

مكتب رودل، ماير-رويمان الشرق الأوسط المحدودة

Roedl, Meyer-Reumann Middle East Ltd

www.Roedl-MeReu.com

Legal Cross-Border Services in the Middle East

presented by

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Roedl, Meyer-Reumann ME Ltd

United Arab Emirates, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, Iran, Iraq, Egypt, Sudan, Lebanon, Syria, Jordan, Yemen



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Rolf Meyer-Reumann, Dubai

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1. The Business Environment in the Middle East

In the Middle East Region there are 6 of the big oil players at home (Saudi Arabia, Iraq, Kuwait, Qatar, United Arab Emirates and Iran). These countries, including - with some reservations - Iraq, already developed tremendously in the last few decades and converted from underdeveloped countries to developed countries. Nevertheless international companies involved in trade, investments, infrastructure, oil exploration, or construction were and are still welcome in the Region and are needed for the time to come. A high standard of development has already been achieved and the nature of the investments may change; however the huge oil resources and the anticipated oil price development are guarantors that the development will stay on track and continues. Presently the world's financial sector is hit

¹ Meyer-Reumann, Rolf; Legal Cross-Border Services in the Middle East, the article is based on a speech held on a Seminar of Sesam Business Consultants at the occasion of the inauguration of the Erbil Office of **Roedl, Meyer-Reumann ME Ltd** in Erbil on Oct. 18th, 2008.

by a serious crisis. America and Europe are seriously effected. Also the Middle East, being part of the international community is affected but much less due to its financial strength. All these facts are well known to international investors and the competition in the Middle East is high.

Not all countries in the Arab World are rich. You all know the sad and unlucky development of Iraq in the last two decades. Iraq is very rich with regard to its natural resources, but bad circumstances deprived it from proper exploitation and development. Syria, Lebanon and Jordan are suffering from the Palestine conflict. Iran has its own problems. Commercially sound it has political issues to solve. Also Sudan is very rich with regard to its natural resources but faces difficulties to make use of them. Egypt's main source of income is the tourism, but it is felt that it could do much better.

The rich (oil producing) Arab Nations tend to support their brothers having less – not by gifts but by cooperation². The GCC-countries are striving for more unification. An Arab Nation is the dream of many Arabs – whether rich or poor. Arab and Islamic political unification never may come true, but commercially and economically it is already an harmonization argument of today. The harmonization may create new challenges and business opportunities – if envisaged in time. The WTO presses for free trade and liberalization – in the Gulf with some success.

Summarizing this there are many interrelated business opportunities in the Middle East. The Emirate of Dubai in the United Arab Emirates may be considered as a Regional Commercial Centre like it was Beirut some decades ago (for a different geographical area). However, each country in the Middle East is an autonomous country by itself having its own, individual legal system for its own economic and commercial structure. The relation network for these cross country business is complicated and not easy to access. To turn business into profit requires skills, professionalism - and local economic, commercial and legal considerations. The last requirement is often unknown or underestimated. However, it appears more and more essential for international operating companies to consider the Middle East as a commercial and economic unit, paying due attention to its political and consequently legal diversification.

2. Legal Globalisation in Autonomous Countries of the Middle East

Globalisation is the trend of today. Some like it, some don't. Internationally operating companies may be originated from one country, but are at home everywhere, provided there is business. From the point of efficiency globalization is a must, from the human point of

² *Nadeem Ilahi and Riham Shendy*; Do the Gulf Oil-Producing Countries Influence Regional Growth? The Impact of Financial and Remittance Flows; IMF Working Paper No. WP/08/167

view it may be not. To some extent globalization goes hand in hand with free trade, standard unification, development and monopolization. Globalisation primarily means industrial and commercial globalization, which would favour, that other areas join them, like politics, environmental protection and legal unification. Legal globalization indeed is pushed by many international organizations, e.g. the United Nations, WTO, OECD, but definitely legal globalization is not a trend setter³. There are too many cooks!

Many foreign investors consider the Middle East as one legal unit. “In the Gulf you have to appoint a local as your distributor and to register him to be legal!” or “In the Middle East you have to give more than 50% of the shares to a local, if you want to form a company!” There is neither one “local”, who qualifies as a local for the entire Middle East nor for the Gulf, nor is there one law governing this question for the entire area. All countries of the Middle East, which are well known throughout the world, are autonomous countries having their own rules and regulations. The GCC countries try hard to unify their laws, but they are far away from the status of the European Union and even the EU has not reached the end yet.

