

# Legal Challenges

GLOBAL JOURNAL  
OF LAW & ECONOMICS

التحديات القانونية  
مجلة قانونية اقتصادية دولية

Modern vision  
to transfer legal culture  
cross borders

**I strongly support  
renaissance in the  
Kingdom of Saudi Arabia  
renaissance, and I hope  
that our beloved country  
kuwait**

**Businessman/ Youssef Al-Marzouq**  
**Al Anbaa newspaper played a heroic role during the  
brutal invasion**

8<sup>th</sup> Issue (MARCH - APRIL - MAY.) 2023

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# Legal Challenges

**is** an international online magazine specialized in the law & economic field. It is launched from the State of Kuwait and it is the first of its kind in the Kuwaiti media market.

The Legal Challenges Magazine was established in 2019 to keep abreast of the developments in the legal and economic sector. It is owned by the Lawyer/ Areej Abdulrahman Hamadah who is the Editor-in-Chief and the founder of Legal challenges groups for law and legal advice.

Legal Challenges is an international magazine published every three months in Arabic and English. It aims to assist readers, lawyers, economists, companies and those who are interested in international trade, cross borders investment, contracts and international arbitration. It is a good resource to remain informed of all latest laws and economic issues worldwide. It offers you everything from action-oriented and implementable insights on the latest deals, cases and international business developments to law & economic analysis and conducting interviews with lawyers, consultants and economists worldwide to help readers to gain an earlier understanding of the international trading market.

Legal Challenges Magazine focuses on investment, banking, oil, real estate, commercial, insurance, sports investment, fashion, trademarks, bankruptcy, restructuring and financing.

Legal Challenges has a modern vision to transfer legal culture cross borders.



# Yousef Al Marzouq

# “Al Anbaa” is a newspaper for all of Kuwait, adopting credibility, impartiality, and the mirror of truth

He always stands at the success summit, defines his goals then seeks to achieve it, regardless of the difficulties and obstacles. He has come a long way to be a well-known businessman not only in Kuwait, but in the entire Gulf region. Yousef Khaled Al-Marzouq, editor-in-chief of the Kuwaiti newspaper Al Anbaa, which is considered the mouthpiece of Kuwait, Kuwaitis and residents concurrently, especially as it played a heroic role during the brutal invasion, as it was able to support the Kuwaitis at home and abroad.

Al Marzouq spoke freely, expressing his thoughts and mind with full transparency and generosity, which is truly expected of him, as his father, Uncle Khaled Yousef Al-Marzouq, may Allah have mercy on him, has taught him so much.

## In your opinion, who is Yousef Khaled Al Marzouq?

I am an ordinary ambitious person who strives to achieve his goals, and believes in the theory of “no one will humble himself for Allah’s sake except that Allah raises his status.”

## Which title do you prefer, Businessman or editor-in-chief of the newspaper “Al Anbaa”?

Of course, a businessman because I don’t originally work in the field of journalism, but when I approached the press I loved it; because it is a profession of trouble and hardship. My study and original profession were in the field of business, not journalism, as I am inclined to commercial field than the journalistic field. However, thanks to God, I was able to combine the two



**My original profession is a businessman, not a journalist, and I am inclined to the commercial part of business.**

**Real estate comes in the first place, but the rise in interest in the US currency improved the position of stocks and deposits.**



fields at the same time, as I was able to have a look at the commercial field through the window of journalism.

**A well-known phrase “People’s acceptance is a goal that cannot be reached” but I think that this phrase does not apply to you, as the majority of Kuwaiti society agrees about the role of Al-Marzouq family and what they offer to the country, so what is the secret?**

Love of people is a blessing from God, and my father has the greatest favor in such blessing, as well as the elders of Al-Marzouq family. As the love of people is not based on the name of business or due to my work in journalism, but it is attributed to good behavior, as my father taught us to behave in good manners, there is no doubt that people tend to be treated kindly. Our name is good in Kuwait and we have

no problems or enmities of any kind with anyone.

**You have said more than once that your father Khaled Yousef Al Marzouq - may Allah have mercy on him - is “your school” What did you learn from your late father?**

I learned everything from my father from A to Z, and my father taught us indirectly, when we were young we were not aware of his way of thinking and the mechanism of his teaching to us, for example, he used to push us to work and take us to companies. I see that his method of learning was more successful than the education we received in international schools and universities. As I believe that life is based on experiences, and education gives you information, however, practical life is the key factor that creates experiences in the end.

**What are the most common traits you inherited from your father?**

I wish I could inherit the trait of generosity.

**During the Corona crisis, most newspapers resorted to laying off a number of their employees and workers. However, “Al Anbaa” rejected to do the same. Tell us about the matter, and what challenges did you face as an owner to avoid doing this?**

First, they are not only employees or workers, but they are part of our family and our children and we are proud of this. I consider our employees not only doing a job but our big family. In addition, I think in the event of any shortcomings on our part towards them, they would prefer to work for “Al Anbaa” for no return because of their love for their home, “Al Anbaa”. We have made a decision to cut costs, but without laying off any member of our family. Contrary, salaries were increased after the crisis, in appreciation of their role. As for the difficulties that we faced during the crisis, it was decisions that were taken, whether lockdowns or stopping printing, which led to the suspension of the newspaper’s advertising income; and because of this during the past two years, we thought about





how to support our newspaper without income.

