

LEXIS MIDDLE EAST **LAW ALERT**

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January / February 2026

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Bahrain AML change impacting notaries

PROFILE TECHNOLOGY

Roula Khaled of Khazna Date Centres

CONTRACT WATCH

Saudi Employment Contracts

A ROUND-UP OF LEGAL, FINANCE AND TAX DEVELOPMENTS ACROSS THE MIDDLE EAST



IN BETTER COMPANY

UAE Company Law Reforms

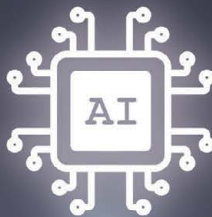
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GREATER CLARITY

In early 2025 Dubai Executive Council Decision No. 11/2025 Concerning the Regulation of Free Zone Entities' Operation of Their Activities Within the Emirate of Dubai was issued which restructured how companies established in Dubai freezones could legally operate on the mainland without needing to re-domicile or form a separate onshore entity. This law reflected economic realities and was designed to support what had already become an increasingly integrated economic landscape.

In this issue we look at changes to the UAE Commercial Companies Law, Federal Decree-Law No. 32/2021 which although not extensive in length - only 15 Articles have changed - have been specifically designed to provide greater clarity and flexibility to UAE companies, particularly freezone companies with onshore operations.

In recent work we have done with the tax community as part of our launch of Tolley Plus Middle East, one of the common issues we have heard is how complex corporate structures in the UAE can be, compared to structures in other jurisdictions. This can create added complexity in tax but also added administrative costs. Therefore, the additional flexibility and simplicity these amendments provide when companies wish to switch their registration from a freezone to another competent authority, or to port themselves from one emirate licensing authority to another in what is called domestic redomiciliation is to be welcomed.

There has also been a recent capital market liberalisation in Saudi Arabia designed to make things clearer and simpler there in order to attract more foreign investment. Both these developments show legislators and regulators in the GCC see focused reform, aimed at creating greater clarity, simplicity and flexibility for companies, as the way to grow their economies.

Claire Melvin - Editor

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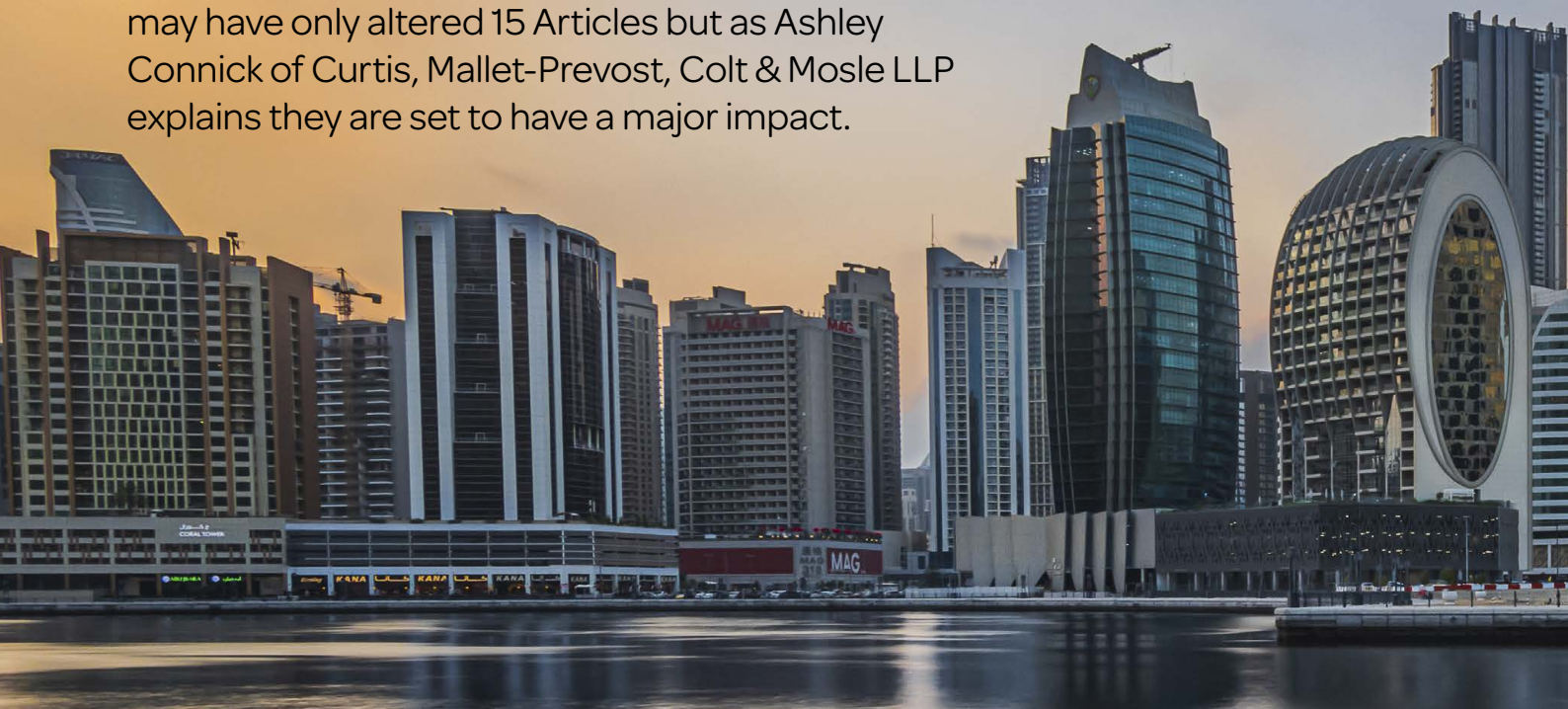
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Saudi employment contracts

IN BETTER COMPANY

Amendments brought in to the UAE Commercial Companies Law by Federal Decree-Law No. 20/2025 may have only altered 15 Articles but as Ashley Connick of Curtis, Mallet-Prevost, Colt & Mosle LLP explains they are set to have a major impact.



“Towards the end of last year, Federal Decree-Law No. 20/2025 was issued amending certain provisions in Federal Decree-Law No. 32/2021 On Commercial Companies,” states Ashley Connick. “Federal Decree-Law No. 20/2025 only amends 15 Articles in Federal Decree-Law No. 32/2021 but this has been done with great precision so it will have maximum impact.”

“The changes, which came into effect on 15 October 2025, incorporate certain common law principles into in the UAE’s civil law company framework, and also clarify the application of Federal Decree-Law No. 32/2021,” Connick adds.

“The main aim of these changes has been to make the UAE a more attractive investment destination by enhancing mainland companies’ rights to tailor their governance and ownership structures, while still ensuring all entities which operate onshore in the UAE



Ashley Connick
Counsel
Curtis, Mallet-Prevost, Colt & Mosle LLP

(wherever they may be incorporated) are subject to Federal Decree-Law No. 32/2021 provisions.”

SCOPE

“As a result of the amendments it has been confirmed Federal Decree-Law No. 32/2021 applies not only to companies established in the UAE, but also to foreign companies conducting business in the UAE or which have headquarters, branches, or representative offices there, and to

branches or representative offices of companies which are established in economic or financial free zones within the UAE if those branches or offices conduct business in mainland UAE,” states Connick.

DEFINITION

“One of the key changes has been to the definition of a company,” Connick continues. “This has been



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expanded to permit the incorporation of non-profit companies, where profits are reinvested in the furtherance of the goal or purpose for which the company was established rather than being distributed to shareholders or partners.”

“Although no new forms of company have been permitted as a result of these changes it has been clarified that every company established in the UAE, including those in free zones and financial free zones, are a UAE company and the free zones do not remove that nationality from entities incorporated there.”

FREEZONE COMPANIES

“Where the legal framework of the relevant financial free zone permits companies to operate onshore, as a result of these amendments such companies may establish branches or representative offices in order to do so,” Ashley Connick explains. “This formalises the ‘dual licensing’ regime which had begun to develop. Where previously these companies may either not have

RELEVANT LEGISLATION

Article 15 bis (2) of Federal Decree-Law No. 32/2021

The Company may transfer its registration from the free zone to the Competent Authority, or vice versa. In this regard, the provisions stated in Clause (1) of this Article shall apply. Companies whose registration is transferred from the free zone to the Competent Authority shall comply with the controls determined by the Competent Authority, the Ministry, or the Authority, as the case may be, and shall adjust their situation in accordance with the provisions of this Decree-Law and the decisions and regulations issued in implementation thereof.

(Source: Lexis Middle East Law)

been able to operate onshore or else did so under their free zone license, they will now be brought under the purview of the onshore licensing bodies in the relevant Emirate or Emirates, and their activities will be subject to Federal Decree-Law No. 32/2021’s provisions rather than the free zone legislation. “Branches and

RELATED NEWS

DWTC Expands Share Class Options

The Dubai World Trade Centre (DWTC) Authority has implemented a new framework which will enable companies registered in the freezone to issue multiple share classes. The aim is to enable these companies to issue share classes which better align to their strategic requirements. The number of available share classes has been widened to include preference shares, founder shares, restricted shares and tiered share structures such as class A/B/C/D shares.

representative offices do not have separate legal personality, but nevertheless they must operate distinctly from their parent company in accordance with Federal Decree-Law No. 32/2021."

