

A Focus on Foreign Investment in the Middle East

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We welcome the new year with a law update edition focused on foreign investment in the Middle East. This timely edition aims to highlight the response of policy-makers in the Middle East region to the opportunities and challenges that the changing global economic landscape creates. This edition also tackles areas in which further changes to the foreign direct investment framework would be welcomed.

In light of the recorded decrease in foreign direct investment globally, it is the developing countries with small markets that face the additional pressure to reform their investment policies while companies become increasingly knowledgeable in choosing investment locations, which offer the best incentives.

At the dawn of the fourth industrial revolution, we can see governments becoming more proactive in introducing substantial legislative, regulatory and technological advancements. The introduction of automated systems and the move towards electronic and paperless transactions signifies the focus on technology in facilitating the ease of doing business.

Our [Corporate Structuring team](#) at Al Tamimi & Company is at the forefront of these advancements across the Middle East region, advising both policy-makers and corporate entities on how best to capitalise on the changing economic landscape and achieve sustainable development.

This edition contains UAE focused articles. The UAE is regarded as a leader in the area of foreign direct investment in the Middle East region, being the home to some of the world's most successful free zones. It

has also recently come under the spotlight with the introduction of a new foreign direct investment law. The new law allows investors to own up to 100 percent of the share capital of onshore companies in most sectors of the economy, subject to the satisfaction of certain criteria.

This edition also provides a helpful guide on foreign direct investment in Kuwait and sheds some light as to how to approach the Kuwait Direct Investment Promotion Authority to obtain a foreign investment licence which enables foreign individuals or entities to own up to 100 percent of the equity in a company established and registered in Kuwait.

Finally, but yet importantly, this edition addresses foreign direct investment in the real estate sector in the GCC, Jordan and Egypt and the sensitive balance to be struck between opening up real estate to foreign investment and protecting national stability, as well as suggests steps that the policy-maker can take to mitigate this sensitivity.

We are, as a firm, hopeful that this year will bring along an increase in foreign direct investment as a result of the region's proactive response to the shift in the global economic landscape.