**Al Anbaa has gone through many crises, whether Corona or the invasion crisis, during which “Al Anbaa” issued the newspaper with private money... Tell us about the matter.**

During the invasion, I was young and did not understand the events well, but my father told us about “Al Anbaa” and that it was the voice of Kuwait in the diaspora and during the invasion. As it was issued from Cairo at the expense of the father and to this day I still hear from people about the good biography of the newspaper and its heroic role during the invasion.

**Al Anbaa newspaper is known for its credibility and impartiality. How did you achieve that equation amid the current media momentum?**

It is very difficult, as in the press it is easy to put fake and incorrect news, especially with the spread of social media sites and the large number of media platforms, but in “Al Anbaa” we check every word and the news is reviewed more



**I am interested in following Elon Musk, Bill Gates, Warren Buffett, and Donald Trump in the economic aspect.**

**I am an ordinary, ambitious person who seeks to achieve his goals, and believes in the theory of “no one will humble himself for Allah’s sake except that Allah raises his status.”**





**When we were young, my father's method of teaching and learning surpassed international schools and universities.**

**"Al Anbaa" reviews every word before it is published on "Social Media" sites.**



than once before we publish it on social media sites. This is very difficult. We are keen on our reputation without any error, and this is the father's commandment to be keen on the credibility of the news and avoid provocative news. We publish the news with realism and credibility, and "Al Anbaa" is the only newspaper that enters every home as it is read by all society categories and all ages. In addition, since it was known as the Mirror of Truth, so to preserve this title, we must strive and work hard to achieve it, it is not easy, as it takes time and effort to verify the credibility of the news, but in the end, when we feel people's satisfaction, we also feel satisfied and enthusiastic.

**To what extent are you satisfied with what Al-Anbaa newspaper presents?**

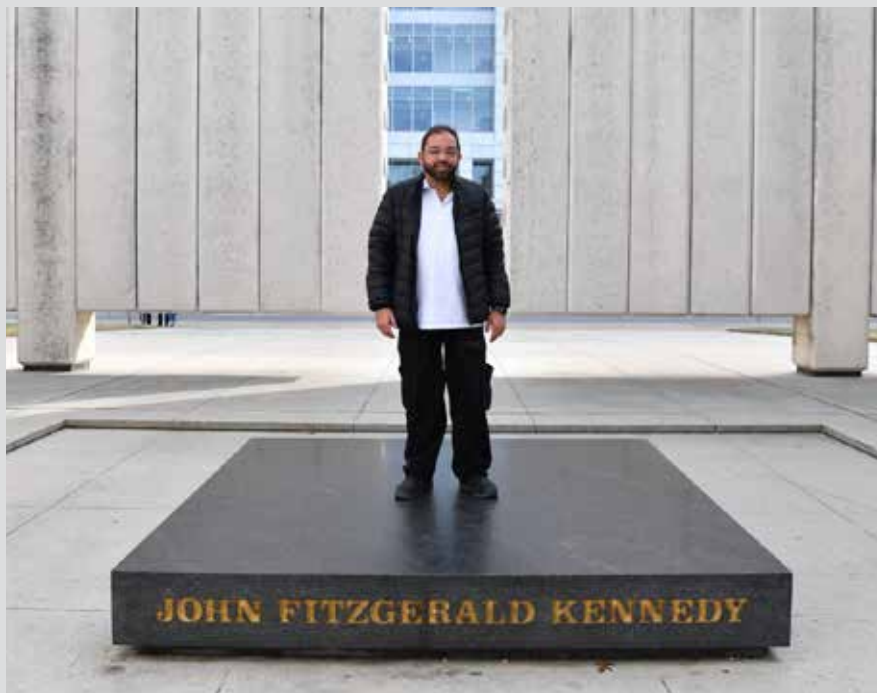
We are very satisfied with what we provide, and such patriotism has a price. We do not intend to provoke, but we have pure patriotism. Our main concern is the homeland, the citizen, and the resident. There is no doubt that we win patriotism in exchange of financial loss. That is the price, but we are going on.

**You are a successful businessman, not only in Kuwait but also in the entire Gulf... in your opinion what is your recipe for success?**

I believe that success comes after failures, crises, financial losses, and projects failure. If you do not go through these things, you will not succeed. In addition, you must have honesty and conscience in your work, many projects fail due to the owners' lack of consideration for their projects.

### What do you think of the policy of the current US President and why were you not satisfied with the policy of President "Trump"?

It is supposed to be better than the current situation. Because America leads the world, it would have been more useful for the decisions to be more feasible, especially since the world is going through many crises, including the crisis of Russia-Ukraine, the economic crisis, Corona, and the health crisis. I think there is more that needs to be done. As for former President Trump, I think that he was confrontational, but his mentality is purely economic. I see that he has boosted the American economy and implemented many projects and achieved a good income for his country. However, I do not agree with his policy, because he was reckless and confrontational, and he did not have any special diplomacy towards the rulers of the Arab world who have their status and respect. We, as peoples, do not accept that our leaders' be treated ridiculously.