Thus internationally operating companies pushing for commercial globalization have to be aware that their decisions for the Middle East depend on commercial aspects, which among other considerations are legally to be analysed on the basis of a “locally structured legal globalization”, i.e. a mixture of the laws of the country of origin of the investor, the laws of the country of the investment and the laws to be reached by the investments. Generally the companies are well familiar with quality, competitiveness and short-comings of their products. Often they have also business partners to start business with. However when it comes to a thorough legal analysis, their globalization skills often run short! They know the laws of their origin, but what are the legal terms at the place of the investment? To optimize their success in business foreign investors are well advised to take this issue serious and to focus not only on one place but to take the whole area, e.g. the Middle East or some selected countries into consideration. You may call this a “regional globalisation” analysis.

3. The Middle East Legal Network of *Roedl, MeReu ME Ltd*

Local legal knowledge is the key to success for our Clients and therefore also for us. For this reason *Rödl & Partner* (www.Roedl.de) and *Meyer-Reumann* have joined hands early 2006 to tackle this issue for the Middle East. 2 ½ years have been used to create a reliable structure based on my experience as a lawyer in the Gulf since 1981. Meanwhile a holding company **Roedl, Meyer-Reumann Middle East Ltd** (www.Roedl-MeReu.com; *Roedl, MeReu ME*

³ *Sarkar, Prabirjit*, Trend of and Stock Market Development (June 2007); available at SSRN: <http://ssrn.com/abstract=991521>

Ltd) has been formed in Dubai's DIFC (March 2008), followed by branch offices in Erbil (August 2008), Tehran (Sep. 2008), Egypt (October 2008), i.e. at the time being there are six (7) offices (2 in Dubai and 1 each in Abu Dhabi, Erbil, Baghdad, Tehran and Alexandria). Applications in Saudi Arabia, Oman and Qatar are under progress followed by further applications in 14 countries in the Middle East altogether. The 14 countries are the GCC-Countries (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), as well as Syria, Lebanon, Jordan, Iraq (with offices in Baghdad and Erbil), Iran, Yemen Egypt and Sudan. The nature of our legal services is related to investments and commercial transactions of any kind taking place in the Middle East in general as well as overseas, e.g. in Europe.

Since its inception *Roedl, MeReu ME Ltd* respectively its regional predecessor *Meyer-Reumann Legal Consultancy* have served more than 500 internationally operating clients in more than 1000 cases. The clients are mainly originated from Europe (Germany, Austria, the Netherlands, Switzerland, Italy and Scandinavia). Many of them are listed at the stock exchanges in Frankfurt, Hamburg, Vienna or elsewhere. About 15% of the clients are generated from other parts of the world. To make it clear: Irrespective of the German touch (nationality of the partners, main source of the lawyers etc), *Roedl, Meyer-Reumann ME Ltd* is a law firm serving any client of any origin primarily on the laws of the Middle East. Beyond that line we are pleased to coordinate the legal services with *Rödl & Partner's* worldwide network.

The structure of the legal network to be implemented is simple: The legal work is done jointly by the regional offices and by the *Legal Centre* of the network in Dubai and Abu Dhabi. The regional offices stand for local knowledge and personal relations. The *Legal Centre* stands for quality, compliance with international standards and as a source for legal knowledge of the entire area of 14 countries in the Middle East. Each regional office and the *Legal Centre* are profit centres by themselves and may serve local clients as well as international clients interested in doing business in the area of the respective offices.

Thus the *Regional Offices* of *Roedl, Meyer-Reumann* will be in charge for legal services for overseas clients as well as for local clients alike. The integration of the *Regional Offices* of *Roedl, Meyer-Reumann ME Ltd* into the international network of *Rödl & Partner* will further benefit the *Regional Offices* in general and will guarantee their best services for our clients.

4. The R&M Legal Databank of the Legal Centre

The Paralegals and IT-Programmers of the *Legal Centre* of *Roedl, Meyer-Reumann ME Ltd* in Dubai and Abu Dhabi have developed and maintained the *R&M Legal Databank*, being one of the essential pillars for our legal services in the Region.

The Regional Offices of **Roedl, Meyer-Reumann** has direct access to this extensive *Legal Databank*, giving them a key position in the Middle East with regard to cross border regional legal knowledge, handling of complicated contractual structures, handling of multiple document procedures by wizards developed by in-house-programmers. The regional rising number of cross border investments, trade and cooperation make a cross border legal service for clients mandatory, who are globally operating.

