



Monday, October 20
2:30 pm-4:00 pm

210 Doing Business in the Middle East and North Africa

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William R. Buck
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David Jaffe
General Counsel
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David Sellers
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Faculty Biographies

Glen P. Brock III

Glen P. Brock III is senior counsel with Bechtel Oil, Gas and Chemicals, Inc. in Houston. He specializes in the structuring, drafting, and negotiation of contracts for international engineering, procurement and construction projects, and legal issues with respect to execution of such projects. Mr. Brock has served as project counsel for several projects in North Africa and the Middle East. In addition to his duties with respect to Bechtel's oil, gas and chemical business unit, Mr. Brock serves as Bechtel's compliance officer and subject matter expert with respect to compliance with the US Antiboycott Regulations administered by the US Treasury Department and the US Commerce Department.

Mr. Brock joined Bechtel Group first as a legal counsel for Bechtel Power Corp. in Frederick, MD, and served that business unit for approximately two years before relocating to Houston. Prior to joining Bechtel, Mr. Brock practiced construction law with a private firm in Atlanta, GA as a partner in the firm's construction, bond & surety practice group.

Mr. Brock received a BA, magna cum laude, from Washington and Lee University and is a graduate of the University of Virginia School of Law.

William R. Buck

William R. Buck is assistant chief attorney for ExxonMobil Production Company, a division of Exxon Mobil Corporation, in Houston. His responsibilities include ensuring legal support for ExxonMobil's upstream operations in North and South America.

Prior to his current position, Mr. Buck held multiple positions with Mobil Corporation prior to Mobil's merger with Exxon Corporation in 1999, including: counsel in support of domestic upstream operations; general counsel of Exxon's upstream operations in Norway; assistant general counsel of Mobil Chemical Company; planning coordination manager; and North American strategic planning manager. Since the merger and formation of Exxon Mobil Corporation, Mr. Buck spent two years focused on international financings and SEC compliance issues and six years supporting the pursuit of new business opportunities primarily, but not exclusively, in the Middle East.

Mr. Buck received both his BSc and his JD from the University of Colorado in Boulder.

David Jaffe

David Jaffe is general counsel and secretary of Guardian Industries Corporation, a privately held global manufacturing company based in Auburn Hills, MI. Mr. Jaffe has also spent time in Luxembourg as general counsel of Guardian's European businesses.

Prior to joining Guardian, Mr. Jaffe was a partner at Honigman Miller Schwartz and Cohn in Detroit. Additionally, Mr. Jaffe has served as a law clerk to William Rehnquist at the Supreme Court of the United States and to James Browning at the US Court of Appeals for the Ninth Circuit.

Mr. Jaffe received his BA from the University of Chicago, and is a graduate of the University of Chicago Law School.

David Sellers

David Sellers is a partner in the Paris office of Eversheds LLP, specializing in infrastructure projects, including upstream and downstream oil and gas work.

Mr. Sellers also has extensive experience in international arbitration and public international law issues, and has appeared as counsel in over 30 major international arbitrations and acted in a range of related proceedings. Additionally, Mr. Sellers has appeared as counsel on several cases before the International Court of Justice.

Mr. Sellers also has particular experience in the Middle East and North and sub-Saharan Africa and is a regular speaker on investment issues in these regions. His clients include governments, major oil companies and other multinationals.

Mr. Sellers is highly ranked in Legal 500 in its 2008 EMEA edition for both project finance and energy and public international law.