MEMORANDUMS OF ASSOCIATION

"Another significant change is that partners in limited liability companies (LLCs) and shareholders in private joint stock companies (PJSCs) are now permitted to include provisions requiring remaining shareholders to sell their shares to a third party upon fulfilment of defined conditions (a drag-along right) or have provisions on rights allowing shareholders or partners to join in a sale to a third party made by another partner or shareholder on the same terms as such other partner or shareholder (a tag-along right)," Ashley Connick adds. "The

amendment also provides that LLCs and PJSCs may stipulate how shares are dealt with in the event of the death of a partner or shareholder, including granting a right of first refusal to the surviving partners/shareholders or to the company itself."

DOMESTIC REDOMICILIATION

"There is also now a new Article 15 bis of Federal Decree-Law No. 32/2021," Connick states. "This sets out a procedure for domestic redomiciliation, allowing companies to port themselves from one licensing authority within the UAE to another, including from one Emirate to another and from a free zone to an onshore jurisdiction. This offers companies the ability to retain their full history, commercial relationships, employees and all other aspects of their business and re-register in a new jurisdiction, provided the legislative infrastructure exists in both the original jurisdiction and the destination jurisdiction."

CHANGE OF FORM

"Another welcome development has been to the rules on conversion of a company from one form to another," Connick adds.

"The procedures which must be followed if a company wishes to convert into a joint stock company have been expanded in order to streamline the process, drawing an equivalency between a company's existing executive management and the founders' committee of the joint stock company. This removes the additional step of having to submit a new incorporation application or separately form a founders' committee."

SHARES AND SECURITIES

"There are also a number of important changes on shares and securities," Connick adds.

"Once properly implemented, the ability to now create different classes of shares will be a significant driver of change, and will help attract more sophisticated investors to onshore structures who previously may have relied on incorporating a holding company in a financial free zone and having that holding company, with its customised articles of association and multiple share classes, own an onshore operating company."

"Another change in this area is that although the for contributions to a company in consideration for shares to be made in cash, in kind, or a combination of the two remains, and it is provided that a partner's contribution cannot be work (other than as a general partner) or personal reputation or influence, it has also been added that the Ministry of Economy (along with the licensing authority in the relevant Emirate) is able to determine the standards and requirements for valuing contributions in kind."

"In addition, for the first time, private joint stock companies can offer securities for private subscription (which is an invitation to any category of persons) on one of the UAE's financial markets. A major change has also been made on restrictions on transfers related to the offering of securities on financial markets, so PJSCs wanting to offer shares on the market immediately are exempt from the restrictions on transferring shares prior to the publication of accounts for a full fiscal year from incorporation. The Ministry of Economy's discretion has also been widened to amend or exempt a company from this restriction, when previously that discretion was limited to extending or reducing the period to between six months and two years."

WHAT NEXT?

"Companies in the UAE, whether based in a free zone or onshore, should now be looking at their structures and assessing whether their constitutional documents require amendment as a result of these amendments. They should be considering if their corporate structure might benefit from amendment or restructuring given the new options now available to them following this amendment. They should review whether their operations need to be adjusted to take into account any new applicability of Federal Decree-Law No. 32/2021."

"However, implementing regulations are still to be issued on certain aspects of these changes, and both the Dubai Department of Economy and Tourism and a notary public in Dubai have confirmed to us that these amendments have not yet led to any changes in practice or procedure. Constitutional documents which include drag or tag provisions will not be approved for execution until the relevant legislation has been passed, and the regulatory and licensing apparatus is in place."

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— Chambers & Partners, 2025

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— The Legal 500, EMEA 2025

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— Chambers & Partners, 2025

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Resolution

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LEGAL ROUND-UP

COVERING RECENT KEY LEGAL DEVELOPMENTS – REGION-WIDE

UAE

CIVIL TRANSACTIONS LAW CHANGES



A new Federal Decree-Law on Civil Transactions (Federal Decree-Law No. 25/2025) has been issued. The aim has been to simplify understanding of legal provisions, unify legal references, and eliminate duplication with more recently enacted specialist laws. The law has established an advanced framework governing pre-contractual negotiations, requiring the disclosure of any fundamental information to ensure informed and conscious contractual decision making. It also introduces a framework agreement to regulate recurring or long-term contractual relationships by predefining essential terms, reducing time and cost, and ensuring consistent legal reference for subsequent contracts. There are provisions governing sales contracts, including clearer regulation of sale by sample and by model, protection of those lacking full capacity in cases of gross inadequacy in real estate sales, and enhanced rules on latent defects. In addition, where no statutory rule exists, explicitly or implicitly, judges will be able to refer to Islamic Sharia principles and select the solution that best achieves justice and public interest in line with the circumstances in each case, without being bound by a specific school of jurisprudence or a single Sharia doctrine. It also provides for the application of Sharia principles where there is no specialist legislation on matters relating to people of unknown parentage, missing persons, and absentees. It has reorganised the rules on usufructuary construction rights, requiring registration of the contract with the competent authority and provides for nullity in the absence of registration. There are provisions on the obligations of holders of these rights and it allows parties to determine their duration. It also states that financial assets located within the UAE which belong to a foreigner with no heirs will be treated as a charitable endowment, supervised by the relevant

authority. In addition a new framework governs assignment, including the assignment of rights, and established provisions for the protection of possession through preventive actions which aim to halt new encroachments before harm occurs. Other changes include an alteration of the age of majority, from 21 Hijri years to 18 Gregorian years, and a lowering of the age at which a minor may seek judicial authorisation to manage their assets from 18 Hijri years to 15 Gregorian years. Federal Decree-Law No. 25/2025 also permits the combination of blood money or assessed compensation with additional damages where death or injury results in material or moral harm which is not fully covered by blood money or assessed compensation. Corporate provisions have also been modernised and now distinguish between civil and commercial companies based on activity and legal form, permit single person companies, regulate partner withdrawal, continuation of companies and liquidation procedures. A special framework has also been introduced for non-profit companies, as has a modern regime for professional companies.

SINGLE USE PLASTICS



The UAE has expanded its prohibition of single-use plastics from 1 January 2026, targeting items including cutlery, containers, and thin plastic bags under new environmental regulations. In this second phase of the ban the import, manufacture, and trade of a wider range of single-use plastic products will be prohibited, including beverage cups and lids, cutlery, plates, straws, stirrers, and styrofoam food containers. In addition, the restrictions also extend to single-use bags which are less than 50 microns in thickness, regardless of the material they are made from, including paper. However, exceptions will apply to products manufactured for export, bags made from recycled materials, and certain categories of product such as medicine bags, refuse bags, and thin wrapping

which is used for fresh food items. The first phase of this ban, which was implemented in January 2024, targeted single-use plastic shopping bags, including the biodegradable variants.

SAUDI ARABIA

SPECIAL ECONOMIC ZONES



The Saudi Cabinet has approved new regulations on new special economic zones (SEZs) in Jazan (which will be a hub for food processing, mining, and manufacturing, leveraging its port and links to African markets), Ras Al-Khair (which will be a maritime, shipbuilding, offshore rig, and marine support centre), King Abdullah Economic City (a logistics, high-value manufacturing, and automotive hub), and the Cloud Computing & Informatics Zone in Riyadh. The regulations will come into force in early April 2026. They include incentives such as flexible licensing, tax and customs exemptions, streamlined operational procedures, foreign ownership rights, multilingual trade naming, and exemptions from select provisions of the companies law (Saudi Arabia Cabinet Decision No. 678/1443).

BAHRAIN

WORK PERMIT FEES



Fees for work and residency permits for foreign workers in Bahrain have increased as of 1 January 2026 under a new fee structure which is to be rolled out in phases between 2026 and 2029. The changes have been brought in as a result of amendments to Bahrain Decision No. 26/2008 by Bahrain Decision No. 79/2025. These will see annual permit or renewal fees increase to 105 Dinars in 2026, with additional increases each year until 2029 when the fees will reach 125 Dinars. The monthly per worker fee for an employer's first five workers will increase to 7.5 Dinars in 2026, rising to 30 Dinars in 2029. The fee for additional workers will also be set at 12.5 Dinars in 2026, and will reach 30 Dinars in 2029.

TRANSIT PASSENGER FEES



A new fee will be levied on transit passengers who depart from Bahraini airports. The fee, will apply to travellers who transit through Bahrain and then depart, and is part of updated aviation and airport service regulations. The fee will be collected by airlines when they issue tickets and will be remitted to the relevant airport authorities. It has been clarified that the charge does not apply to passengers who remain in the transit area without exiting or to those who are on direct connecting flights within the same itinerary.

KUWAIT

FOOD TRUCKS



From 31 December 2025 a number of new requirements came into force for food truck operators including the need to have mandatory smart licences and visibly display permits on the vehicle. Licence holders must obtain smart licences through the Commercial Registry Portal and ensure they are prominently displayed on their trucks. The smart licence integrates all regulatory approvals and can be verified electronically, streamlining compliance procedures.

ENERGY DRINK BAN



A ministerial decree has been issued imposing strict regulations on energy drinks in Kuwait. The decree bans the sale and distribution of energy drinks in all educational institutions, including public and private schools, universities, and government agency premises. Sales are limited to individuals aged 18 and over, and a maximum of two cans per person per day. Each can must contain no more than 80 mg of caffeine per 250 ml serving. Producers and importers must also display clear health warnings on packaging. All advertising and sponsorship activities relating to energy drinks are prohibited. Sales in restaurants, cafés, grocery stores, food trucks, self-service kiosks, sports clubs, and via takeout or delivery platforms are also prohibited. Energy drinks may only

be sold in cooperative societies and parallel markets, in designated areas and under strict supervision.