### You mentioned that you, as editor-in-chief, are looking forward to meeting the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz. What are the most important questions that you will ask him?

For example, I will inquire about Saudi Arabia's leadership of the region in general, the Palestinian situation, and the Yemeni war. There are many issues that can be talked about.

### What is your opinion in the comprehensive renaissance in the Kingdom of Saudi Arabia?

I strongly support this renaissance, and I hope that our beloved country, Kuwait, will take better steps. We have

been late and regressed. We have been proactive in all commercial, tourism, and construction fields. I hope that Kuwait will return to its former glory, today, unfortunately, we are in the last ranks of the developed countries. That is why I believe that Saudi Arabia has taken sound and consistent decisions that will serve as a stimulating fuel for the rest of the Gulf countries. Saudi Arabia will become a destination for global tourism and I think that we, the Gulf countries, will go there.

### What decisions do you think should be activated in Kuwait?

Investment and tourism laws shall be reconsidered, I have always supported the Islands Project "the North Project"



as it considers a sovereign, economic, and protection project for Kuwait. Currently, we do not see any important projects other than the Al Khairan project, due to inactive decisions and laws, and because of the slow progress of work in government departments.

**Do you support the idea**

**of foreign companies entering and participating in the implementation of government projects?**

There is no country in the world that depends entirely on its local companies, a mixture of companies with experience and history is necessary. However, when executing a huge project, one party

should not implement it. An international consultant should be hired, and I think that this is what will make the projects successful.

**Again, back to the field of journalism, how do you see the future of local journalism, especially the printed one?**



It is a war, and every year at “Al Anbaa” newspaper, we conduct studies with international companies to determine the future of printed newspapers. In my point of view, I see that the printed press has begun to decline somewhat. However, the biggest problem lies in the weakness of the situation, what made the situation even



**Love of people is a blessing from God, and my father has the greatest favor in such blessing.**

**“Al Anbaa” was the voice of Kuwait in the diaspora and during the invasion, where it was issued from Cairo.**

**I think that the former President Trump, was confrontational, but he has a purely economic mentality.**



worse is the Corona crisis. The situation was not local but global. However, indications confirm that the printed press is present, but in a weaker form.

#### **Which is better to invest in now, stocks or real estate?**

Real estate comes in the first place, but now I see that the interest rise in the US currency has improved the position of stocks and deposits. Because the higher the interest rate of the US currency, the higher the interest on deposits, which prompted some to buy shares, but real estate is always has good position.

#### **Who is the most famous and favorite businessman in the world?**

There are many, but I prefer

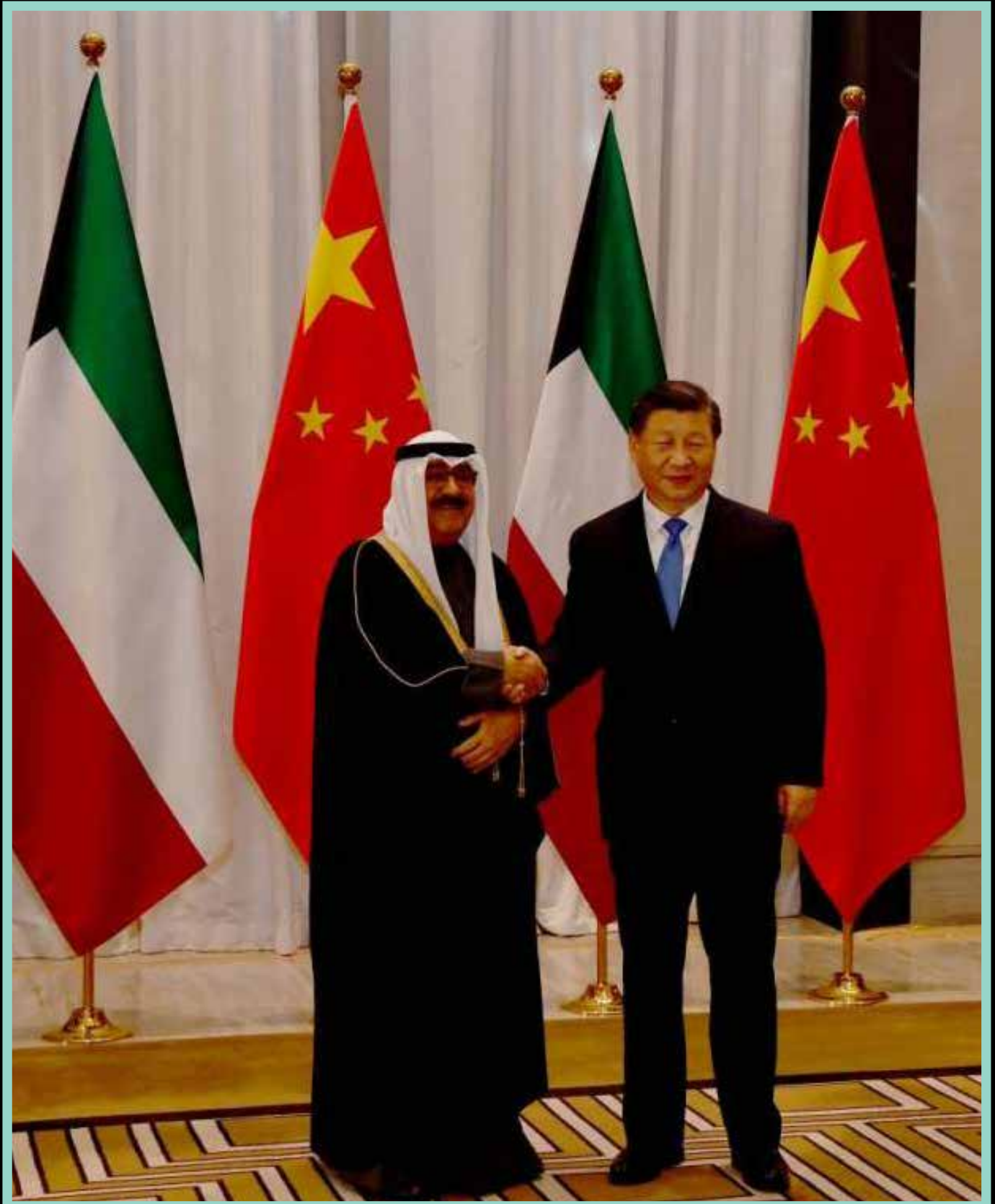
Elon Musk, Bill Gates, Warren Buffett, and in terms of economy, Donald Trump. They are all the world’s rich and they are crazy, and this is a major reason for their success.