Country Focus

- Countries addressed in more detail
 - Algeria – Glen Brock
 - Libya – David Sellers
 - United Arab Emirates – Bill Buck
 - Saudi Arabia – David Jaffe
 - Qatar – David Sellers
- Reasons for choices



Lay of the Land - General

- MENA often treated as one region, but significant diversity
- Common points: Religion, language, legal system based ultimately on French codes. Significant oil producers, but not all. Variety of systems of Government.
- North Africa: Francophone countries, Mediterranean economies (e.g. Morocco, Algeria, Tunisia). Special cases: Libya/Egypt
- Eastern Mediterranean countries: wide variety (e.g. Lebanon, Israel, etc)
- Gulf Arab States (Saudi Arabia, U.A.E., Qatar, etc)



Lay of the Land - General



Map Source: www.worldatlas.com



Lay of the Land – Population 2007*

● MENA	345.5m
● Maghreb	81.1m
● GCC	36.4m
● Algeria	33.8m
● Libya	6.1m
● Qatar	0.9m
● Saudi Arabia	24.3m
● UAE	5.2m

* 2008 Economic Developments and Prospects report, the World Bank



Lay of the Land – GDP 2007 USD*

● MENA	\$1,593.4 bn
● Maghreb	\$264.6 bn
● GCC	\$774.5 bn
● Algeria	\$134.9 bn
● Libya	\$56.6 bn
● Qatar	\$65.8 bn
● Saudi Arabia	\$375.3bn
● UAE	\$159.7 bn

* 2008 Economic Developments and Prospects report, the World Bank



Lay of the Land – FDI 2007 (USD)

● MENA	\$45.4 bn
● Maghreb	\$9.8 bn
● GCC	\$21.4 bn
● Algeria	\$2.5 bn
● Libya	\$0
● Qatar	\$4.7 bn
● Saudi Arabia	\$14.7 bn
● UAE	\$6.1 bn

* 2008 Economic Developments and Prospects report, the World Bank



Lay of the Land – Crude Oil and Refined Product Exports 2007* (USD)

● MENA	\$653.4 bn
● Maghreb	\$100.5 bn
● GCC	\$436.9 bn
● Algeria	\$59 bn
● Libya	\$39.9 bn
● Qatar	\$40.7 bn
● Saudi Arabia	\$230.6 bn
● UAE	\$75.6 bn

* 2008 Economic Developments and Prospects report, the World Bank



Lay of the Land – Libya



Source: <https://www.cia.gov/library/publications/the-world-factbook/print/ly.html>



Lay of the Land - Libya

- Former Italian colony, and subsequently kingdom
- Muammar Qadhafi has ruled since achieving power through a bloodless coup in 1969 – although no constitutional position
- 1977 – Qadhafi introduced Jamahiriya – a system of government based on his third universal theory
- Rule through People's Committees – at a local level Basic People's Congresses, which are represented at the General People's Congress, the main legislative body
- Prime Minister and Cabinet (General People's Committee) with ministerial posts covering the economy, finance, defence and security, energy, infrastructure, foreign affairs, social security and trade
- Government subject to regular changes: Qadhafi regarded as the de facto ruler
- Difficult relations with the West until very recent years
- Perceived radical change recently in Libya's external and internal affairs



Lay of the Land – Qatar



Source: <https://www.cia.gov/library/publications/the-world-factbook/print/qa.html>



Lay of the Land - Libya

- Total population about 6.2 million. 97% Arab (or Berber) and Muslim
- 90% of population occupy 10% of the Land
- Arabic the official language (although English widely spoken in business environment)
- Traditionally nationalised industries: slowly moving towards privatisation in some sectors
- 95% of export earnings from oil, accounts for 25% of GDP
- Other sources of GDP: petrochemicals, iron, aluminium



Lay of the Land - Qatar

- Former ottoman rule, and British protected State
- 1971 – independence. Constitutional monarchy. Ruled by Emir Al Thani family. Current Emir deposed his father in bloodless coup in 1995
- Head of State: Emir Hamad bin Khalifa al-Thani. Prime Minister and Council of Ministers appointed by Head of State
- Moves towards democracy: April 2007 – elected Central Municipal Council
- Advisory Council – Majlis al-Shura



Lay of the Land - Qatar

- Population: 841,000. Approximately 25% Qatari, 75% foreign workers (South Asia, Philippines, other Arab countries)
- Arabic language, although English spoken
- Main income, oil and gas. Boom in recent years, with major construction projects, tourism/sports/conferences, education, Qatar Airways
- Trading partners: U.S., Europe, Japan, etc



