*, ZAWYA, Oct. 7, 2010, <http://www.zawya.com/story.cfm/sidZAWYA20101007033235/Shortage%20of%20judges%20set%20to%20rise%20in%20Saudi%20Arabia>.

123. Shaheen Pasha, *New Saudi Mortgage Law Permits Foreclosure-Draft*, REUTERS, Feb. 15, 2010, <http://uk.reuters.com/article/idUKLDE61D06Z20100215>.

124. *Id.*

125. Zainab Fattah, *Saudi Arabia to Allow Foreign Ownership in New City*, BLOOMBERG BUSINESSWEEK, June 3, 2010, <http://www.businessweek.com/news/2010-06-03/saudi-arabia-to-allow-foreign-ownership-in-new-city-update1-.html>.

126. *New Powers For Saudi Judges for Bounced Cheques*, ARABIAN BUSINESS, Sept. 23, 2010, <http://www.arabianbusiness.com/new-powers-for-saudi-judges-for-bounced-cheques-350706.html>.

127. *GCC Citizens Can Travel to Saudi Using ID Cards*, EMIRATES, Oct. 24, 2010, <http://www.emirates247.com/news/region/gcc-citizens-can-travel-to-saudi-using-id-cards-2010-10-24-1.308153>.

128. *Id.*

129. Abdul Rahman Shaheen, *Saudi Arabia to Announce New Law on Marriage*, GULF NEWS, Jan. 29, 2010, <http://gulfnews.com/news/gulf/saudi-arabia/saudi-arabia-to-announce-new-law-on-marriage-1.575315>.

rights in the workplace,<sup>130</sup> and consideration of a law aimed at preventing charitable donations from reaching terrorist organizations.<sup>131</sup>

#### XIV. Syria\*

##### A. HONOR KILLING

The Syrian President signed into law Legislative Decree No. 37, repealing Article 548 of the Penal Code,<sup>132</sup> which had imposed a maximum prison sentence of one year for honor killings, with no minimum.<sup>133</sup> Article 548.1 now mandates a sentence of no less than two years if the crime, murder, or assault was unintentional and was committed during the victim's commission of adultery or illegitimate sexual act.<sup>134</sup> The new law recognizes the heat of passion defense but moves away from the broad exemption for honor killing crimes.<sup>135</sup> Muhammad Habash, a member of the People's Council, stated that the law is a step in the right direction, but states that all justifications for honor killing should be abolished.<sup>136</sup> He added that sentences for adultery crimes should be increased to deter the commission of honor crimes.<sup>137</sup> The 2010 law grew out of the 2008 National Assembly on Honor Crimes.<sup>138</sup> Its final recommendation was for equally tough sentencing of men and woman for adultery crimes, the dissemination of a *fatwa* prohibiting such crimes, and the sentencing of perpetrators to at least fifteen years in prison for such crimes.<sup>139</sup>

##### B. REGULATING THE LEGAL PROFESSION

The Syrian President issued Law No. 30, amending the regulations governing the legal profession on July 11, 2010.<sup>140</sup> The new law included the amendment of about twenty-nine of the 114 Articles in Legal Profession Regulation Law No. 39 of 1981.<sup>141</sup> The most significant change was the amendment in Article 57,<sup>142</sup> in which a lawyer now "has the

130. Habib Shaikh, *New Law to Unify Private Sector Contracts Unveiled*, KHALEEJ TIMES, July 11, 2010, [http://www.khaleejtimes.com/darticle.asp?xfile=data/business/2010/July/business\\_July196.xml&section=business](http://www.khaleejtimes.com/darticle.asp?xfile=data/business/2010/July/business_July196.xml&section=business).

131. *Saudi Council Plans Law to Curb Terror Financing*, ARABIAN BUSINESS, June 9, 2010, <http://www.arabianbusiness.com/saudi-council-plans-law-curb-terror-financing-282715.html>.

\* Joseph F. Jacob, a solo attorney at the Law Offices of Joseph F. Jacob, Albany, New York, prepared the report on Syria.

132. Legislative Decree No. 37 of 2009 (Syria), available at [http://www.damascusbar.org/arabic/law\\_lib1/law\\_index.htm](http://www.damascusbar.org/arabic/law_lib1/law_index.htm).

133. See *Mr. President Issued a Decree to Cancel Articles of the Penal Code Relating to Crimes of Honor*, SYRIAN MINISTRY OF JUSTICE, <http://www.moj.gov.sy/node/151>.