#### **What are the favorite hobbies of Yousef Khaled Al Marzouq?**

I love traveling, the sea, food, and movies, but unfortunately I spend most of my time in Kuwait due to many work duties. I can’t enjoy my hobbies, but when I travel I can do it.

#### **Last Word?**

I thank you, gentlemen, readers, and I say again and again that “Al Anbaa” newspaper is your newspaper and the newspaper of all of Kuwait.



# His Highness the Crown Prince, Sheikh Meshal Al-Ahmad, meets with the Chinese President at his residence in Riyadh

The representative of His Highness the Amir of Kuwait, Sheikh Nawaf Al-Ahmad Al-Jaber Al-Sabah, may Allah protect and preserve him, His Highness the Crown Prince, Sheikh Meshal Al-Ahmad Al-Jaber Al-Sabah, may Allah protect him, met this evening, His Excellency President Xi Jinping, President of the friendly People's Republic of China, at his residence in Riyadh.

At the beginning of the meeting, His Highness the Crown Prince, may Allah protect him, conveyed the greetings of His Highness the Amir of Kuwait, may Allah protect and preserve him, to His Excellency.

The meeting dealt with a review of the historical bilateral relations that bind the two friendly countries and peoples, and ways to support and develop such relations

in various fields, in a way that contributes to achieving mutual benefit and common interests. In addition, it also addressed raising the level of well-being for the two friendly peoples, promoting ways of progress and development and striving to consolidate the strategic partnership to entrench the horizons of the existing cooperation.

The meeting also touched on discussing the most important issues of common concern and the latest updates on the regional and international arenas, and exchanging views on the Gulf-Chinese and Arab-Chinese summits held in Riyadh, the sisterly Kingdom of Saudi Arabia.

The atmosphere that prevailed in the meeting was friendly, which reflected the depth of the good relations between the two countries

and the spirit of understanding and friendship that unites the State of Kuwait and the People's Republic of China.

The meeting was attended by His Excellency the Minister of Finance and Minister of State for Economics Affairs and Investments, Abdulwahab Muhammad Al-Rasheed, His Excellency the Minister of Foreign Affairs, Sheikh Salem Abdullah Al-Jaber Al-Sabah, the Director of the Office of His Highness the Crown Prince, Retired Lieutenant General Jamal Mohammed Al-Thiab, the Undersecretary for Foreign Affairs at the Office of His Highness the Crown Prince, Mazen Issa Al-Issa, and His Excellency the Ambassador of the State of Kuwait to the People's Republic of China, Sadiq Muhammad Marafi.

# Kuwait launches its First Satellite, "KuwaitSat-1", into Space







Kuwait has launched the first Kuwaiti satellite, “KuwaitSat-1”, into space, from the “Cape Canaveral” Air Force Base in Florida, USA, via “Falcon 9” rocket of the “SpaceX” Corporation.

KUNA stated that the readiness of the information and ground image reception station in the northern building of the College of Science at Kuwait University to capture the signals of “KuwaitSat-1” was confirmed after it reached its orbit around the Earth.