Lay of the Land -- Algeria

- Crossroads of Mediterranean, Arabian, and African influences
- Arabian and French influences have been the longest lasting, contributing the Muslim religion and the French and Arabic languages.
- People's Democratic Republic of Algeria formed in 1962 after nearly a decade of revolution
- The government is a republic with an executive branch, bicameral Parliament, and a judicial branch headed by a Supreme Court.
 - Chief of State – President Abdelaziz Bouteflika (since 1999)(elected by popular vote for up to two five-year terms)
 - Head of Government – Prime Minister Ahmed Ouyahia (6/23/08)
 - Bicameral Parliament consists of (i) the National People's Assembly (389 seats, members elected by popular vote to serve five-year terms); and (ii) the Council of Nations (1/3 appointed by the president; 2/3 elected by indirect vote)(serve 6-year terms, staggered)



Lay of the Land -- Algeria



Source: <https://www.cia.gov/library/publications/the-world-factbook/print/ae.html>



Lay of the Land – Algeria

- GDP = \$224.7 billion (purchasing power parity); 131.6 billion (official exchange rate), growing at 4.6%/year.
- Total population is 33 million.
- Second largest country in Africa, and tenth largest in the world.
- Although 87% of Algeria is Saharan desert, approx. 40% of population lives in coastal strip representing less than 5% of Algeria's land mass.
- 99% are Sunni Muslim; 1% are Christian/Jewish.
- Arabic is the national language; Berber dialects and French are also widely spoken.
- Hydrocarbon sector represents 60% of budget revenues and 30% of GDP.



Lay of the Land -- UAE



Source: <https://www.cia.gov/library/publications/the-world-factbook/print/ae.html>



Lay of the Land -- UAE

- Formed in the early 1970's by seven of the Trucial States of the Persian Gulf
- Two most well known: Abu Dhabi, a regional petroleum powerhouse, and Dubai, the banking and entertainment capital of the Middle East
- Total population of about 4.5 million, about 75% of which are non-nationals
- 96% Muslim
- GDP on par with most of Western Europe; 40%+ tied to oil and gas production
- Governed as a federation with specified powers delegated to UAE Federal Government and other powers reserved to member Emirates
 - Chief of State: President Khalifa bin Zayid al-Nuhayyan – the ruler of Abu Dhabi
 - Head of Government: Prime Minister and Vice President Muhammad bin Rashid al-Maktum
 - President and Vice President elected by the Federal Supreme Council composed of the seven Emirate Rulers
 - Federal National Council (40 members, half elected) reviews legislation
- Free trade agreement with US being negotiated



General Observations

Some of the “Nuts and Bolts” of Doing Business

- Visas and Immigration
- Security Considerations
- Infrastructure: Banking, Communications, Labor Relations



Visas and Immigration

- Ease (or difficulty) of obtaining a business visa or work permit varies considerably from country to country
 - Somewhat reflects individual country reliance on “foreign workers,” which ranges from limited to absolute
 - May also be subject to state of current relationship with United States (and how easy it is to obtain a US visa or work permit)
- Processing delays not uncommon
- Area is ripe for FCPA issues
 - Offers of “assistance” in obtaining visas
 - Local law may require “sponsorship” – with potential agency implications



Visas and Immigration

- Wealth of information available from U.S. State Department: http://travel.state.gov.travel/travel_1744.html



Security Issues

- Security issues very country – and in some cases, city or village – specific
- Common theme – travelers to the region should maintain a “high level of security awareness”
- Americans traveling abroad should regularly monitor the Department of State Internet site at <http://travel.state.gov>
- Use of personal security details not particularly common outside of Iraq – and may be subject to significant restriction



Infrastructure

- Depth of and access to “infrastructure” necessary to support modern business – e.g., banking, communications, trained labor force – varies from country to country
- Focus of significant attention by governments
 - High level of capital commitment driving rapid improvement
 - Current conditions range from functional (banking in Libya) to world class/pace-setting (banking in Dubai)
- Impacted by demographics, cultural sensitivities and historical practices
 - Use of foreign workers; local employment levels
 - Overall integration with/exposure to foreign business
 - Perceived need for security/control