COURT FEE CHANGE



An administrative circular has been issued by the Kuwaiti Ministry of Justice revising court fees. A 0.500 Dinar per page fee will be charged for copies of rulings requested by individuals other than litigants. The same charge will also apply to additional pages requested by litigants after they have received their first free copy. There will also be a flat fee of one Dinar for certificates and copies of case documents related to case progress or judgments. Specific documents, such as the operative part of a judgment, case registration or filing certificates, and full case file photocopies, will cost one Dinar each.

EGYPT

DATA PROTECTION



Five years on from the issue of the Egyptian Personal Data Protection Law (Egypt Law No. 151/2020), implementing regulations (Egypt Ministerial Decision No 81/2025) have finally been issued. Under the regulations there will be a mandatory requirement for most controllers and data processors to obtain a formal license or permit from the Personal Data Protection Centre (PDPC). The Regulations distinguish between an ongoing license for regular data processing activities and a shorter-term permit for specific, time-bound purposes. The type and cost of the license depend mainly on the amount of personal data processed with exemptions for between one and 100,000 personal data records per year from license fees. In addition, separate, specific licenses will also now be required for activities such as direct electronic marketing and the use of visual surveillance equipment in public places. Controllers must also obtain a separate license or permit from the PDPC before they transfer personal data outside Egypt. The license fee is 50% of the cost of the controller/processor license fee.

REGULATORY ROUND-UP

Saudi Arabia: Saudi Arabia Cabinet Decision No. 322/1447 has issued amendments to the Law on Foreign Pilgrim Service Providers which will replace traditional 'Arbab Al-Tawaif' establishments with newly designated Pilgrim Hospitality Companies owned and managed exclusively by Saudi nationals...

Qatar: Qatar Ministerial Decision No. 45/2025 has extended the time limit in which to regularise situations of those covered by Qatar Law No. 3/2025 which deals with travel and air cargo offices...

Kuwait: The Kuwait Public Authority for Civil Information (PACI) has launched a new online service enabling property owners to verify tenant details, ensure accurate registration, and prevent misuse of addresses for unlawful purposes...

UAE: The UAE General Commercial Gaming Regulatory Authority (GCGRA) has granted its first license for an internet gaming and sports wagering platform...

Turkey: New regulations have restricted pesticide sales in Turkey and include a ban on online sales and the need for mandatory prescriptions for certain products...

Saudi Arabia: All accredited healthcare facilities, including hospitals, pharmacies, medical complexes, laboratories, and health centres, must now register on the Saudi national data governance system...

Kuwait: The Sahel e-services app can now be used to obtain complete court rulings electronically without having to go to the courts...

Abu Dhabi: The Abu Dhabi Department of Municipalities and Transport (DMT) has amended Chairman's Decision No. 4/2018 under Abu Dhabi Law No. 2/2012, allowing licensed restaurants and hotels to accommodate pets in designated areas...

Saudi Arabia: A list of specifications related to implementing the Technical Regulation of Autonomous Vehicles has been issued in Saudi Arabia Administrative Decision No. m-a-209-25-04-03-01/1447...

Dubai: Dubai Administrative Decision No. 939/2025, the implementing Regulations for Dubai Law No. 9/2023 which covers the operation of six different types of self-driving vehicles in Dubai, have been issued...

UAE: The minimum monthly wage for Emirati nationals in the private sector has increased from 5,000 AED to 6,000 AED from 1 January 2026...

LAW MONITOR

RECENT LEGAL DEVELOPMENTS IN THE GCC

KUWAIT - CRIME



Kuwait Decree Law No. 157/2025 has amended the Kuwaiti Criminal Procedure Law (Kuwait Law No.17/1960). One of the most significant changes is the addition of Article 22 bis which allows courts and investigators to serve subpoenas through email and other modern communication methods, provided they can be saved and retrieved according to Civil and Commercial Procedure Law requirements. There are also changes to the rules on evidence handling as a result of new provisions on evidence handling which will allow investigators with appropriate approval, to destroy seized items which are hazardous, perishable, or costly to store, after they have been properly documenting using photos or videos, and the necessary evidence preserved.

SAUDI ARABIA - PROPERTY



Saudi Arabia Cabinet Decision No. 226/1447 On the Approval of the Legal Provisions Governing the Lessor-Lessee Relationship has been issued. It defines total rent as the property rent and any other financial amounts payable by the lessee to the lessor under the lease contract. Properties covered by this law include all buildings and land located within an urban boundary, designated for either residential or commercial use, or both. Impacted lessors will not be able to increase the total rent amount in lease contracts in effect at the time the law comes into force, or in lease contracts concluded after then. If a property is vacant but has been previously leased, the total rent amount cannot exceed that in the most recent lease contract. If the property has never been leased before the total rent is the amount agreed by the lessor and lessee.

UAE - E-BUSINESS



Federal Cabinet Decision No. 200/2025 provides a list of violations and penalties which apply when there has been a breach of Federal Law No. 14/2023 on trade through modern technological means. The law contains a table which lists violations of different types. There are graduated fines and penalties based on whether the offence has happened between one and four times. For example those who fail to provide a technically secure environment to verify the UAE Pass or fail to verify the digital status and identity of contracting parties, or to ensure the necessary offer and acceptance for the validity of the contract can face fines of up to 100,000 AED and permanent closure of their establishment if they commit the offence four times.

GAZETTE WATCH

UAE Official Gazette No. 809-814 – These gazettes included a single gazette with eight new laws covering different aspects of the reform of the conciliation and mediation regime in the UAE.

Saudi Arabia Official Gazettes No. 5113-5141 – These gazettes include Saudi Arabia Ministerial Decision No. 64764/1447 on licensing and accrediting practitioners and providers of occupational safety and health services.

Qatar Official Gazettes No. 25-30/2025-1/2026 – These gazettes include Qatar Decree No. 101/2025 on the ratification of a treaty between Qatar and India on the avoidance of double taxation and the prevention of fiscal evasion on income capital taxes.

Kuwait Official Gazettes No.1760-1774 – These gazettes include Kuwait Ministerial Decision No. 704/2025 which amends Kuwait Ministerial Decision No. 206/2009 on the regulation of construction work.

Oman Official Gazettes No. 1618-1631 – These gazettes include Oman Ministerial Decision No. 124/2025 on fees for applications to resolve rental disputes.

Bahrain Official Gazettes No. 2837-3857 – These gazettes include Bahrain Decision No. 9/2025 on the amendment of the natural gas selling prices.

(Source: Lexis Middle East Law)

QATAR - DISABLED



Qatar Law No. 22/2025

On Persons with Disabilities

has been issued. It provides a range of different rights to the disabled. This includes their right to run for membership of boards of directors, to be able to participate in sports, recreational activities and cultural events, and to have access to educational opportunities (at all educational stages). In addition, they have the right to equal opportunities in order to access the labour market in all sectors. Employers in all sectors must provide all reasonable accommodations in the work environment in order to enable people with disabilities to perform their work. Any discrimination on the basis of disability that results in an individual being deprived of job opportunities, or which results in them receiving job offers that are different from those given to others, is prohibited.

OMAN - WORK PERMITS



Oman Ministerial Decision No. 602/2025

On Issuing the

Regulation Governing Work Permits and Work Practice Permits has been issued, repealing and replacing Oman Ministerial Decision No. 340/2016 which covered the fees for the issuing and renewal of licenses for recruiting and engaging non-Omani manpower. The new law explains how long work permits are, and that occupation categories can be changed from lower to higher categories. An annex lists fees and delay penalties. There are also details of when exemptions will apply, including when workers die or depart the country.

FEATURED DEVELOPMENT

Bader Al-Qellaish, Managing Partner of Wefaq Law Firm looks at the impact and context of amendments to the Implementing Regulations of the Law on the Establishment of the Capital Market Authority and the Regulation of the Securities Activity.

In October 2025, Kuwait Law No. 7/2010 on the Establishment of the Capital Market Authority and the Regulation of the Securities' Activity Implementing Regulations (Kuwait Decision No. 72/2015) was amended by Kuwait Decision No. 177/2025. This was a targeted and necessary change to the Implementing Regulations. As a result, there has been a change to the licensing framework for securities intermediaries, particularly Qualified Securities Brokers who are registered with the Kuwaiti Stock Exchange. These amendments came into force when Kuwait Decision No. 177/2025 was published in the Official Gazette which was on 5 October 2025.

Appendix 4 of Book II of Kuwait Decision No. 72/2015 now have new fees added, linked to the licensing, renewal, and modification of this broker category. Back in June, Kuwait Decision No. 101/2025 was issued on the commencement of the second part of the third phase of the Capital Market Development Programme.

It has driven a number of transformative improvements, including post-trade infrastructure reforms and governance enhancements, which align

with Kuwait's inclusion in global indices. Kuwait Decision No. 177/2025 aligns with these developments by strengthening cost transparency and supervisory funding for entities with higher regulatory obligations. Item 1-1-9 of Appendix (4) Schedule of Fees for Services of the Authority has been amended to add fees which are applicable to the application for licensing the activity of a Qualified Securities Broker registered in the Securities Exchange. There is now an application fee of KWD 1,000 payable when submitting an application, as well as a license fee of KWD 30,000 payable every three years at licensing and then at each renewal. However, if the license or the renewal is rejected only KWD 1,000 of the fee which has been paid will be refunded. This is intended to align with global market practice and improve transparency for market entrants. However, these new recurring license fees of KWD 30,000 will increase operational costs.