To date, our *Legal Databank* contains:

- Articles on legal subjects on legal issues in the 14 selected countries of the Middle East;
- Forms and contracts serving as specimen or for guidance on legal issues in the selected countries;
- Rules or regulations of the most relevant laws of the selected countries;
- Legal statements of the selected countries;
- Judgments of the selected countries;
- Text blocks which are a unique instrument to develop new contracts from the scratch at a high quality level.

The development and expansion of our *Legal Databank* is a standing instruction to all lawyers of all offices of *Roedl, Meyer-Reumann ME Ltd*. They are supported by 6 paralegals, who are trained to upgrade the legal data obtained from the Region and make them available to the lawyers for the future.

Presently the IT-Department comprises 4 programmers to develop and maintain programmes to facilitate and improve legal services. One programmer is in charge for our *Legal Databank* comprising the rules and regulations of the selected countries, one programmer is in charge for programmes to handle voluminous contracts and multi-documents procedures and one programmer is in charge for internet programmes to allow legal services on the internet (portals, paperless communication, website services). Our *Legal Databank* follows certain principles, making it unique:

- it comprises 14 countries of the Middle East;
- it comprises and combines rules and regulations, articles and judgments in one legal databank;
- our *Legal Databank* is open to multi language services;

- our **Legal Databank** is flexible and may be tailor made to specifically fit special projects as all programmers are in-house programmers and the programmes are in-house made.

The development of our **Legal Databank** has been given high priority and subject to future developments a separate **R&M Legal Databank** –Department comprising all programmers and paralegals may be envisaged.

5. The Principles for the Services of the *Regional Offices of Roedl, Meyer-Reumann*

- The **Regional Offices of Roedl, Meyer-Reumann** have direct access to the extensive **R&M Legal Databank** of the **Legal Centre**;
- The growth of the **Regional Offices of Roedl, Meyer-Reumann** have to meet the requirements of **Roedl & Partner**'s traditional clients from Germany and Central Europe as well as with the growing number of international clients from **Rödl & Partner**'s worldwide network;
- The growth of the **Regional Offices of Roedl, Meyer-Reumann** have to pay due attention to the substantial economic growth (industry and commerce) of their Region in all sectors of law;
- The growth of the Regional Offices shall include sufficient capacity to promote in cooperation with our strategic partners (e.g. **Sesam Business Consultants**, and corresponding **Regional Partners** and other external distinguished promoters) the business opportunities of the Region on regional and international level. Cooperation partners on a case to case basis may be German Business Associations, German, Austrian, Dutch, Swiss, Italian and Scandinavian governmental institutions, foreign trade delegations, exhibitions etc.). This regional network is already a reality.

6. The Legal Consultation Services of the *Regional Offices of Roedl, Meyer-Reumann*

The **Regional Offices of Roedl, Meyer-Reumann** have or will obtain a license to provide legal services to the Region. The legal services may be divided into legal consultation, contributing to and using our Legal Databank as a back-up facility, and some special secondary activities related to legal services.

The **Regional Offices of Roedl, Meyer-Reumann** shall provide legal services to both foreign and local companies and businessmen in all sectors of commercial law including but not limited to:

- creation, evaluation and implementation of regional business concepts and strategies;
- law of contract, draft contracts in civil and commercial transactions;

- company law, including formation, incorporation and restructuring and liquidation of companies, including joint venture companies, partner evaluation, due diligence studies;
- formation and liquidation of foreign representative offices, branches;
- banking and investments matters, financial concepts / arrangements;
- reinvestments, bilateral investments;
- off-set and barter projects as well as BOT and BOOT projects;
- construction law;
- commercial agency and distributorship law, including but not limited to contracting, registration, termination, structuring regional concepts;
- labour law;
- tax matters;
- regional environmental law;
- maritime law, charter party disputes, cargo claims, maritime claims & liens, arrest, ship registration, ship building contracts, ship repair;
- energy law, oil & gas contracts
- trademark law, regional wide registration of TMs, TMs researches;
- intellectual property including patent, design models, regional copyright protection;
- international and local arbitration;
- preparation and coordination of litigation and legal statements including legal issues of the Shari'a Law;
- governmental tenders and contracts;
- international private law;
- administration law.