Visas and Immigration - UAE

- For short term business trips (60 days or less) – business visa available at arrival airport
 - May apply to the UAE embassies in the US for one to ten year multiple-entry visas
 - Sponsor is required
 - Maximum duration of stay should not exceed six months a visit
- For longer stays (but not residence) – need visa prior to arrival in UAE
- Work and residency permits must be obtained prior to arrival in UAE
 - Require sponsorship and AIDS test conducted outside of U.S.
 - Generally available assuming proof of sufficient business need



Security Issues - UAE

- UAE not regarded as presenting unique security issues above/beyond rest of Middle East
- Authorities very attentive to US citizen security
 - Taking photographs of potentially-sensitive UAE military and civilian sites, or foreign diplomatic missions, including the U.S. Embassy, may result in arrest, detention and/or prosecution by local authorities
 - Engaging in mapping activities, especially mapping which includes the use of GPS equipment, without coordination with UAE authorities, may result in arrest



Infrastructure - UAE

- United Arab Emirates has high level of available infrastructure
- Banking and communications pose few problems
- Labor force issues evolving
 - High use of foreign workers historically
 - Desire to increase employment of native “emirates” – program of “emirization”
 - Specific types of positions/industries targeted
 - Driven by mandates/rewards



Visas and Immigration -- Algeria

- Visas are required regardless of the purpose of the visit.
- For business travel, a letter on official letterhead from their employer stating the reason for their visit and invitation letter from the Algerian company they intend to visit are required.
- Validity
 - *Tourist*: approximately 30 days.
 - *Multiple-entry*: up to 90 days.
 - *Transit*: maximum 48 hours.
 - *Business*: up to 90 days.



Visas and Immigration -- Algeria

- To remain and work in country, expatriates must present employment contract and receive “work license”/residence permit.
- Work licenses are valid for two years and are renewable.
- Employers can recruit foreign workers if there are no available domestic labor with the same level of skills or qualifications.



Security Issues -- Algeria

- Algeria is generally considered relatively high risk from a security perspective.
- Small scale terrorists attacks on the rise – e.g., car bombings, ambushes, kidnappings, etc.
- State department warning discourages overland travel in-country without security escort.
- Americans traveling or living in Algeria encouraged to register at <https://travelregistration.state.gov>, and to closely monitor the state department website at <http://travel.state.gov>.



Infrastructure -- Algeria

- Banking
 - Foreign exchange control covers all currency flows between Algeria and abroad – foreign exchange control remains the prerogative of the Central Bank, which can delegate enforcement to intermediaries.
 - Undergoing gradual relaxing of regulations governing transfer and repatriation of capital and income generated therefrom.
 - Banking reform has authorized or approved an increasing number of private banking establishments to support foreign investment, but additional development needed to fully address financing demand in the general economy.



Infrastructure -- Algeria

- Communications
 - Telephones (Domestic Penetration) – weak network of fixed land lines (<10 phones per 100 persons), partially offset by an increase in mobile cellular coverage (fixed and mobile > 70 phones per 100 persons).
 - International Telephone Access – a mix of satellite, undersea and coaxial cable, and radio relay provides good international telephone connectivity
 - Broadcast – domestic broadcast facilities are still relatively sparse outside of major urban centers.
 - Broadband – in relative infancy with 200,000 subscribers in 2006.



Infrastructure -- Algeria

- Labor and Employment
 - Since 1988, there has been a significant overhaul of the previous labor system of “administrative unionism”
 - 1990 labor law based on concept of labour relations, and affords employers more flexibility
 - Proscriptions (wage and hour minimums and maximums, paid leave and holidays, and modification, termination and suspension, etc.)
 - Use of expatriate labor