At the time of writing there had been eight amendments to Kuwait Decision No. 72/2015 in 2025 and 18 in the previous year, which shows how important it is to keep a close eye on legal amendments to this legislative framework.

BAHRAIN - MONEY LAUNDERING



Bahrain Decision No. 3/2025 has been issued detailing the procedures for

prohibiting and combatting money laundering and the illicit cross border transfer of funds by those who have real estate brokerage licenses. This has repealed and replaced Bahrain Decision No. 2/2021. Real estate brokers have to ensure no client relationship or single transaction related to activities conducted on behalf of their clients is used for money laundering, terrorism financing, or the illicit cross-border transfer of funds purposes. Those with a foreign branch, subsidiary, or company in which they hold a majority interest must also implement anti-money laundering and counter-terrorism financing measures which are consistent with the Bahraini requirements where the minimum AML/CFT requirements in the host jurisdiction are less stringent than those in Bahrain.

TAX AND FINANCE ROUND-UP

COVERING RECENT KEY TAX AND
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UAE

REFUNDS AND AUDITS



Federal Administrative Decision No. 9/2025 On the Conditions for Declining the Refund of the Residual Amounts related to a Refund Request where the Person is subject to Tax Audit has been issued. As a result, the Federal Tax Authority (FTA) can refuse to refund any residual amounts related to a refund request if the Person is subject to Tax Audit, and there is sufficient evidence to support possible significant tax liabilities may arise based on information available through the audit, there are sufficient grounds to believe they have been involved in tax evasion, or the refund request relates to goods suspected to be part of tax evasion within the supply chain. There can also be refusals if the Taxable Person has outstanding Tax Returns for any type of tax, have failed to provide the information requested by the FTA for the audit within the specified timeline, or have failed to cooperate with the FTA in any way in regards to their obligations during the Audit.

FTA FEE CHANGES



Changes to the Federal Tax Authority Fee structure as a result of Cabinet Decision No. 174/2025 came into force on 1 January 2026. Two additional fees related to Unilateral Advance Pricing Agreements (APA) have been introduced which cover initial applications and requests for a renewal or amendment to an APA. The FTA has also removed fees for issuing certified paper registration certificates, including Tax Registration and Warehouse Keeper certificates. Registrants will now receive free electronic certificates with QR codes which can be used for instant verification.

SUGAR TAX



As part of a GCC initiative, the UAE and other GCC states, have implemented a tiered sugar tax. Under

Cabinet Decision No. 197/2025, producers, importers and stockpilers of sweetened beverages must obtain an Emirates Conformity Certificate for Sugar and Sweeteners Content in Beverages (for Excise Tax purposes) from 1 January 2026. To obtain the certificate, they must have the product tested at a UAE-accredited laboratory approved by either the National Accreditation Department or the Emirates International Accreditation Centre. Once issued, the certificate must be submitted to the Federal Tax Authority (FTA) via the EmaraTax platform when registering or updating a drink product. Products without a valid certificate will automatically be classified as having high sugar and taxed at the highest band 1.09 AED per litre. Moderate-sugar drinks (with 5 g to < 8 g per 100 ml) will be taxed at 0.79 AED per litre. Low-sugar drinks with under 5 g per 100 ml) and artificially sweetened drinks will face zero tax. The new rates replace the previous flat-rate excise tax for drinks of this type.

QATAR

MULTINATIONAL REPORTING



Qatar's General Tax Authority (GTA) has launched the 'Tabadol' portal, a new electronic platform for multinational companies to submit their Country-by-Country Reports for the 2024 fiscal year. The portal, which is operational, requires submissions from Qatar-based multinational enterprises whose annual revenues exceed QAR 3 billion. These companies had to submit their 2024 fiscal year reports and 2025 notifications by 31 December 2025. The system enables tax information exchange between Qatar and its partner jurisdictions under international agreements.

SAUDI ARABIA

PAYMENT SYSTEMS



The Saudi Central Bank has launched a consultation on an updated oversight framework for

payment systems and operators. The proposals outline new supervisory methodologies and assessment processes for the payment sector. They detail specific oversight tools and self-assessment procedures which would potentially be implemented under the updated regulation. Clear obligations for payment system operators have been set out while incorporating international standards, including the Principles for Financial Market Infrastructures.

CONSULTANCY SERVICES



A tax bulletin has been issued by the Saudi Zakat, Tax and Customs Authority (ZATCA) which explains the tax treatment of technical and consultancy services under Saudi Cabinet Decision No. 278/1424 and Double Taxation Avoidance Agreements (DTAAs). It explains the scope and meaning of technical and consultancy services, addresses supply contracts ancillary to such services, and outlines the applicable tax treatment under domestic tax legislation. It also analyses the tax treatment of technical and consultancy services under DTAAs, including permanent establishment considerations, the characterisation of income as business profits or technical service fees, and the resulting allocation of taxing rights.

PENALTY EXEMPTION



Following a decision issued on 1 January 2026 the Saudi taxpayer penalty exemption initiative has been extended for a further six months. The waiver covers penalties for late tax registration, late payments, and late filing of tax returns for six calendar months. To qualify taxpayers must be registered, have submitted all required tax returns, and fully settled the principal tax amounts owed on any outstanding returns. They can apply for an instalment plan during the validity period, if payments are made on schedule as per ZATCA-approved

plans. The initiative explicitly excludes fines related to tax evasion or any penalties already paid before 1 January 2026.

CREDIT CARD FINANCING



The Saudi Central Bank (SAMA) has banned the use of promissory notes in credit card financing. In a circular dated 29–30 December 2025, SAMA directed all banks, lenders, and finance companies to stop obtaining promissory notes or other negotiable instruments from individual customers as a condition for credit card financing. Institutions must amend their internal policies, controls, and procedures in line with the new directive. Within 30 days of the circular, a corrective action plan must be submitted to SAMA's Consumer Protection Supervision Department, detailing steps to cancel or return previously obtained promissory notes. The corrective measures must be fully implemented within six months.

CAPITAL MARKET LIBERALISATION



Following the approval of a new regulatory framework, the Capital Market Authority (CMA) has announced all categories of foreign investors will be able to participate directly across all segments of the Main Market. This removes long-standing restrictions on non-resident participation. A major feature of the new rules is the elimination of the Qualified Foreign Investor (QFI) system, which previously required foreign institutions to meet strict eligibility thresholds before accessing the market. The CMA has also abolished the swap-agreement framework, which had offered only indirect exposure to listed securities. Under the new system, foreign investors will be able to buy shares directly, without the need for intermediary structures.

KUWAIT

CREDIT AND DEBIT CARD CHARGES



The Ministry of Commerce and Industry in Kuwait has issued a

TAX TREATY UPDATE

International: The OECD have released the 2025 update to the OECD Model Tax Convention (OECD MTC) – which focuses on topics including cross-border remote work, taxation of income from natural resource extraction and transfer pricing.

Oman: Oman has ratified a double taxation treaty with Iraq.

Qatar: Qatar has signed a double taxation treaty with Uruguay.

Saudi Arabia: Saudi Arabia and Bahrain have signed a double taxation treaty.

Saudi Arabia: Saudi Arabia and Montenegro have been negotiating a double taxation treaty between the two countries.

directive prohibiting merchants from imposing additional fees on transactions made using debit or credit cards. All merchants and service providers must adhere to the rule immediately. Violations may result in administrative penalties, including fines and potential suspension of their commercial licences. The policy applies across all sectors and covers in-store and online transactions.

CUSTOMS LINK



Authorities in Kuwait launched the first phase of its electronic customs link project with the GCC Customs Union on 2 January 2026. The new system enables the secure digital exchange of customs-declaration data and supporting documents between all GCC member states. The initiative will standardise customs procedures, reduce administrative burdens for traders and shorten clearance and shipment-release times at ports of entry. Enhanced data-sharing capabilities are expected to strengthen risk-management measures, support auditing and verification processes, and improve detection of smuggling and other illicit trade activities. This data exchange platform is being rolled out across all GCC member states.

OMAN

FINANCIAL CENTRE



The Omani government has approved the establishment of the Oman Global Financial Centre to boost foreign investment, and expand financial services. The initiative aims to provide a competitive platform for global banks, investment firms and specialist financial institutions, operating within a modern

financial, legal and judicial framework aligned with international standards. The new hub was developed after extensive reviews of other international financial-centre models.

LEBANON

FINANCIAL GAP LAW



The Lebanese Cabinet has approved a draft law to address dealing with losses which resulted from the 2019 economic crisis. The law provides a framework for dealing with the estimated \$70 billion financial gap. Under the draft law, depositors with balances below \$100,000 (which are most accounts) would recover their funds over a four-year period. Larger depositors would receive an initial payment of \$100,000, and remaining amounts would be converted into tradable instruments backed by Lebanese Central Bank assets. In addition, the draft law also sets conditions for future restructuring of the banking sector. The bill will now move to parliament for debate and potential approval.

IRAN

TIERED FUEL PRICING



There have been announcements in Iran of a new pricing structure which will apply to petrol there to curb rising fuel demands. Motorists who consume over 160 litres of fuel per month will have to pay 50,000 rials per litre. However, the existing subsidised rate of 15,000 rials will apply to the first 60 litres consumed. There will then be a 30,000 rial rate which will apply for the next 100 litres. It is important to note private drivers with multiple vehicles will only receive the lower-priced quotas for one of those cars.