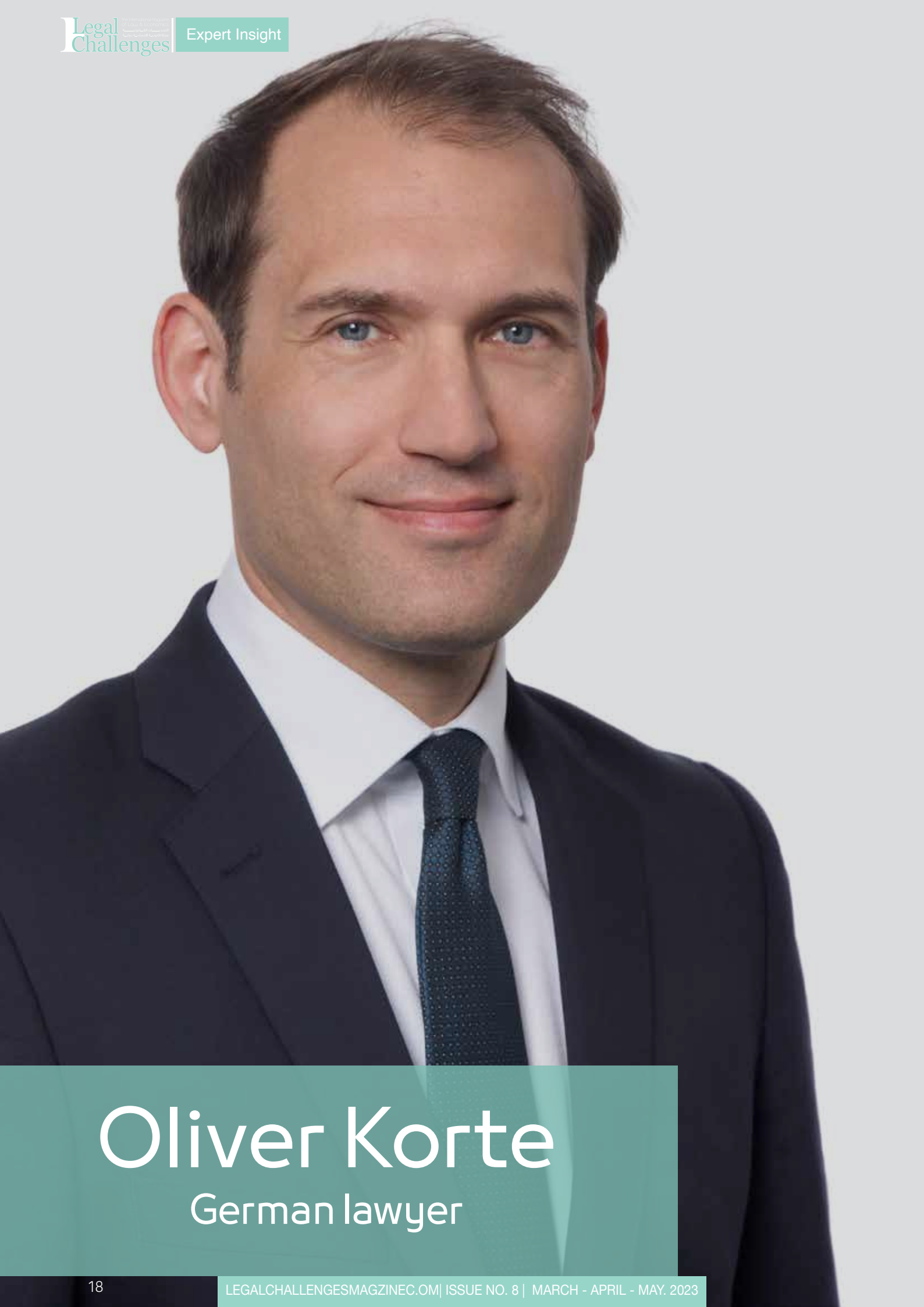
This project, which is affiliated with Kuwait University and funded by the Kuwait Foundation for the Advancement of Sciences under the slogan “Kuwait into Space”, comes after hard work that lasted three



years, and with the efforts of a young Kuwaiti team.

Furthermore, this project aimed to build the team’s capabilities in the field of building and designing satellite management, as well as to provide them with the necessary training and field experience. The project also aims to train Kuwaiti youth in this field.

The news stated that the station in the College of Science, at Kuwait University, where data and images will be sent after the satellite reaches space, is ready. In addition, the KuwaitSat-1 is one of the university’s projects, which bears the slogan “Kuwait into space”.



Oliver Korte  
German lawyer

# Key points commercial agents and distributors selling products for European manufacturers in the Gulf Region should be aware of

There are active trading relations between the states of the Gulf region and the European Union. When distributing products, European manufacturers often use either agents or distributors who are based in the Gulf region and therefore know the regional markets and have the necessary contacts for successful distribution. If a commercial agent is used, he or she will only broker business between the European manufacturer and the customer. However, the commercial agent himself does not become a contracting party to the sales contract. The situation is different with distributors: they buy the products in their own name and for their own account from the European manufacturer and sell them in their own name and for their own account to the customer in the Gulf region.

Before a company from the Gulf States agrees to act as a commercial agent or

distributor and to conclude a corresponding contract with the European manufacturer, various aspects should be given special consideration, including legal ones.

Often the European manufacturer will demand that the distributor accepts that a court or arbitration tribunal in the European Union should decide on any disputes that may arise between the parties. Furthermore, it is almost always demanded that this court must then also apply the law of a European member state, for example German or French law. Often there is very little or no willingness to negotiate on these two points on the part of European manufacturers. For the commercial agent or distributor based in the Gulf region, the question then arises whether he or she can accept this or not. However, vehement rejection will often mean that the contract will not come into effect as a result.