Visas and Immigration – Libya/Qatar

- Libya
 - In principle, need visa prior to arrival for business
 - Can be obtained at the airport if have local assistance (e.g. NOC)
 - For U.S. citizens, no embassy facility so visa had to be obtained from third country
 - Regular changes in policy – need for Arabic translation, minimum cash requirements, etc.
 - Special work/residence permits required: Form “B” – detailed procedure, need to show position cannot be filled by Libyan nationals. Can be a time-consuming and difficult process. Secondments not generally possible
- Qatar
 - Single entry visas available at Doha airport
 - Work permits and residence permits required – increasingly straightforward procedure. Secondment possible.
 - Some degree of “Qatarisation” needs to be addressed



Security Issues – Libya/Qatar

- Libya
 - Generally safe, with strong Government and police presence
 - Some terrorist incidents
 - Some reaction against foreigners, specific arrests
- Qatar
 - Generally safe, security-conscious
 - Some terrorist incidents
 - Need to be sensitive to local behaviour standards



Infrastructure – Libya/Qatar

- Qatar
 - High level of infrastructure, with banking and communication, posing few problems.
 - High use of foreign workers. “Qatarisation” policy.
- Libya
 - Libya is emerging from relative isolation and taking steps to improve infrastructure and the business environment.
 - Banking sector: functional. Privatizations and opening up to foreign partners. Payment and repatriation of funds issues.
 - Communication: can be difficult
 - Labour forces: high local content requirements and obligation to employ Libyan employees.



Legal Environment - General

- Sources of laws – Codes, Decrees, Islamic law
- Clarity of laws – are the laws complete, consistent, what is in force and what is not, translations?
- Judicial system / enforcement issues – what is the court system, use of arbitration, choice of foreign law, investment protection issues, enforcement
- Availability and typical use of outside Counsel



Legal Environment - Qatar

- Sources of Law
 - Civil law codes / laws – Civil Code. Civil Procedure Code, Commercial Companies Law, real estate, Foreign Investment Law.
 - Role of Islamic law – dominates family and personal matters
- Clarity of laws
 - Laws not always complete or clear. Translations not always available and not always accurate
 - Need to understand how things are done in practice



Legal Environment - Qatar

- Judicial system/enforcement issues
 - Qatari civil and criminal courts and Shari'a system
 - All litigation in Arabic. Decisions of court generally not published
 - In principle it is possible to choose a foreign law for contracts and to provide for international arbitration
 - Investment protection provisions are contained in the Foreign Investment Law, but Qatar is not a party to ICSID and has a limited range of BITs
 - Qatar is a party to the New York Convention
- Availability and typical use of outside Counsel



Legal Environment - Libya

- Sources of Law:
 - Constitution, various Codes (based on French Law). These Codes date from the 1950s. They may be superceded or complimented.
 - Key legislation: Foreign Investment Law (Law No. 5), Petroleum Law, Administration Contracts Regulation.
- Clarity of Laws:
 - Inconsistencies, subject to changes, difficulty of obtaining translations. Some major gaps – real estate law.
 - Process underway to renew legal system.
 - Need to understand how things are done in practice.



Legal Environment - Libya

- Judicial system/enforcement issues
 - Libyan court system: summary court, court of first instance, courts of appeal, supreme court
 - Again, litigation in Arabic, decisions not published
 - In principle can choose a foreign law and arbitration. Choice of law will not be possible in certain areas and may be resisted
 - Investment protection provisions are contained in the Foreign Investment Law. However, Libya is not a party to the New York Convention or ICSID and has a limited range of BITs
- Availability and typical use of outside Counsel



Legal Environment -- Algeria

- Legal System: Civil code system rooted in French civil code and incorporating elements of Islamic law and culture.
- Permissible Forms of Doing Business in Algeria
- International Arbitration and Choice of Law (e.g., New York Convention)



Legal Environment – Algeria

- Significant Areas of Law
 - Tax treaties
 - Patents and Intellectual Property Rights
 - Investment Law
 - Imports and Customs