AML CHANGE OF NOTE

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Noor Al Rayes and Fatema Sarha of Al Tamimi & Company explain how a recent Decision in Bahrain is set to bring notaries into the front line in the fight against money laundering.

The fight against money laundering, terrorism financing, and proliferation financing has become a key feature of modern regulatory systems, and is an area where Bahrain has been actively taking steps to strengthen its legal and institutional framework in order to safeguard its financial and professional services sectors,” states Noor Al Rayes. “One notable development in this area has been the issue of Bahrain Decision No. 102/2025, by the Minister of Justice, Islamic Affairs and Endowments, which provides for procedures designed to help prohibit and combat money laundering, terrorism financing, proliferation financing, and the illicit cross-border transfer of funds in the work of notaries public.”

“This Decision is part of a broader regulatory package adopted in Bahrain in 2025 which targets designated non-financial businesses and professions (DNFBPs), including lawyers, legal consultants, trustees, and notaries,” Fatema Sarha states. “It is clear

there has been a deliberate policy to issue regulations on notarial work—as a result of its evidentiary and transactional significance—in order to enhance preventive controls in line with Financial Action Task Force (FATF) standards.”

LEGAL CONTEXT

“Bahrain Decision No. 102/2025 has been issued in line with Bahrain Decree-Law No. 4/2001 on the Prohibition and Combating of Money Laundering and Terrorism Financing, which constitutes the cornerstone of Bahrain’s AML/CFT regime,” Al Rayes explains. “It also aligns with Bahrain’s international obligations under relevant United Nations Security Council resolutions, regional conventions, and FATF recommendations.”

“It should be read alongside national lists of terrorism and financial sanctions, regulations on the freezing and unfreezing of funds, decisions which have established and empower the national Financial Intelligence Unit (FIU), and the national risk assessment

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and sector-specific risk evaluations,” Sarha adds. “By extending detailed AML/CFT procedures to notary publics, Bahrain Decision No. 102/2025 has acknowledged the critical gatekeeping role notaries play in authenticating transactions involving property transfers, corporate arrangements, powers of attorney, and other instruments that may be misused for illicit financial purposes.”

SCOPE

“Bahrain Decision No. 102/2025 applies to all notary publics operating in Bahrain, whether they are acting in their official capacity or performing delegated notarial functions,” Al Rayes continues. “It should also be noted its scope is activity rather than client-based, and as a result covers notarial services that may involve the transfer or registration of ownership rights, management or disposition of funds or assets, establishment or modification of legal arrangements, and cross-border transactions or instruments with a foreign element.”

“In addition, Bahrain Decision No. 102/2025 does not limit its application to completed transactions,” Sarha continues. “It also extends to attempted or proposed transactions, which reinforces a preventive, risk-based approach rather than a purely reactive one.”

A RISK BASED APPROACH

“A key feature of the Decision is its adoption of a risk-based approach. Notaries are required to identify, assess, and understand money laundering, terrorism financing, and proliferation financing risks inherent in their activities,” Al Rayes explains. “This includes risks arising from client profiles, transaction types, geographic exposure, and the use of intermediaries or representatives.”

“Notaries must now establish internal policies, procedures, and controls which are proportionate to the level of identified risk. These measures are not merely formalistic. They must be documented, periodically reviewed, and updated in light of emerging risks or regulatory guidance,” Sarha notes. “As a result, this Decision has shifted notarial practice in Bahrain from a purely formal authentication role to an active compliance-oriented function.”

CUSTOMER DUE DILIGENCE (CDD)

“One of the most significant aspects of Bahrain Decision No. 102/2025 is the detailed customer due diligence (CDD) requirements notary publics are now required to comply with,” Al Rayes states. “Before performing notarial acts, notaries must identify and verify the clients’ identity using reliable, independent sources, determine if the client is acting on their own behalf or for another person, identify and verify the



Noor Al Rayes
Partner
Al Tamimi & Company



Fatema Sarha
Senior Associate
Al Tamimi & Company

ultimate beneficial owner where the client is a legal person or legal arrangement, and understand the purpose and intended nature of the transaction.”

“Bahrain Decision No. 102/2025 also distinguishes between ordinary CDD, enhanced due diligence (EDD), and simplified measures, depending on the risk profile. Enhanced due diligence is mandatory in higher-risk scenarios, including dealings with politically exposed persons (PEPs), high-risk jurisdictions, or complex ownership structures. In such cases, notaries must take additional steps, such as obtaining senior approvals, verifying the source of funds, and conducting enhanced ongoing monitoring.”

ANONYMOUS AND SANCTIONED DEALINGS

“Bahrain Decision No. 102/2025 expressly prohibits notaries from engaging in or facilitating transactions involving

anonymous clients, those using fictitious names, persons or entities listed on national or international sanctions lists, and persons designated under terrorism or proliferation financing regimes. Notaries are required to screen clients against applicable sanctions and terrorism lists without delay and apply freezing measures immediately when they identify a match. This highlights the notary’s role as a frontline actor in the enforcement of targeted financial sanctions.”

SUSPICIOUS TRANSACTIONS

“The Decision also imposes robust monitoring and reporting obligations on notaries,” Al Rayes continues. “Notaries must continuously monitor transactions to ensure consistency with their knowledge of the client and the stated purpose of the notarial act. Where



a transaction appears unusual, complex, or lacks apparent economic or lawful purpose, enhanced scrutiny is required. Crucially, notaries must report suspicious transactions or attempted transactions to the competent authorities through the prescribed channels. Bahrain Decision No. 102/2025 emphasises that reporting must occur promptly and without alerting the client commonly referred to as prohibiting ‘tipping-off’. Failure to report a suspicion is a regulatory breach, irrespective of whether the transaction ultimately proceeds.”

RECORD KEEPING

“Bahrain Decision No. 102/2025 has also established comprehensive record keeping requirements for notaries,” Sarha states. “They must retain copies of identification documents, beneficial ownership information, transaction records, due diligence files, and of any reports submitted to authorities. Records must be maintained for a minimum period specified under the AML/CFT framework and must be readily accessible to supervisory or investigative authorities on request. This reinforces transparency and auditability while enabling retrospective financial investigations.”

CROSS-BORDER TRANSACTIONS

“One distinctive feature of Bahrain Decision No. 102/2025 is its explicit focus on illicit cross-border transfer of funds,” states Al Rayes. “Notaries are now required to exercise heightened vigilance in transactions involving foreign jurisdictions, foreign assets, or cross-border legal instruments,” Sarha adds. “Particular attention must be given to the source and destination of funds, jurisdictional risk classifications, and use of offshore entities or arrangements. In addition, where cross-border elements raise red flags or fall within high-risk categories, enhanced due diligence and, where appropriate, reporting obligations are also triggered. This aligns Bahrain’s notarial

oversight framework with international expectations on combating transnational financial crime.”

OVERSIGHT AND ENFORCEMENT

“As a result of Bahrain Decision No. 102/2025 the supervisory authorities now have broad powers to inspect notarial records, request information and explanations, assess compliance with AML/CFT obligations, and impose administrative measures or sanctions for non-compliance. Sanctions may range from warnings and directives to corrective measures, administrative penalties, or referral for disciplinary or criminal proceedings, depending on the severity and nature of the breach. This enforcement framework signals a shift toward meaningful accountability in notarial practice.”

“From a practical perspective, Bahrain Decision No. 102/2025 represents a paradigm shift in the role of notaries public in Bahrain,” states Al Rayes.

“Notaries must now integrate compliance considerations into their daily operations, invest in training, and develop structured AML/CFT procedures. The Decision reflects a sophisticated, risk-based regulatory approach aligned with international standards and national policy objectives. Its successful implementation will depend on effective supervision, professional awareness, and a cultural shift within the notarial profession toward proactive compliance.”

“The Decision will also now require them to cooperate more closely with regulatory authorities and will heighten the professional judgment they will need to apply when assessing transactional risk. While these obligations may increase administrative burdens on the profession, they will also enhance the credibility and integrity of notarial services.”

“By positioning notaries as active participants in the national AML/CFT framework, Bahrain has strengthened its defensive architecture against financial crime and should reinforce confidence in its legal and financial systems.”

CASE FOCUS

Case NoJonathan David Sheppard v Jillion LLC
[2025] QIC (E) 3 issued on 12 November 2025
Jurisdiction QICDRC
Court QICDRC Court of First Instance
Recommended by Umar Azmeh, Registrar, QFC

WHAT IS IT ABOUT?