## Is the agreement on the jurisdiction of European state courts acceptable?

In principle, one can answer this question in the affirmative. The courts in Europe have a good reputation. The judges are basically well trained and considered neutral. However, there are differences from country to country. It can be helpful to take a look at the ranking of the World Justice Project (“WJP Rule of Law Index®”) (<https://worldjusticeproject.org/rule-of-law-index/global/2022/table>), which, for example, gives indications of corruption problems in the countries concerned. Nine of the ten states with the best scores in this index are in the EU, e.g. Germany, the Netherlands or Sweden.

Should a legal dispute arise and should the distribution company from the Gulf region win the case, a judgement by a court in Europe would also be enforceable in the entire

European Union. Whether such a judgement would also be enforceable in the Gulf region is another matter. For example, it is disputed whether a German judgment would be enforceable in Kuwait. It would probably not be enforceable in the United Arab Emirates, but it would be enforceable within the scope of the Dubai International Financial Centre rules. Therefore, a German company would possibly make a mistake if it agreed in a contract that a German court should have jurisdiction if later enforceability is not ensured. From the perspective of the commercial agent or distributor from the Gulf region, this point of view can be taken into account in a tactical consideration.

A further question in this context is whether the distribution company, despite the choice of forum agreement, can still sue in the court of its own domicile, e.g. in Qatar. The view of the European courts on this would be that this is not permissible. Nevertheless, it may be that local law in the respective Gulf state allows this in the case of disputes arising from distribution contracts. This is probably the case in the United Arab Emirates, for example (at least according to Amereller in Martinek/Semler/Flohr, Handbuch

des Vertriebsrechts, 4th ed. 2016, § 73 marginal no. 29 and Klaiber in Recht der Internationalen Wirtschaft 2009, p. 154, 158).

### Is it acceptable to agree on the jurisdiction of a European arbitration court?

Generally, one will be able to answer this question in the affirmative as well.

Arbitration courts are private institutions that exercise jurisdiction. The arbitrators' decision has the same effect as the judgment of a state court. The advantage of international arbitration is in particular that arbitral awards are enforceable internationally in most states, including all states of the EU and also all states in the Gulf region, as they are all signatories to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards ("New York Convention"). The only state in the region that is not a signatory is Iraq.

However, there are large cost differences between the various arbitral institutions. Therefore, before signing an arbitration agreement, it makes sense to check whether the arbitration institution chosen by the European manufacturer is particularly expensive. Excessive costs can be



countered by drafting the arbitration agreement in such a way that a particularly efficient procedure is imposed on the arbitrators. In this context, the so-called "Prague Rules" ("Rules on the Efficient Conduct of Proceedings in International Arbitration", available on the internet at <https://praguerules.com>), which can be referred to in the arbitration agreement, can be of particular interest.

Since, as a rule, each of the parties selects one



arbitrator and these two party appointed arbitrators (sometimes also the arbitral institutions) appoint the president of the arbitral tribunal, the parties usually do not have to worry that the arbitral tribunal would not be independent or impartial. If the parties agree on the arbitral tribunal of the German Arbitration Institute (DIS), for example, this does not mean any particular advantage for the German party. The arbitrators themselves are independent and impartial and the institution under

whose rules the proceedings are conducted has no influence on which party the arbitrators decide in favour of.

### Is it acceptable to choose European substantive law?

If the parties have not stipulated in the distribution agreement which law is to be applied, a European court would normally apply the law of the state in which the commercial agent or authorised distributor has

his or her habitual residence (Art. 4 Rome I Regulation). If there is no provision in the contract, the European court seised would normally have to apply the law of Kuwait or the United Arab Emirates, for example.

In most cases, however, as stated above, the parties to the contract will demand that the law of their own domicile be applied. If the manufacturer has its registered office in Germany, it would therefore mostly demand that German law



## if the commercial agent is to work outside the EU, e.g. in the Gulf States, the parties can exclude such a claim

should be applicable. Is this acceptable from the point of view of the company from one of the Gulf States? Generally speaking, the answer is yes. This is especially true for commercial agency contracts, because the commercial agency law in all European countries is very friendly to commercial agents.

A disadvantage is, of course, that this foreign law will be unknown to the an authorised distributor dealer from Oman or the a commercial agent

from Bahrain. The effort to determine and analyse this foreign law in detail before concluding the contract will often be too high. As far as commercial agency contracts are concerned, however, there is at least one considerable advantage: all M member S states of the European Union have very similar commercial agency law. This is due to the fact that there is a European Directive which prescribes in relative detail to all Member States which legal provisions

they have to adopt to regulate commercial agency relationships (available in English at <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:31986L0653&from=DE>). This commercial agency law is very commercial agent-friendly. For example, there are minimum notice periods, the length of which depends on the duration of the contract. In addition, the commercial agent is entitled to indemnity or compensation under certain conditions if the contractual relationship can be is terminated. This claim can be very high, in Germany approximately up to an average annual commission calculated on the basis of the average of the last five years. However, if the commercial agent is to work outside the EU, e.g. in the Gulf States, the parties can exclude such a claim. Commercial agents and their legal advisors should pay particular attention to this: If the contract provides for such an exclusion, it should be objected to and it should be insisted that this sentence be deleted. This can be well justified by saying that the commercial agent agrees in principle to accept foreign (e.g. German) law, but then only in its entirety. A cherry-picking approach, allowing the manufacturer to choose , on the other hand, could not be accepted. This

can be combined with the suggestion that otherwise the law of the agent's country should be applied, e.g. the law of Kuwait.