Legal Environment - UAE

- Federal Constitution permanently adopted in 1996: Declares Islam to be official religion and Sharia law a principal source of legislation
- Federal court system established in Abu Dhabi and four other Emirates
 - Dubai and Ras Al Khaima maintain separate court systems
 - Two principal divisions: civil and criminal
 - Recognize Union Courts of First Instance, Courts of Appeal and Union Supreme Court (also known as Federal Supreme Court and Court of Cassation)
 - Third division, Sharia Courts, particularly focused on personal status issues (family law and religious issues)
- UAE ratified the Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958, more commonly known as the New York Convention, in November 2006
- Law reporting through *UAE Gazette*, with some Emirates having own gazettes, although often significant uncertainty about applicable law



Business Formation

- Corporate Forms Available Are Limited, With Many Formal Requirements
- Formation Takes Much Longer Than You Think it Should.
 - Notaries and government clerks can be persnickety
 - Make sure your local counsel has good relationships
 - Things don't happen during Ramadan
 - You need certified, notarized, apostilled documents, such as the organizational documents of shareholders and powers of attorney, which take time to gather.
 - You'll often need to register at the commercial register or equivalent, which requires more paperwork and time.
- General Corporate Powers Clauses Are Not Available, and Auditors Will Get Anxious About Activities That Are *Ultra Vires*.
 - You'll need to spell out what you plan to do.



Business Formation

- Forming an Entity is Not Enough; You Need at Least One License; the License is Specific to the Activities You Intend to Pursue.
 - Do not assume that you can get a license for an activity just because the WTO Treaty (or some other treaty) says that you can. Local laws may ignore treaties, and local practice may ignore laws.
 - If the Ministry says that you can't have a license, your embassy is unlikely to be able to get it to change its mind (at least in any reasonable time).
 - Be aware of requirements for local ownership.
 - There are ways to get around these requirements, with widely varying degrees of legality and enforcement risk.



Business Formation – Saudi Arabia

- Foreign Investment Act – All Activities Permitted Unless Excluded From Foreign Investment.
 - Wholesale Distribution and Retail Services are excluded, despite WTO rules.



Business Formation – Saudi Arabia

- Business Organizations
 - Limited Liability Company is most common for foreigners.
 - Minimum Capital SR 500,000; between 2 and 50 shareholders; outside auditor required.
 - Partnerships, Joint Stock Corporations, Branch Offices
 - Commercial Registration
 - Licensing
 - Navigating the Kingdom's bureaucracy



Business Formation -- Algeria

- Forms of Equity Investment
 - Joint Stock Company (SPAs)
 - Business Corporation (SARLs)
 - Business Corporation Under Sole Proprietorship ("EURLs")
 - Other



Business Formation - Libya

- A complex and changing area. Not formally settled
- Previously possible to open a branch in Libya, and operate on projects through a branch
- Decision 433/2006 provides that this can only now be done through a Libyan JV company. In theory special exemptions may be granted.
- This rule does not apply to foreign investments governed by Law No.5 the Foreign Investment Law
- There is a significant registration process for establishing a branch (official translations, originals, Libyan embassy authentication)
- Representative offices are possible for limited purposes



Business Formation – Libya

- Decision No.443/2006: *Mushtaraka* joint stock company between a foreign entity and a Libyan entity
- Minimum Libyan shareholding 35%
- Other companies: Joint stock company or limited liability company – 49% is maximum foreign ownership
- *Muhassa*: Unincorporated joint venture: possible for use by existing branches on new projects
- Share capital requirements
- Registration requirements



Business Formation - Libya

- Role of agents and local representatives
 - Official registry, Libyan nationals, restrictions in certain areas
- Libyan public entities as partners
 - If more than 50%, specific rules apply



Business Formation - Qatar

- General
 - Under the Foreign Investment Law, foreign investors may - subject to some restrictions - invest in all parts of the economy with a Qatari partner who must own at least 51%
 - The Ministry may permit foreign investors to own between 49 and 100 per cent of a company in specified sectors: e.g. industry, tourism, development of natural resources



