

UAE

Long Term Visas for Retirees

The United Arab Emirates will allow foreigners to obtain residency visas after they retire, a major policy shift designed to give expatriates a larger stake in the economy and foster longer-term growth.

The new law, which is scheduled to come into effect in 2019, will allow foreign retirees over the age of 55 to apply for longer residency visas which can be renewed after five years. To qualify, the retiree must either have a property investment worth at least AED 2 million (approx. Euro 475,000), savings of not less than AED 1 million (approx. Euro 237,500) or a monthly income of no less than AED 20,000 (approx. Euro 4,700).

ADGM Dual-Licence Regime

In addition to the dual-licence regime now possible with MASDAR (and described in our September e-alert), it is now possible for entities registered with the Abu Dhabi Global Market (**ADGM**) to apply for a licence issued by the Abu Dhabi Department of Economic Development (**ADED**) to conduct business activities outside the territory of ADGM without the need to rent additional office space on the mainland.

According to the details released by ADGM so far, the procedure for registration is expected to be as follows:

- An ADGM company will submit an application with a copy of its corporate licence, a Non-Objection Certificate from the ADGM Registrar and an undertaking letter confirming that the applicant does not have any branch outside ADGM;
- The ADED will issue its initial approval. Note that the ADED reserves the right to conduct inspections of the applicant's ADGM office space;
- The Applicant will pay the standard licence fees (excluding those related to office space);
- The dual licence will be issued and a copy sent to the ADGM Registrar by the Applicant.

ADGM Start-Up Scheme

The ADGM has also announced a scheme for start-up companies. The most attractive features of the framework are the USD 700 annual license fee and the lack of physical office requirements (which nonetheless allow a company to apply for up to 4 residency visas for employees).

This licence also provides the opportunity for start-ups to access funding on an immediate basis and may potentially allow future listings on the ADGM's stock exchange.

The registration process is substantially the same as the current online procedure to obtain a commercial licence within ADGM but with less documents required.

In addition, the ADGM will assist start-ups by providing access to ADGM's professional services support programme (**PSSP**). Through the PSSP, start-ups can collaborate with local and international advisors to assist them with the usual necessary services such as the application of VAT, the implementation of a proper accounting structure and legal and financing arrangements.

However, companies under the scheme will have to convert either into an operational company or a holding company after the second year of operation.

Arbitration Agreements

The validity of arbitration clauses/agreements is often raised by parties wanting to litigate a matter instead of submitting it to arbitration.

Under the new UAE Arbitration Law, in order to be valid an arbitration agreement must be entered into by a natural person who is authorised to conclude the agreement on arbitration (art. 4(1)). The Power of Attorney should specifically empower an individual to sign the arbitration agreement.

Also, an arbitration agreement cannot be entered into in relation to matters which cannot be settled by arbitration (art. 4(2)).

An arbitration agreement must be made in writing. An arbitration agreement will be deemed to have been made in writing if:

- an arbitration agreement is included in a document signed by the parties or contained in their written communications;
- the agreement between the parties refers to the provisions of a standard contract or any other document which incorporates an arbitration agreement;
- the parties agree to refer their dispute to arbitration during the hearing of the case before the court; and
- a party, in its written memoranda submitted to the court, requests the dispute to be referred to arbitration and the other party does not object (art. 7).

If a dispute is subject to an arbitration agreement, a claim will be inadmissible before the court provided the defendant raises an objection based on the arbitration agreement before submitting its first defence (art. 8(1)). Historically, the UAE courts have given full effect to valid arbitration agreements provided they are raised at the very first hearing.

However, if the arbitration agreement is found to be null, the court will hear the claim.

Art. 37(1) of the Arbitration Law further provides that the arbitral tribunal shall apply the law agreed by the parties. The chosen law must not violate public order and morals. If the parties have not agreed on the applicable law, the tribunal is empowered to use the law which applies to the subject matter of the dispute. In determining the applicable law, the tribunal must consider the terms and conditions of the contract, the subject matter of the dispute and any customary practices in transactions of a similar nature (art. 38(2)).

And the invalidity, expiry or termination of the contract does not affect the arbitration clause (art. 6).

Qatar

Permanent Residency for Foreigners

Earlier this autumn, Qatar made permanent residency an option for a limited number of foreigners, a step that would grant them access to the welfare system and commercial rights previously reserved for Qatari citizens.

The reforms follow years of austerity after the collapse in oil prices in 2014 strained government revenues and weakened growth across the Gulf.

No Exit Permission for Certain Employees

Expatriates who are working in the country under the Labour Law will have the right to temporarily or finally exit from the country during the validity of their employment contract.

Employers may submit a request to the Administrative Development, Labour and Social Affairs Ministry

with the names of employees who will need a No Objection Certificate before leaving with a justification based on the nature of their work.

However, the number of employees under these restrictions will not exceed 5% of the company's workforce.

Bahrain

Foreign Branch without Bahraini Partner

The Bahrain's Cabinet has approved amendments to allow some foreign companies to open branches without a Bahraini partner. The moves would be based on Article 345 of Bahrain Decree-Law No. 28/2015 which amended some of the provisions of the Commercial Companies Law.

The Industry, Trade and Tourism Ministry has submitted a memorandum to facilitate this process.




The exemptions will apply to industries deemed of strategic economic importance to the Kingdom.

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For any further clarification or research please contact:




Renato Giallombardo
Partner

 Rome
 +39 06 478751
 rgiallombardo@gop.it

Riccardo Sensi
Partner

 Abu Dhabi
 + 971 2 815 3333
 rsensi@gop.it

Elise S. Paul-Hus
Of Counsel

 Rome
 +39 06 478751
 epaulhus@gop.it



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