However, the EU Directive does not specify all the details. It sets a minimum standard applicable in all member states of the EU. Some states go well beyond these minimum standards. Again, Germany is one example: Under German law, commercial agents had have very far-reaching information claims against the manufacturer. For example, the commercial agent can at any time demand that the manufacturer produce a so-called book extract. Such a book extract is a detailed and structured list of all business transactions for which the commercial agent was or is possibly entitled to receive a commission. Doubtful cases must also be included. In Germany, commercial agents are given additional protection by the fact that a very strict law on general terms and conditions (GTC) applies. GTC are contractual provisions that have been pre-formulated for a number of contracts and are not negotiated individually. Distribution contracts are very often, if not almost always, GTC in this sense. The special characteristic of the German law on GTC is that it provides for a content

review. Provisions which, in the opinion of the court, unreasonably disadvantage the commercial agent contrary to good faith are invalid. Case law is often very strict to the disadvantage of the manufacturer. All in all, this leads very often to the result that provisions in the agency agreement which are considered unfair are ineffective and the submitted agreement can therefore often be accepted even if individual provisions do not appear to be balanced.

If no agency agreement but a distribution agreement is to be concluded, the above-mentioned EU Directive does not apply. Therefore, the legal situation in this regard is also different in all states of the European Union. This applies, for example, to notice periods or to the question of whether a claim for indemnity or compensation can arise under certain circumstances. Under Belgian, German or Austrian law, for example, a distributor may have such a claim. Under Italian or Polish law, on the other hand, this is not the case. It depends more on the details of the law of the individual countries. If German law is applicable, the strict law on GTC, which was described above and also protects the authorised distributor, also applies. It is also interesting for distributors that manufacturers are

often obliged to buy back stock goods after the end of the contract, which the distributor had to take delivery of according to the contract, even if the contract does not say anything about such a buy-back obligation (this is the case e.g. in Germany and Austria, but not in Poland and the Czech Republic).

The author, Oliver Korte, is a lawyer and certified specialist in commercial and corporate law based in Hamburg, Germany. He is a partner with the law firm SKW Schwarz and specialises in international commercial and distribution law, as well as litigation and arbitration in these fields. He is co-author of Westphal/Korte, Vertriebsrecht („Distribution Law“), 2nd edition 2023, Carl Heymanns Verlag/Wolters Kluwer (in German language) and author of numerous other legal publications. Oliver Korte is Chairman of the Hamburg Arbitration Circle. He inter alia is ranked/recognized by Chambers, The Legal500 and BestLawyer.

Plans to establish a Chinese-Gulf Investment Council

# Saudi Arabia... The Launch of the Chinese-Gulf Summit works







The Chinese-Gulf Summit was launched in Riyadh under the chairmanship of the Saudi Crown Prince Mohammed bin Salman. This comes on the sidelines of Chinese President Xi Jinping's visit to Saudi Arabia.

Within the framework of the Chinese-Gulf summit, a series of strategic deals were signed, and the Chinese President held another summit meeting with leaders of Arab countries. During the meetings, Xi stressed that China will continue to import oil in large quantities from the Gulf countries, revealing plans to establish a Chinese-Gulf investment council.

The release for the first Chinese-Gulf summit in the Saudi capital, Riyadh, chaired by Saudi Crown Prince Mohammed bin Salman, in the presence of Chinese President Xi Jinping, and leaders of the Gulf Cooperation Council countries mentioned:

"The leaders' agreement to strengthen the strategic





علاقات استراتيجية واستثمارات متنامية

توارث الهدافة الممتدة لألاف السنين والعمل سوياً على خلق مستقبل جميل



توارث الهدافة الممتدة لألاف السنين والعمل سوياً على خلق مستقبل جميل

مؤامرات - مؤامرات بين دولتين عظمى في التاريخ الحديث

في إطار العلاقات الاستراتيجية المتنامية بين المملكة العربية السعودية وجمهورية الصين الشعبية، شهدت العلاقات التجارية والتجارية بين البلدين نمواً ملحوظاً خلال السنوات الأخيرة. وقد شهدت العلاقات بين البلدين تطوراً كبيراً في مختلف المجالات، بما في ذلك التجارة والاستثمار والتعاون في المجالات العلمية والتكنولوجية.

في عام 1990، أرسلت المملكة العربية السعودية أول بعثة تجارية رسمية إلى الصين، مما يمثل بداية العلاقات التجارية الرسمية بين البلدين. وفي عام 2006، أرسلت الصين أول بعثة تجارية رسمية إلى المملكة العربية السعودية، مما يعكس الاهتمام المتزايد بالصين في العلاقات مع دول المنطقة.

في عام 2012، أرسلت الصين بعثة تجارية جديدة إلى المملكة العربية السعودية، مما يعكس استمرار التعاون بين البلدين. وفي عام 2016، أرسلت المملكة العربية السعودية بعثة تجارية جديدة إلى الصين، مما يعكس الاهتمام المتزايد بالمملكة العربية السعودية في العلاقات مع دول المنطقة.