The underlying case was an employment dispute. The matter progressed normally until the time for the Defence to be filed and served. The lawyer acting on behalf of the Defendant sought a time extension for the Defence to be filed, following usual practice via an email to the QFC Registry. The Defendant's lawyer stated that the Defendant's principal had been hospitalised making it difficult to take instructions. Using very specific language, the lawyer (described as 'Counsel for the Defendant Jillion LLC') wrote, at 13.29 on 29 September 2025: 'We crave leave to rely upon below: • Article 9.2 QICDRC Rules – Court may extend or shorten time limits. • Article 10.3 QICDRC Rules – Court may relieve a party from procedural default upon good cause. • Article 11.8(2) QICDRC Rules – deadlines for Defence may be varied where justice so requires. • Al Khor International School v Gulf Contracting Co (QFC 2022) – extensions granted for exceptional circumstances. • Doha Bank v KPMG (QFC App 2019) – fairness and proportionality override rigid deadlines'. A further submission was received from the lawyer at 17.06 that day outlining a preliminary defence, and raising a jurisdictional challenge in relation to which the following was recorded: 'We crave leave of below precedent for jurisdiction challenge: • Doha Bank v KPMG (QICDRC App 2019) – jurisdiction is interpreted narrowly and cannot be presumed where connection to QFC is tenuous'. At 06.01 the next day, the Claimant requested the Court direct the Defendant's Lawyer provide copies of the neutral citation for 'Doha Bank v KPMG' as he had been unable to locate the judgment. At 08.52, the Registry ordered the Defendant's Lawyer to provide the Registry with copies of both cases no later than 16.00 the same day. At 10.03, the Defendant's Lawyer stated that a Defence would be filed on 1 October 2025 so that proceedings were not delayed, and that in respect of the 'cases' - 'Presently we are unable to access judgement (sic) copies of the cases on the website of court (sic) but once they are accessible apparently there is citation (sic), hence, we humbly

request that the court may disregard the same'. The Registry then ordered the Defendant's Lawyer to provide copies of the cases by 16.00 the same day and if he could not, to provide a witness statement explaining how he first came upon the two cases, and the propositions of law for which they stood. The lawyer provided a witness statement which stated that following a review, he had realised the citations were 'made in error inadvertently due to copy paste errors and wrong research ... due to reliance on secondary sources / incomplete case law databases by mistake'. The witness statement also included an apology. The next day the Registry ordered the lawyer to explain where he had found the 'cases' he had cited. He explained this had been through Google AI, and he attached screen-shots which are included in the judgment. The cases did not exist. The lawyer was referred to the President of the Court, Lord Thomas of Cwmgiedd, to consider whether Article 35 of the Rules and Procedures of the Court (contempt of court) applied, and if so, what action should be taken. The lawyer was given 14 days to make any submissions he wished. He apologised, stating his actions were an inadvertent error, he believed the cases were valid, and acknowledged he should have verified them before submitting them to the Court. He stated that any adverse disciplinary finding would have a 'disproportionate and irreversible effect' on his professional standing.

WHAT WAS DECIDED?

Lord Thomas of Cwmgiedd reviewed some of the major judgments from around the world where fake cases had been cited, including *Mata v Avianca Inc* (678 FSupp 3d 443, 2003) from the US District Court of the Southern District of New York, *R (on the application of Ayinde) v London Borough of Haringey* [2025] EWHC 1383 (Admin) from England and Wales, *Zang v Wei Chen* [2024] BCSC 285 from Canada, and *Murray on behalf of Wamba Wemba Native Claim Group v State of Victoria* [2025] FCA 731 from Australia. These cases made it clear lawyers must check cases derived from artificial intelligence, and that such cases undermine the integrity of the administration of justice and judicial system. The use of AI was to be welcomed with its potential to reduce cost and promote greater effectiveness, but this case made it clear that a Practice Direction was

needed to set out the approach before the QFC Court (currently the subject of a consultation). The QFC Court's power to deal with this type of situation comes from Article 35.2 of the Rules and Procedures on contempt of court, under which a finding of contempt of court requires intentional conduct that is intended to obstruct the Court in the exercise of its powers by giving information that was false and misleading. The conduct here was intentional, and went further than reckless conduct (reckless in this context meant not caring if the cases were genuine or not), because when the Registry had asked for the citations, the lawyer had stated he was unable to access judgment copies of the cases on the Court's website. Only after two further directions were made by the Registry did the lawyer admit the cases were provided by Google AI. Therefore, the conduct was not inadvertent, and there was clearly no reasonable excuse. Contempt of court had been committed. On the question of penalty, Lord Thomas 'not without very considerable hesitation' concluded that identifying the lawyer would 'inflict on him a disproportionately harsh penalty given the nature and size of the legal profession within ... the GCC and given that this is the first case where this has happened in this Court'. The publication of the judgment and the apology tendered were, in this case, sufficient deterrent. However, the Practice Direction will make it clear in the future this type of conduct will attract sanctions including full identification of the relevant lawyer, and 'consequent public disgrace'. This is the first case in the GCC to deal with the citation of 'fake' cases before a court so it is an important benchmark for lawyers and courts. It has been made clear the QFC Court – in keeping with the courts of other countries, will take a tough line against this type of conduct. The seriousness of the matter is clear as a Practice Direction setting out sanctions is out for consultation.

Malpractice of this nature is likely to be immediately identified and pursued. Although, the lawyer requested in his 10.03 email on 30 September 2025 that the citations be 'disregarded', this was not done.

Professional regulations may not explicitly deal with AI but citing fake 'cases' before a court may well be a breach of those obligations which can have devastating consequences in some jurisdictions. There are various ways the QFC Courts can deal with this type of issue – including by publication of a judgment naming the relevant lawyer, financial penalties, and reporting a lawyer to their professional regulator, wherever that is in the world. On enquiry by the Court, obfuscation on the part of the lawyer will likely make the matter more serious. This case also highlights the procedural agility of the QFC Court as useful practice and procedure can be developed quickly, in this case through a referral to the President by the Registrar.

Case No Mohammed Afzal Hossain v Gulf Insurance Group BSC [2025] QIC (F) 56 issued on 6 November 2025

Jurisdiction QICDRC

Court QICDRC Court of First Instance

Recommended by Umar Azmeh, Registrar, QFC

WHAT IS IT ABOUT?

A Claimant was injured in May 2019 in an accident involving a vehicle insured by the Defendant caused by the driver's negligence. The Claimant alleged as a result of the accident, he was permanently disabled and had suffered a loss of income and further damage through pain, suffering and loss of amenity. The claim was for a total of QAR 4,000,000. In 2023, the Claimant had brought a case against the same Defendant which arose from the same cause of action. The 2023 case concluded with a Settlement Agreement executed on 24 January 2024 in the sum of QAR 150,000 in 'full settlement'. The Registrar enquired about the effect of the January 2024 agreement, and the Claimant submitted additional damages had arisen after the 2023 claim, which purportedly did not form part of the Settlement Agreement.

WHAT WAS DECIDED?

The case was referred to the First Instance Circuit by the Registrar before the Defendant was required to file and serve a Defence. As a matter of law, the effect of settlement is no different from res judicata. Settlement and res judicata aim to provide finality in litigation. Another concomitant principle is the 'once and for all' rule, under which a Claimant must claim all the losses arising from the same cause in one action. The case was struck out before the Defendant was compelled to file a Defence. It demonstrates how QFC Court practices support the Overriding Objective in Article 4 of the Rules and Procedures to deal with all cases justly.

Given the clear bar to proceedings in the Settlement Agreement, the matter was referred to the First Instance Circuit for determination of this preliminary issue rather than compelling the Defendant to file and serve a Defence.

The Claimant had an opportunity to make submissions on whether the Settlement Agreement precluded the case from continuing. The approach saved time and money. It also demonstrates the agility of practices before the QFC Court through the Registrar referral mechanism which leads to the swift and just disposal of cases in appropriate cases. The 'once and for all' rule is a South African principle, and the Judge in this case was from South Africa. This demonstrates the value of the diverse judiciary at the QICDRC (at the time of writing there are judges from 11 jurisdictions (both civil and common law)) which allows a rich jurisprudence to develop drawn from principles from across the globe.



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IN-HOUSE PROFILE

GENERAL COUNSEL – TECHNOLOGY



An AI on Expansion

Roula Khaled General Counsel and Head of Ethics and Compliance at Khazna Data Centres explains how AI and other technological developments are impacting legal work and expansion opportunities.

YOUR BACKGROUND

I have 25 years of experience of advising multinational companies, joint ventures, government linked entities and start-ups across the Middle East, Europe and Africa. I specialise in mergers and acquisitions, corporate governance, regulatory compliance, and commercial contracts, with a specific focus on the technology, telecoms, data centre and infrastructure sectors. Early in my career I worked at top law firms in Lebanon, the UAE and France, but later switched to in-house legal leadership with major regional players, such as Etisalat, IBM and Majid Al Futtain Ventures. In the past I have structured and negotiated cross-border joint ventures, led on multi-jurisdictional M&A deals and advised on telecom licensing, digital transformation projects, and corporate reorganisations in over 15 countries. My first big M&A deal was a particularly complex one involving the acquisition by Etisalat of a major stake in Maroc Telecom.

CURRENT ROLE

Currently, I am the General Counsel and Head of Ethics and Compliance at Khazna Data Centres in the UAE. In three years I have built up the legal department and the different functions it covers. I oversee legal strategy, corporate governance, compliance frameworks and high-value commercial transactions. I am also a board-facing executive, responsible for stakeholder management and board reporting. I am involved in developing and refining the company's overall vision and strategy. In addition, I assess the legal and regulatory landscape when we enter a new jurisdiction and mediate and resolve any deadlocks between the strategy, finance, operations and commercial functions. Khazna Data Centres is the largest wholesale data centre provider in the Middle East and North Africa, and is playing a pivotal role in the region's digital transformation. It is committed to delivering state-of-the-art digital infrastructure solutions and currently has 30 data centres between Abu Dhabi and Dubai. We are also preparing to host and train AI models. Our infrastructure is designed to support both the training and inference phases of AI development, which should see us become a key enabler of AI innovation in the region. Khazna is also committed



to environmental sustainability and aims to have carbon neutral operations. Our facilities use energy efficient technology such as direct liquid cooling and solar panels. AI is energy intensive, so energy use and emissions tracking are important. We are also facing growing pressure from regulators to meet sustainability benchmarks and must navigate Environmental, Social, and Governance (ESG) disclosures and environmental regulations. Green procurement and contracts are important, so we have to structure supplier and construction contracts to include sustainability clauses, carbon targets and energy efficiency KPIs. As a General Counsel, I have to have a specialist, highly technically capable and collaborative legal team. My role is not limited to protecting the company from legal and regulatory risks, I also need to enable business growth by offering practical alternatives instead of outright rejections. It is important to build credibility and trust over time through strategic communication, and maintain independence and integrity especially when facing internal pressure.