134. See *id.*

135. See Katherine Zoepf, *A Dishonorable Affair*, N.Y. TIMES, Sept. 23, 2007, <http://www.nytimes.com/2007/09/23/magazine/23wwln-syria-t.html?emc=eta1>.

136. See SYRIAN MINISTRY OF JUSTICE, *supra* note 133.

137. See *id.*

138. See *id.*

139. See *id.*

140. Legal Profession Regulation Law of Syria, Law No. 30 (2010) (Syria), available at <http://www.moj.gov.sy>.

141. Legal Profession Regulation Law of Syria, Law No. 39 (1981) (Syria), available at [http://www.damascusbar.org/arabic/dbar/law\\_sys/org\\_sys.htm](http://www.damascusbar.org/arabic/dbar/law_sys/org_sys.htm).

142. Legal Profession Regulation Law of Syria, Law No. 30.

right<sup>143</sup> to appear on behalf of his client before all courts, judicial departments, administrative departments, police department, and any department initiating a penal or administrative investigation.<sup>144</sup> The change provides greater guarantees to Syrians being investigated. The presence of a legal counsel during an investigation will safeguard the rights of the client from abuse or overreach.<sup>145</sup>

### C. INVESTMENTS

To attract foreign direct investments, Syria enacted Legislative Decree No. 81 of 2010, which was signed on September 30, 2010.<sup>146</sup> The law establishes the Syrian Investment Company,<sup>147</sup> a state-owned company with initial capital objective of five billion SP. The company will issue 10 million shares at 500 SP each to raise its capital and will allow foreign investors to own shares.<sup>148</sup> This new law was announced after a visit to Paris by the Deputy Prime Minister of Economic Affairs, Abdullah Al Dardari, to solicit foreign investment.<sup>149</sup> According to the Decree, the investment company aims to transform the country's financial market, government procurement, and other financial institutions within an attractive legal structure,<sup>150</sup> and will develop investment projects and joint ventures in Syria and abroad.<sup>151</sup>

## XV. Turkey\*

Prime Minister Erdogan and his right-leaning AK Party have touted Turkey's 2010 constitutional reforms as an "historical milestone."<sup>152</sup> The reforms,<sup>153</sup> passed on September 12, 2010, amend Turkey's Constitution of 1982 by increasing children's rights,<sup>154</sup> establishing data privacy,<sup>155</sup> appointing an independent ombudsman to mediate disputes between the state and citizens,<sup>156</sup> and improving union access for civil servants.<sup>157</sup> In ad-

143. See *id.*

144. See *id.*

145. Posting by Michael Nahas, Attorney at Law, All 4 Syria, <http://all4syria.info/content/view/29243/85/>.

146. See DAMASCUS BAR, <http://www.damascusbar.org/arabic/index.php> (last visited Feb. 10, 2010); see also Maya Braine, *Mutual Benefit*, SYRIA TODAY, Nov. 2010, <http://www.syria-today.com/index.php/-november-2010/637-business-features/12247-mutual-benefit>.

147. Braine, *supra* note 146.

148. See *id.*

149. *Dadari Seeks Major Increase in Foreign Investment*, SYRIA TODAY, Nov. 2010, <http://www.syria-today.com/index.php/business-news/business-news/12264-dadari-seeks-major-increase-in-foreign-investment>.

150. See *id.*

151. See *President Al-Assad Issues Decree on Establishing the Syrian Investment Company*, SYRIAN ARAB NEWS AGENCY, Oct. 2, 2010, <http://sana.sy/eng/21/2010/10/02/pr-310734.htm>.

\* Kinan H. Romman, an associate with Ahmad, Zavitsanos & Anaiapakos PC in Houston, Texas, prepared the report on Turkey.

152. See Jonathan Head, *Referendum Result Fails to Mask Turkey's Divisions*, BBC NEWS, Sept. 13, 2010, <http://www.bbc.co.uk/news/world-europe-11288360>.

153. Law No. 5982 Amending Certain Provisions of the Constitution (2010) (Turk.), translated in *Law No 5982 Amending Certain Provisions of the Constitution*, SECRETARIAT GENERAL FOR EUROPEAN UNION AFFAIRS (Turk.), (July 7, 2010), [http://www.abgs.gov.tr/files/BasinMusavirlik/haberler/constituional\\_amendments.pdf](http://www.abgs.gov.tr/files/BasinMusavirlik/haberler/constituional_amendments.pdf).

154. Constitution of Turkey, art. 41 (as amended).

155. *Id.* at 20.

156. *Id.* art. 74.