Business Formation - Qatar

- Various types of company provided for, e.g.
 - Limited Liability Company
 - Minimum Capital of QR 200 000
 - At least 51% Qatari ownership unless exemption obtained
 - May not carry out banking or insurance business or provide investment advice
 - Article 68 Company
 - Investor and Government or a 51+% government owned entity
 - Foreign investors share may be more than 51%
 - Falls outside Foreign Investment Law
 - Single Shareholder Company
 - Minimum Capital QR 200 000
 - May be foreign owned only if permitted by Ministry of Economy and Commerce



Business Formation - Qatar

- Other options:
 - Branch Office
 - Only entitled to perform the specific contract for which it is registered
 - No need for a Qatari partner
 - Representative Trade Office
 - May not trade/contract in Qatar
 - Used for promotion and introduction



Business Formation - Qatar

- Commercial agents can be used in certain sectors. Exclusive agencies must be registered and are governed by Qatar's Agency Law. Special rules: commission payable on all sales, difficult to terminate, compensation payable even upon expiry
- Government as partner: inevitable in the majority of sectors



Business Formation - UAE

- Economic activity is regulated by individual emirates as well as Federal Gov't
- Some variation across the UAE
 - Business formation is probably easiest in Dubai – goal of being “well ordered without being unduly restrictive” – though Abu Dhabi is liberalizing
- Multiple categories of business organization recognized:
 - General partnership company
 - Joint venture company
 - Public shareholding company
 - Private shareholding company
 - Limited liability company
 - Share partnership company
- Minimum required local ownership interest varies depending on several factors
 - For example, Dubai Free Zones allow for 100% foreign ownership; elsewhere general requirement is 51% local control
 - Branches of foreign firms can be registered despite 100% foreign ownership – provided there is a local agent



Restriction/Controls -- General

- Overview
 - Economic Sanctions (e.g., general embargo countries, such as Cuba, Iran, Syria, et. al. and countries as which significant restrictions still apply – e.g., Libya, Angola, et. al.)
 - U.S. Export Controls
 - U.S. Antiboycott Regulations



Restrictions/Controls -- General

- U.S. Export Laws
 - Regulations (Treasury, Commerce and Dept. of State)
 - EAR Regulations (Commerce)
 - What can be exported (commodities, software, technology)
 - Types of exports (tangible and intangible)
 - Regulate items, not people and activities!



Restrictions/Controls -- General

- U.S. Antiboycott Regulations
 - Overview
 - The Arab League Boycott
 - Source of Regulations
 - Section 8 of the Export Administration Act
 - Section 999 of the Internal Revenue Code (i.e., the Ribicoff Amendment)
 - Reportable Requests (e.g., contracts and RFPs, shipping documentation, certificates of origin, invoices, Pos, letters of credit, etc.)



Restriction/Controls -- Algeria

- No current U.S. embargos or broad based sanctions with respect to Algeria.
- Subject to export controls requirements with regard to certain items (encryption software, stainless steel, high nickle content items, etc.).
- Export licenses may be required.
- Anti-Boycott Issues
 - Algeria is a member of the Arab League (Arab League boycott of Israel).
 - Algeria not contained on current Treasury Dept. list of boycotting countries.
 - Express boycott requests rarely encountered in Algerian contracts.



Restrictions / Controls – UAE

- No current embargoes or broad based sanctions applicable to UAE generally or any particular Emirate
- Subject to Export Controls
 - Apply to dual use items such as bearings, carbon fiber laminates, explosive tools, gyrocompasses, high end computing, corrosive resistant alloys, etc.
 - Generally, U.S. licenses available to address controls
- Unique issues arise because of large population of guest workers – many from countries subject to more significant sanctions or controls
 - Restricted Party screening critical
- In area of world where boycott requests are not unusual – even if not official government policy



Restrictions/Controls – Qatar/Libya

- Qatar: similar to UAE
- Libya: Special case
 - Subject until relatively recently to U.N. sanctions, E.U. sanctions, the D'Amato Act, various U.S. regulations
 - With the move towards settlement of the Lockerbie compensation claim these have gradually been lifted
 - Other outstanding claims against Libya: no sovereign immunity for Libya under U.S. law. Possible effect on doing business in Libya – on the way to being settled?
 - Status of Libyan boycott requests