TRENDS

There are a number of trends impacting legal work in our sector. One is AI integration and High-Performance Computing which impacts data privacy and protection. AI systems process large amounts of data which may contain personal or sensitive information, so we must ensure compliance with data protection laws. Data localisations laws also impact where and how data can be stored and processed. We also have to assess how local laws permitting government access to data affect

PRACTITIONER PERSPECTIVE

**Nick O'Connell**

Partner
Bird & Bird

Nick O'Connell of Bird & Bird explains Saudi Arabia's AI Adoption Framework.

Saudi Arabia has had a National Strategy for Data and AI since 2020. In 2025 the Saudi Data & AI Authority (SDAIA), which is responsible for data matters, issued an AI Adoption Framework to accelerate smart transformation in government and private entities through systematic, responsible

adoption of AI technology. It targets all government and private entities, regardless of specialism or digital maturity, and focuses on AI applications based on structured and unstructured data, including predictive systems, natural language processing, image and video analysis, and intelligent automation. It does not cover theoretical scientific research (unless it has direct practical application), or establish detailed technical standards. Aims include assisting policymakers and legislators to assess the ecosystem, identifying regulatory gaps, and developing legislative and ethical frameworks that support responsible AI use. It primarily targets government entities (to support integration of AI technologies within strategies and enhance digital infrastructure) and policymakers and legislators (to assess ecosystem readiness, identify regulatory gaps, and develop legislative/ethical frameworks). It has three interconnected pillars: Directions, which cover strategic and enterprise aspects, including goals, technology initiative design, and governance frameworks; Enablers, which cover infrastructure and enabling factors, e.g. human workforce, data availability, quality, and technical systems; and Outcomes, which reflect actual results of AI adoption through model development efficiency, monitoring mechanisms, and impact on enterprise performance. Recommendations include developing a comprehensive AI strategy document, aligning the plan to national strategies, defining key performance indicators,

and having a timeline roadmap. Initiatives should target real use cases, link to specific performance indicators, be reviewed quarterly, and align with national and enterprise priorities. Implementation is divided into short-term (one to two years, focusing on quick wins through automation and predictive analytics), medium-term (three to five years, expanding towards advanced applications and skills development), and long-term (over five years, aimed at fundamental transformation) phases. AI governance is frameworks, policies, and enterprise structures that regulate AI development and deployment, outlining roles, responsibilities, decision-making, and oversight mechanisms. It is also necessary to comply with the AI Ethics Principles and Controls, the Personal Data Protection Law and specialist guidance. Data is the backbone of all AI applications, under the Enabler pillar and primary source for training models, enhancing performance, and generating inferences. Data quality and integration requires comprehensive dataset governance, automated quality verification, data source tracking, ensuring tag accuracy, and legal data reviews. Technological infrastructure includes physical and digital resources, e.g. data centres, high-performance servers, and cloud computing. Technical standards include maintaining scalable infrastructure, providing AI acceleration hardware and defining upgrade cycles. Human capabilities are fundamental for successful AI adoption, and require qualified talent capable of designing, developing, and operating intelligent models, establishing clearly defined AI teams, clearly assigning roles, and aligning with the National Occupational Standards Framework. Privacy and safety require a 'security and privacy by design' approach, compliance with applicable regulations and recovery and disaster plans. Official resources, e.g. the Generative AI Guidelines, Deepfake Guidelines, and National Occupational Standard Framework for Data and Artificial Intelligence should be considered.

customers, especially international and AI clients. The UAE has strict localisation and cyber laws, e.g. the Federal Data Protection Law (Federal Decree-Law No. 45/2021). As you expand across multiple jurisdictions compliance becomes more difficult. The Saudi Personal Data Protection Law (Saudi Arabia Cabinet Decision No. 98/1443) has been in force since 14 September 2024 and requires strict data protection measures including data localisation, restricted data transfers outside Saudi, and the appointment of data protection officers. Non-compliance penalties can be up to SAR 5 million so robust data governance frameworks and adjustments to data storage and processing practices are needed. In 2025 there was a consultation on a Draft Global AI Hub Law in Saudi which may introduce a new framework for establishing sovereign and foreign-affiliated data centre, known as 'Hubs'. This will allow data localisation under foreign

laws while still operating within Saudi borders and should encourage foreign governments and the private sector to develop and host AI infrastructure there. In the UAE non-binding guidelines such as the AI Ethics Guide and the Deepfake Guide have been issued targeting the ethical use of AI technologies. Kuwait also has a National AI strategy 2025-2028 emphasising human rights principles, ethical AI development and a regulatory framework which governs AI across various sectors including healthcare, education and public services.

Various bodies in Qatar have issued AI guidelines including by the Qatar Central Bank and the National Cyber Security Agency. Hosting AI also requires high-density environments, liquid cooling and accelerated computing. We also face export controls on AI chips, and cross border data transfer laws especially for AI training.

MOVERS AND SHAKERS

A ROUND-UP OF THE TOP APPOINTMENTS AND PROMOTIONS

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STEPHENSON HARWOOD BRANCHES OUT

Stephenson Harwood have expanded their Middle East operations with the opening of two new offices in Riyadh and Al Khobar in Saudi Arabia. As a result, Corporate Partner Marcus Latta has moved to Riyadh. He joined the firm at the end of 2025 from Curtis, Mallet-Prevost, Colt & Mosle, along with two associates. Latta has been based in Saudi since 2003. In the past, he has advised various branches of government and ministries on the development of new legal frameworks and regulations as Saudi Arabia has taken steps to open itself up to investors and increase its competitiveness as a regional business hub. His clients include international, regional and local entities, which he advises on corporate and regulatory matters, compliance issues, joint ventures and foreign direct investment.

Meanwhile Khurram Ali, who works in the marine, trade and offshore practice will advise clients in Al Khobar. Ali has over 20 years' experience of working on both contentious



and non-contentious matters in the UK, UAE and Saudi Arabia.

He advises clients in the maritime, transportation, oil and gas, international trade and port infrastructure sectors on high-stake disputes and cross-bored contentious matters.

Partner Tammy Samuel who is a commercial and regulatory transport and infrastructure expert will act as the firm's Head of Saudi Arabia.

Previously Tammy led Stephenson Harwood's Global Finance practice and served on the firm's global leadership team for five years. In her work she partners with manufacturers, maintainers (of both rolling stock and buses), operators, procurers, regulators, and public sector bodies throughout the transport industry. She has experience which spans the full life-cycle of transport projects, including strategic advice on railway and bus franchises and concessions in the bidding and operational phases, procurement, infrastructure development, and on electric assets. In addition, she provides advice on regulatory matters, including the creation of new regulatory frameworks.

CROSS JURISDICTIONAL

Two new partners have joined the cross-jurisdictional Finance & Restructuring practice at Pinsent Masons. The first, Edward Smith, was previously the Head of Restructuring and Insolvency at Travers Smith in London. He advises on a range of restructuring scenarios, including complex financial and operational restructurings, distressed M&A, directors' duties and formal insolvency matters. His clients include lenders, providers of private capital and debt, corporates, boards of directors and turnaround advisers. He has over 25 years of experience of working in high-profile restructurings particularly in the retail, leisure, and hospitality sectors.

The second new partner is Seyavash Rahnema who will work in the Dubai office. He has experience of regional and cross-border finance, which includes over 15 years in Dubai. He joins the firm from Norton Rose Fulbright. Rahnema has expertise on structuring conventional and Shariah-compliant transactions, representing major banks and corporates in high-value transactions across real estate, development, acquisition, asset-backed, and export finance.



PROMOTION FOR SILVA

Over at King & Spalding, Nika Silva has taken on the role of counsel in the firm's Abu Dhabi office. Silva specialises in structured finance and represents issuers, financial institutions, underwriters and institutional investors in a variety of US based asset-backed securitisation and structured lending transactions. She was part of the team that represented Cyrus One in successfully closing its \$1.175 billion asset-backed securities (ABS) offering, which was the largest data centre backed issue since 2021. In the past Silva has worked in the Middle East, USA, UK and Australia. Prior to joining King & Spalding, she worked in the securitisation department of a large magic circle firm in London and in-house for a commercial bank in Abu Dhabi. She has also worked for King & Spalding in their Los Angeles and New York offices.

IN THE LEAD

Kieron Zaman is now National Managing Partner – Middle East at Linklaters having

taken over from Scott Campbell who held the position for ten years and will continue to head up Linklaters's corporate practice in the Middle East. Zaman has been based in the firm's Dubai office since 2012, prior to which he worked at Linklaters in London where he advised banks and borrowers on European and emerging market financings and debt restructurings. He also leads the firm's Middle East banking practice.

OTHER CHANGES

Simmons & Simmons: Simmons & Simmons have opened a new office in the ADGM. The ADGM team includes partner and legal technology specialist Lucy Shurwood, and financial services regulation and derivatives partner Rezah Stegeman.

Reed Smith: Timothy Cooke who is the author of a publication providing a multi-jurisdictional analysis of challenges to arbitration awards which is available on Lexis Middle East law has been appointed chair of the firm's International Arbitration practice.