157. *Id.* art. 51.

dition to these progressive changes, the reforms distance Turkey's constitution from its roots in the 1980 military coup.<sup>158</sup> The reforms make the military more accountable to civilian courts<sup>159</sup> and lift prosecutorial immunity for those who orchestrated the coup.<sup>160</sup>

Nevertheless, many people criticize the reforms as a means for Erdogan to push his party's agenda by manipulating the judiciary.<sup>161</sup> Specifically, the reforms will expand the number of judges sitting on the Constitutional Court from eleven to seventeen.<sup>162</sup> The Higher Council of Judges and Prosecutors, which oversees the hiring and firing of judges and prosecutors, will be increased from six members to thirty-one.<sup>163</sup> Currently, opposition-party secularists dominate these judicial bodies,<sup>164</sup> and concerns have been raised that Erdogan plans to dilute these judicial bodies to serve his political interests.<sup>165</sup>

## XVI. United Arab Emirates\*

### A. COMMERCIAL (FEDERAL)

In a move that reversed 2006 liberalizations in favor of foreign principals, the United Arab Emirates ("UAE") strengthened the rights of UAE registered commercial agents by its 2010 Amendments to the Commercial Agency Law.<sup>166</sup> According to the 2006 Amendments, a registered commercial agency with a fixed term was deemed terminated on the date of its expiry, unless both parties extended the term within one year before its expiry. Foreign principals saw this recognition of fixed term contracts as a positive development, because before the 2006 Amendments non-renewal was equivalent to termination, with both requiring justifiable cause. The 2010 Amendments do not allow the termination, or non-renewal, of a commercial agency unless the principal has a material reason to justify the termination or non-renewal. Furthermore, a principal may not re-register the commercial agency in the name of another agent, even if the previous agency was for a fixed term, unless (i) it is amicably terminated by the principal and the agent, (ii) termination or non-renewal is for justifiable reasons satisfactory to the Commercial Agencies Committee, or (iii) a final judgment orders cancellation of the agency. Until the new agency is registered, the previous registered agent may block import by any other person of the goods covered by the expired or terminated agency. Thus, the 2010 Amendments continue to make no distinction between non-renewal and termination of a registered commercial agency, with both requiring justifiable cause. The 2010 Amendments also reinstated the specialized Commercial Agencies Committee revoked by 2006 Amendments. The Com-

158. See Gabriel Borrad, *European Union Welcomes Turkey's Constitutional Reform Victory*, DEUTSCHE WELLE, Sept. 13, 2010, <http://www.dw-world.de/dw/article/0,,5999622,00.html>.

159. Constitution of Turkey, arts. 145, 156, & 157 (as amended).

160. *Id.* art. 15 (repealed).

161. See Thomas Grove, *Turkey's Erdogan Scores Reform Referendum Victory*, REUTERS, Sept. 12, 2010, <http://www.reuters.com/article/idUSTRE68B01120100912?pageNumber=2>.

162. Constitution of Turkey, art. 146 (as amended).

163. *Id.* art. 159.

164. See Head, *supra* note 152.

165. *Id.*

\* Vandana Rupani, Hassan Elsayed, John C. Boehm, Jr., Mark E. Bisch, and Stanley Rice are attorneys in the Dubai office of Fulbright & Jaworski L.L.P.

166. UAE Federal Law No. 2 of 2010 (the "2010 Amendments"), UAE Official Gazette No. 506 (Mar. 31, 2010).

mercial Agencies Committee has original jurisdiction over disputes involving registered commercial agents.

#### B. LITIGATION (DUBAI)

The Emirate of Dubai established a special purpose tribunal to hear claims regarding Dubai World, an investment company that manages businesses and projects for the Dubai government. Decree 57<sup>167</sup> established a disputes resolution mechanism and forum based in the Dubai International Financial Centre, which to the exclusion of any other Dubai court has jurisdiction over claims against (and by) Dubai World and its subsidiaries. Decree 57 also established a special insolvency regime for Dubai World and its subsidiaries.

#### C. REAL ESTATE (DUBAI)

Supplemental regulations to the Dubai Interim Real Estate Register Law<sup>168</sup> have been enacted to regulate matters such as the termination of sale contracts, permitted retention amounts, and the criteria to cancel projects. The implementing rules and regulations of the Dubai Strata Title Law<sup>169</sup> were also issued.