7. The Coordination of Legal Works between the *Regional Offices* and the *Legal Centre in Dubai and Abu Dhabi*

The quality of legal services in general depends on (1) the quality of the lawyers, (2) their experience and their vocational training, and (3) last not least on the legal sources and legal instruments available to the lawyers.

Vocational training has a priority in all offices of ***Roedl, Meyer-Reumann ME Ltd*** and will be organized centrally in coordination with the Regional Offices to safeguard harmonization and to benefit from a regional synergy effects.

The works of the lawyers of the ***Regional Offices*** of ***Roedl, Meyer-Reumann*** will be coordinated by designated lawyer(s) and paralegals of the ***Legal Centre*** of ***Roedl, Meyer-***

Reumann ME Ltd. The designated lawyer for the *Regional Offices* is shown on the website of www.Roedl-MeReu .

8. Secondary Legal Services

In addition to the legal services for the Region, the *Regional Offices* of **Roedl, Meyer-Reumann** shall perform some complementary services to underline its understanding as being a locally related hub in the Region with primarily regional functions, including but not limited to:

- supervising and structuring of the vocational training of the lawyers, legal consultants and paralegals of the *Regional Offices of Roedl, Meyer-Reumann* as an integral part of **Roedl, Meyer-Reumann ME Ltd**;
- organizing or co-organizing, supervising and participating in seminars and workshops on legal and commercial topics of the Region in the Middle East, Germany, Austria, the Netherlands, Switzerland, Italy and Scandinavia.
- Vocational training of local students of law in the day to day work of a law firm. So far this opportunity is already being offered by **Roedl, Meyer-Reumann ME Ltd** respectively its predecessor **Meyer-Reumann Legal Consultancy** to German students and legal apprentices since many years.

9. Our Promoter Team – an Asset for the Regional Offices

The *Regional Offices* of **Roedl, Meyer-Reumann** form part of an **R&M Promoter Team** for the Region. **Roedl, Meyer-Reumann ME Ltd** considers its legal services not as an isolated purely legally oriented service, but as a legal instrument integrated in a complex system for promoting economic and commercial growth in the area of the respective Regional Offices. The legal services shall contribute to foster bi-lateral relations and business opportunities between regional businessmen and potential strategic foreign partners. The *Regional Offices* of **Roedl, Meyer-Reumann** shall concentrate on business opportunities in the Region and their potential strategic partners in Germany, Austria, the Netherlands, Switzerland, Italy, and Scandinavia, not excluding others.

The promotion of bi-lateral relations and business opportunities requires experience, good relations and a professional team. **Roedl, Meyer-Reumann ME Ltd** and its *Regional Offices* have experience and long relations through Rolf Meyer-Reumann, being in the Middle East since 1981, and through **Rödl & Partner**'s head office in Nuremberg, Germany, with offices i.e. all over Germany, Austria, the Netherlands, Switzerland, Italy, and Scandinavia and in many other countries.

The **R&M Promoter Team** for the **Regional Offices** i.a. may on a case to case basis comprise the following partners, who will be introduced on the Portal of **Roedl, Meyer-Reumann ME Ltd's** website, which will specially be prepared for each event and to which all Participants will have access to. The Promoter Team may include:

- Rolf Meyer-Reumann for coordination, brainstorming, and networking in the Middle East;
- All Lawyers of **Roedl, Meyer-Reumann ME Ltd** with legal contributions;
- Representatives of Rödl & Partner's Head Office in Nueremberg, Germany, for coordination, brainstorming, networking on international level;
- Representatives of Sesam Business Consultants, Dubai – Abu Dhabi for Middle East related event planning, business studies and providing outsourcing services;
- H.E. Jürgen Steltzer, German Ambassador (ret.) in Abu Dhabi for political and strategic Middle East considerations;
- Regional companies for related local services, event planning, business studies, outsourcing services etc.

10. The Presentation in a Nutshell

This presentation may be summarized as follows:

- Doing business, whether regionally or internationally, is no small-talk, but hard work.
- The recipe for a successful business is (1) an excellent product or service (2) at competitive but profit permitting prices combined with a (3) carefully prepared strategic and legal planning.
- Considerations, whether commercial or legal, should not stop at a country's border but permitting global considerations.

These principles enjoy highest priority by **Roedl, Meyer-Reumann ME Ltd** and its **Regional Offices** which qualifies them as a useful instrument and competent partner for doing business in the Middle East!

Dubai, October 18th, 2008	Rolf Meyer-Reumann Roedl, Meyer-Reumann Middle East Ltd
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