Baker McKenzie: Baker McKenzie have relocated their Riyadh office to Laysen Valley and now have two offices in Saudi.

DLA Piper: DLA Piper has announced plans to open a new larger office in Al Maryah Tower within the ADGM.

A WEALTH OF KNOWLEDGE

Shahrazad Askarpour (who is known as Shazi) has been promoted to partner at Norton Rose Fullbright. Askarpour is a corporate lawyer who is based in Dubai where she has worked for over 12 years. Her practice focuses on advising sovereign wealth funds on their strategic multi-jurisdictional mergers and acquisitions. She also advises both regional and international companies on corporate transactions including joint ventures, corporate finance, private equity and general corporate advisory work in a range of sectors.

FINTech AND FORMATION

Two new partners - Victora Ferres and Sami Ben Dechiche have joined Morgan Lewis from A&O Shearman and Simmons & Simmons respectively. Ferres advises on fintech, financial services regulations and compliance, in areas including retail and consumer protection. She also helps clients design and implement internal policies, procedures and systems and controls which are in line with international compliance standards and best practice. Her work has had a particular focus on retail and fintech regulation, consumer protection, compliance, and financial crime-related issues across the UAE (including in the ADGM and DIFC) and in Saudi Arabia. Meanwhile Sami Ben Dechiche's focus is structuring, formation and investment matters. He advises fund managers and institutional investors on regulated investment platforms across the GCC region. He is fluent in English and French and conversant in Arabic. He is admitted to practice in New York. Prior to joining Simmons & Simmons, he supported the investment fund practices at magic circle law firms in both Luxembourg and Dubai.

NEW VENTURE FOR SALIB

Walid Salib has joined Hogan Lovells as a partner in their corporate and finance team, in Saudi Arabia. He will be based in Hogan Lovells's Riyadh office. Salib joins the firm from Eversheds Sutherland where he was head of M&A. He has over 15 years of experience of working in the Middle East which has included public and private M&A, strategic joint

ventures, corporate structuring and restructuring, capital markets-related M&A and obtaining Saudi merger control clearances. He has a track record in advising private equity houses, sovereign wealth funds, family offices and multinational corporations on complex M&A transactions.

CORPORATE CONSIDERATIONS

A&O Shearman has appointed Shaima Bakhsh as a corporate partner in Riyadh. Bakhsh has extensive experience in M&A, joint ventures and providing strategic corporate advice. Shaima joins A&O from Hassana Investment Company. In her previous role, Bakhsh worked for a leading government owned investment firm, Hassana Investment Company as general counsel. Other past experiences have included time spent at Dentons and Khoshaim & Associates (K&A). In her new role, she will work closely with A&O's Middle East teams to support clients on high-impact transactions.

AT THE HEART OF THE DISPUTE

Hasan Elshafiey is now a partner in the dispute resolution practice at Galadari Advocates & Legal Consultants. Elshafiey is a bilingual qualified lawyer and arbitrator who has over 19 years' experience and extensive expertise in international arbitration, complex local and cross-border litigation, in particular when it comes to energy and construction-related disputes. In the past he has advised multinational corporations, government entities and leading contractors on high value disputes in the construction, energy, and infrastructure sectors, as well as on disputes involving Environmental, Social and Governance (ESG), real estate, insurance, joint-ventures and the investment sectors. He has previously held a number of senior positions with leading international and local law firms across UAE and the wider GCC region. Hasan has a master's degree from the University of London and a post-graduate diploma in Sharia Law from Alexandria University.

DIGITAL DEVELOPMENTS

Sameera Kimatrai has been promoted to partner at Gibson Dunn & Crutcher. Sameera works in the firm's Dubai office and is a member of their Financial Regulatory Practice Group.

Her work focuses on financial services regulation, fintech and digital assets. She has experience of advising governments, regulators and financial institutions on complex regulatory issues across the Middle East. She worked previously as a senior regulatory lawyer in the legal department of a large digital assets exchange.

A BOOST OF ENERGY AT WTW

David Miles has become a partner in the Watson Farley & Williams (WTW) project finance team. Miles will be based in London but will work closely with the WTW team in Dubai.

He specialises in the energy and infrastructure sectors, and has advised borrowers, sponsors, export credit agencies and procurers on complex cross-border financings. He was previously a partner at Linklaters and in the past has acted for clients in the UK, Asian, Middle Eastern, American and European markets.

MIDDLE EAST MOVE

The UK firm Forsters is opening its first office outside London in the ADGM. Private wealth partner James Brockhurst, who advises high net worth individuals, family offices, entrepreneurs and trustees across the Middle East region will take the lead there. The new office will provide advice on a range of areas including cross-border planning, family governance and crypto asset advisory work. Brockhurst will be the sole lawyer based in the Abu Dhabi office full time but he will be supported by a cross-practice Middle East team covering private wealth, corporate, dispute resolution and real estate who will travel between London and the Middle East.



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Mohamad Almuhammad
Chairman

AlMajd Law Firm is a premier full-service law firm based in Doha, Qatar, renowned for delivering high-quality legal services across a broad spectrum of industries and practice areas. Since its establishment, the firm has built a reputation for combining deep local knowledge with international legal expertise, providing clients with practical, innovative, and results-oriented solutions. AlMajd specializes in corporate and commercial law, including mergers and acquisitions, joint ventures, company formation, licensing, Arbitration, banking and finance, real estate and construction, intellectual property, labour and employment law, dispute resolution, and family law. The firm also handles complex litigation, arbitration, and mediation, representing both local and international clients in high stakes matters.

At the helm of AlMajd Law Firm is Chairman and Founder Mohamed Lahdan Al Muhannadi, a distinguished legal professional with an LLM in Private Law from Qatar University and a board member of the Qatar Lawyers Association. Mr. AlMuhannadi's leadership combines strategic foresight with a client-centred approach, ensuring that the firm not only meets but exceeds client expectations. His vision emphasizes ethical practice, technological integration in legal services, and fostering long-term relationships with clients and stakeholders. Under his guidance, AlMajd has become a trusted advisor for complex corporate transactions, regulatory compliance, dispute resolution, and commercial advisory services, consistently delivering solutions tailored to the unique needs of each client.

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CONTRACT WATCH

Employment contracts



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Saudi Arabia has updated its employment contract framework in order to strengthen contractual reliability, enhance employee rights, and accelerate the resolution of wage disputes.

DUAL REGISTRATION

A key change is the need to register employment contracts with both the Ministry of Human Resources and Social Development (MHRSD) via the Qiwa platform and the Ministry of Justice (MOJ) through the Najiz portal. This dual registration process is intended to ensure wage clauses in Saudi employment contracts are directly enforceable before the enforcement courts there through Najiz, and employees can now file wage claims directly. The contract clause subject to enforcement action is the wage clause which includes basic salary, as well as any applicable housing allowance or transportation allowance, as well as the total of other applicable cash allowances. Employers also have the right to object to an enforcement request through the Najiz platform. They are notified of the enforcement request and have five days either to file an objection or to settle the payment.

CONTRACT FORMAT

Saudi employment contracts

must now be executed using the Executive Employment Contract template which is available on Qiwa and receive an Execution Number issued by the Saudi MOJ Documentation Centre. The contract documentation process is carried out through the Qiwa platform, where the employer submits a request to document a new contract or update an existing one. The request is then sent to the employee, who can approve, reject, or propose amendments to the contract. Once both parties have approved the contract, it is deemed documented and acquires enforceable status through automated technical integration with the MOJ.

ADDITIONAL DETAILS IN CONTRACTS

There are also a number of additional details required in the new contracts including the registered national address of both employer and employee; mobile and land line company contact numbers; details of the contract type (e.g. if it is fixed or non-fixed-term; non-fixed-term is limited to Saudi employees); the duration and renewal terms (for fixed-term contracts) and the exact salary due date.

ENFORCEMENT RIGHTS

Where there has been total non-payment enforcement action can begin 30 days after the due date (previously there was a two month time limit). However, if there has been a partial payment the employee can begin the enforcement action 90 days after the payment due date.

IMPLEMENTATION STAGES

These changes are being implemented in three stages. The first stage began on 6 October 2025 and applied to new contracts or clause updates. The second

stage will begin on 6 March 2026 and will apply to renewed or extended fixed term contracts. A third implementation stage will cover non-fixed or unlimited term contracts. This will begin on 6 August 2026.

NEXT STEPS FOR EMPLOYERS

As a result of these changes there are a number of steps Saudi employers should be taking. The first step is to ensure all their Saudi employment contracts are using the Executive Employment Contract format found on Qiwa. The next involves the registration of all employment contracts. Employers should check every active Saudi employment contract is recorded on both the Qiwa platform and the Najiz portal and that it has an assigned Execution Number. It will also be advisable for Saudi employers to have carried out an audit of their wage practices. They should implement systems to help them ensure timely salary payments in order to avoid potential enforcement proceedings which will now be much easier for employees to commence. Finally, it is important that Saudi employers prepare for the phased implementation. This will mean tracking the timelines which are applicable to their workforce and drawing up a relevant plan for re-documentation and contract renewals. These reforms represent a major shift toward greater transparency and accountability in Saudi employment relations. In addition, going forward employers should expect to see closer government oversight of employment contract documentation and payment practices. It is also important to note failure to comply could lead to employers facing enforcement action, financial penalties, or reputational risk.



Contributor
Sarit Thomas
Clyde & Co



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