### XVII. Yemen\*

#### A. INVESTMENT LAW

With the assistance of the Investment Climate Advisory Services department of the World Bank Group,<sup>170</sup> Yemen passed a new investment law on August 23rd to offer additional incentives and privileges to investors. The rationale behind the reform is the evolution of Yemen's investment climate and the aim to attract further investments and foreign capital. The new law promotes both domestic and foreign investments and reiterates equal treatment among Yemeni, Arab, and foreign investors.<sup>171</sup> It also includes new customs' exemptions and entails a new composition of the Investment Authority board, requiring equal representation of the public and private sectors.<sup>172</sup> Investment projects

167. Dubai Official Gazette No. 345 (Dec. 31, 2009), as amended by Decree No. 11 of 2010; *see also* Vandana Rupani, et al., *Middle East*, 44 INT'L LAW. 713 (2010).

168. Dubai Executive Council Decision No. 6 of 2010 approving the executive regulations of the Dubai Law No. 13 of 2008 Regulating the Interim Real Estate Register in the Emirate of Dubai, as amended by Dubai Law No. 9 of 2009 ("Dubai Interim Real Estate Register Law"), Dubai Official Gazette No. 347 (Apr. 15, 2010).

169. Dubai Law No. 27 of 2007 (the "Dubai Strata Title Law") and the Directions, *available at* [http://www.rpdubai.com/rpdubai/home/laws\\_regulation.do?lang=0](http://www.rpdubai.com/rpdubai/home/laws_regulation.do?lang=0).

\* Tania Ghossein, an investment policy and promotion specialist with the World Bank Group, prepared the report on Yemen.

170. Investment Climate Advisory Services of the World Bank Group offers client governments a range of advisory services to assist them in improving the investment climate for domestic and foreign investors. For more information, *see* INVESTMENT CLIMATE, <https://www.wbginvestmentclimate.org/overview/index.cfm> (last visited Feb. 26, 2011).

171. Investment Law of Yemen, Law No. 15 (2010), art. 5.

172. Faisal Dareem, *Yemen: Parliament Reviews New Investment Law*, *Zawya*, July 18, 2010, <http://www.zawya.com/story.cfm/sidZAWYA20100718080651/Yemen%3A%20Parliament%20reviews%20new%20investment%20law/>.

existing at the enactment of this law and that already acquired tax exemption under Law No. (22) may keep those tax exemptions until the end of the period for those exemptions.

The World Bank report *Investing Across Borders 2010*<sup>173</sup> found that Yemen's economy is fairly open to foreign investments. Most manufacturing and primary industries are open to foreign participation. The country imposes equity ownership restrictions in several service sectors (fixed-line telecommunications, electricity distribution, and airport and port operation). Furthermore, a number of sectors are dominated by government monopolies.

## B. TAX LAW

A revised income tax law passed in August came into effect on December 31, 2010.<sup>174</sup> The new law is one of the key elements of the reform wave undertaken by the Yemeni government. Income tax on traders and companies was reduced from thirty-five to twenty percent and on banks from thirty-five to fifteen percent. The law also provides that businesses can benefit from a reduced tax on salaries for new employees during the first five years. The law also increased the annual salary thresholds below which employees are not taxed to YER 120,000 (US\$500) per year. Previously, the threshold had been just YER 36,000. Last, the new law however imposes a flat income tax rate for all employees earning more than YER 840,000 (US\$3,940) per year.

## C. STARTING A BUSINESS

The government of the Republic of Yemen, in its "Strategic Vision for 2025", put private sector development and specifically business registrations at the top of its priorities. In the World Bank's *Doing Business 2010* report,<sup>175</sup> Yemen ranked fifty-third on the ease of starting a business—a major improvement from its 178th place ranking in 2008. Yemen's minimum capital requirement, previously the world's second highest, was abolished, and a one-stop shop (OSS) for business start-ups was launched.

173. *Investing Across Borders (IAB)* is a new World Bank Group initiative that compares FDI regulations in 87 economies across four thematic topics. A full report and additional information can be found at *Investing Across Borders*, WORLD BANK GROUP, <http://iab.worldbank.org> (last visited Feb. 26, 2011).

174. Ali Saeed, *New Income Tax Law To Promote Private Sector And Employment*, YEMEN TIMES, Sept. 6, 2010, [http://www.yementimes.com/defaultdet.aspx?SUB\\_ID=34703](http://www.yementimes.com/defaultdet.aspx?SUB_ID=34703).

175. *Ease of Doing Business in Yemen, Rep.*, DOING BUSINESS, <http://doingbusiness.org/data/exploreeconomies/yemen> (last visited Feb. 5, 2011).

