

13th September 2020

IS YOUR BUSINESS READY FOR ISRAEL?

We are delighted to announce our newly established cooperation with our colleagues in Israel, Tel Aviv. Following the milestone peace agreement between Israel and UAE, MENA LEGAL has expanded its legal capabilities to this new jurisdiction.

See below our first legal newsletter on a subject matter related to Israel. Watch www.mena-legal.com in the near future for further country reports with focus on “Doing Business in Israel”.

I. Background

Individuals and companies conducting business in the Middle East, and in particular the United Arab Emirates (“UAE”), often face cultural and legal challenges while doing business. One such challenge was the Federal Law Number 15 of 1972 (“UAE Boycott Law” or “Law”) banning deals with State of Israel (“Israel”).

In 1972, the UAE enacted the UAE Boycott Law which prohibits dealings with individuals of Israeli nationality and the trade of Israeli goods.

Following the recent announcement of the peace accord between UAE and Israel, President His Highness Sheikh Khalifa bin Zayed Al Nahyan, has issued a Federal Decree-Law No. 04 of 2020 (“Federal Decree” or “Decree”), abolishing the UAE Boycott Law on August 28, 2020.

Based on the Decree, individuals and companies in the UAE may enter into agreements with bodies or individuals residing in Israel or belonging to it by their nationality, in terms of commercial, financial operations, exchange or possess Israeli goods and products of all kinds in the UAE and trade in them or any other dealings of any nature.

II. Outlook

The implementation of the Decree represents a huge milestone for the UAE and international business landscape in terms of ease of doing business.

In particular it will have a significant impact on the routinely requested boycott request of a UAE company in relation to its international counter party.

Many foreign individuals or companies conducting business in the Middle East, and in particular the UAE, have been routinely requested to enter into agreements containing provisions that require the foreign contracting party to participate in the boycott of Israel.

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Such requests are often in the form of apparently innocuous contractual provisions requiring the foreign contracting party to “comply with all applicable laws in the UAE”, in short meaning also to comply with the UAE Boycott Law.


Agreeing to such contractual provisions has created challenges in particular for foreign companies, which were regulated by countries where anti-boycott laws (e.g. USA) are in place, which could potentially cause foreign contracting parties to fall afoul of applicable domestic laws, resulting in fines or prison sentences, if there were to agree to the boycott request of the UAE contracting party.

In such situation lawyers were engaged to negotiate amendments and changes to contractual language to ensure compliance with domestic anti-boycott laws and the UAE Boycott Law, in order to facilitate the business deal.

Moving forward and with the above-mentioned changes in mind, we strongly suggest reassessing previously executed agreements to ensure compatibility with the recent developments. MENA LEGAL will be delighted to assist you with this exercise.

MENA LEGAL will remain attentive to any further developments and keep you informed.

Authors

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ABOUT MENA LEGAL

MENA LEGAL represents a global network of law firms and is a member of the **B&A** (www.b-a.global), an association of various professionals structured as a Swiss Association, which provide a wide range of services on "one-stop-shop" basis to international corporations, small and medium sized companies and individuals.

Its members and individual experts have in-depth experience in matters of legal, tax, business consulting, accounting, property consulting, project finance and recruitment services, mainly with a focus on the markets of Europe, the Middle East, Levante, North Africa and beyond.

With over 30 years of personal and professional experience our members provide comprehensive and competent advice related to the business environment in various parts of the world, but also provide advice to regional entrepreneurs with respect to opportunities and legal matters in Europe, the Middle East, North America and Asia. With member offices in Germany, Italy, France, the Netherlands, USA, United Kingdom, Switzerland the United Arab Emirates, Egypt, Jordan, Saudi Arabia and now Israel, along with associated partners in various other countries, our members are positioned to offer hands-on support and on-the-ground services on a regional basis.

Our focus is on advising the following business sectors

- ✓ Real Estate and Construction
- ✓ Engineering and Architecture
- ✓ Car manufactures and Supply Industries
- ✓ Logistics and Aviation
- ✓ Oil & Gas and Mining, Petrochemicals
- ✓ Fintech and Blockchain
- ✓ Renewable Energy and Environmental Technologies
- ✓ Security and Defence
- ✓ Hotels and Leisure Properties
- ✓ Pharmaceutical and Biotechnology
- ✓ Education, Sport and Events

With the following services

Legal Services (GCC and International):

- ✓ Commercial and corporate law,
- ✓ Contract and commercial documents (e.g. T&Cs, AOA, MOU) revision and drafting,
- ✓ Commercial Agencies and Distributorship agreements,
- ✓ Property, construction agreements, claims and dispute avoidance consultation

- ✓ Legal Debt Collection
- ✓ Legal Due Diligence and M&A full-service handling,
- ✓ Onshore, Offshore, Free zone Set Ups,
- ✓ Special Start Up Consultation,
- ✓ Mediation and Local Dispute Resolution (Criminal, Commercial and Civil),
- ✓ Multi-jurisdictional dispute resolution and International arbitration,
- ✓ Labour law, employment contracts,
- ✓ Family law, inheritance, wills and succession planning,
- ✓ Maritime law,
- ✓ Events- and sport law,
- ✓ Fintech, Blockchain and Cryptocurrencies,
- ✓ Export control & sanctions,
- ✓ Trademark registration,
- ✓ Legal Translations,
- ✓ Pro Bono & Corporate Social Responsibility Program

Corporate Services (GCC and International):

- ✓ Business strategy and company formation services,
- ✓ Investor allocation,
- ✓ Allocation of local sponsors, advisory on suitable business location, administrative support for ongoing business operation,
- ✓ Risk analysis and management consulting,
- ✓ Crisis management,
- ✓ Out of court debt collection services,
- ✓ Translation, PRO and Governmental Services,
- ✓ Company valuations and fixed asset verification,
- ✓ Financial feasibility studies, due diligence and modelling,
- ✓ CFO services, statutory and internal audit, outsourced accounting, payroll,
- ✓ International and national tax and VAT consultation,
- ✓ Economic substance regulations consultation,
- ✓ HR & Executive Recruitment,
- ✓ Maritime and Yacht support services,
- ✓ International property, commodities and assets purchase,
- ✓ Events support, training and workshops

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