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partnership between the countries of the Gulf Cooperation Council and China, pushing it towards new horizons, and adopting a joint action plan for the coming period (2023-2027) to achieve this”.

In addition, the statement affirmed “China’s support for the efforts of the GCC countries to protect its sovereignty and territorial integrity, maintain its security and stability, and achieve development.” While pointing out, “The council’s commitment to the one-China principle and its support for China’s efforts to develop its economy and maintain

its sovereignty and territorial integrity.”

The leaders also stressed “the importance of continuing to deepen cooperation between the two sides in the fields of energy, trade, space, and health, and work to ensure the flexibility of supply chains and the security of food and energy supplies,” according to the statement.

It is noteworthy that Saudi Arabia is considered China’s largest oil supplier. The joint statement stressed the importance of global market stability and cooperation in the field of energy. While striving

to promote non-oil trade and increase cooperation in nuclear energy for peaceful purposes.

A Distinguishing Milestone

The Chinese leader said that his visit, during which he would meet other leaders from the Gulf region and attend a broader summit with Arab League members, paves the way for what he described as a “new era” in relations.

“China looks forward to working with Saudi Arabia and Arab countries to turn the two summits into a distinguishing milestone in the history of Chinese-Arab relations and



relations between China and the GCC countries, and to elevate these relations to new horizons,” the Foreign Ministry quoted Xi.

Prior to the two summits, Xi held bilateral talks with Kuwait’s Crown Prince His Highness Sheikh Mishaal Al-Jaber Al-Sabah, Egyptian President Abdel-Fattah El-Sisi, Iraqi Prime Minister Mohammed Shia Al-Sudani, Chairman of Sudan’s Sovereignty Council Lieutenant-General Abdel-Fattah Al-Burhan, and Palestinian President Mahmoud Abbas.

In this context, diplomats said

that the Chinese delegation will sign agreements and memorandums of understanding with several countries, in addition to Saudi Arabia, which signed a memorandum of understanding with Huawei on cloud computing and building

high-tech complexes in Saudi cities.

The Chinese Tech Giant Company has been involved in building 5G networks in most Gulf countries

**“China’s support for the efforts of the GCC states to protect their sovereignty and territorial integrity, maintain their security and stability, and achieve development.”**



# Qatar has made History

Yes, it was not just a tournament. Since it was a dream that was achieved in an unprecedented historical way. Everyone agreed that the World Cup held in Qatar was a historic tournament. Undoubtedly, this was not achieved without the proper planning and selection of competencies to put this planning and implementation in place, so Qatar became at the forefront, and the beautiful thing is that this matter will not be for Qatar only, but it will reflect positively on the Arab and Gulf countries in the future. Gianni Infantino, President of the International Federation of Football Associations, praised the success of the State of Qatar in hosting the FIFA World Cup Qatar 2022.

Furthermore, Gianni Infantino expressed his great pleasure



and pride in the impressive organization of the FIFA World Cup Qatar 2022.

The President of the International Federation of Football Associations considered himself an integral part of the Arab

region, which hosted the largest tournament in the world for the first time in its history.

Moreover, Infantino also praised the ideal atmosphere of the World Tournament, noting that the fans who





flocked to the State of Qatar to watch the FIFA World Cup enjoyed and learned about Qatari culture and Arab civilization in a safe and wonderful environment.

During this period, Qatar was able to impose the Arab, Islamic, and Gulf culture in a wonderful and very beautiful way, including the traditional costumes of the bisht, dishdasha and ghutra, and it was able to beautify these traditional costumes in the eyes of the West. Some of them, out of admiration, became masterful in wearing them in a sophisticated and beautiful manner, as if they were a Gulf man. Indeed, for this reason, I expect that dishdasha, ghutra and bisht will have a place in the future in the fashion trends of international fashion houses.





**Thank you, Qatar**

**Thank you, Tamim of Glory; you made  
us proud in front of everyone**

# Court of Appeal Guidance on Good Faith Obligations in Shareholders' Agreements



**Cooley LLP**



**Alex Radcliffe and Andrew Love**



## Introduction

In its judgment in *Re Compound Photonic Group Ltd*, the Court of Appeal has given helpful guidance on the scope of good faith obligations in a shareholders' agreement.

The case concerned the removal of two directors by the majority shareholders, which triggered the minority shareholders to present an unfair prejudice petition. The judge at first instance found that the directors were entrenched in office and that the majority shareholders were not entitled to vote to remove them, despite the fact there was no terms in the shareholders' agreement to that effect.

Allowing the appeal of the majority shareholders, the Court of Appeal has confirmed that the meaning of a good faith obligation must be objectively determined by the express and implied terms of the contract containing that obligation. The lack of any term prohibiting the majority shareholders from removing the directors was fatal to the petition.

the following provisions regarding board meetings:

"7.1 Subject to clause 7.3, the maximum number of Directors holding office at any one time shall be six.

7.2 The Investor shall have the right (but not the obligation) to appoint and maintain in office two of those directors (the 'Investor Directors').

7.3 If the Board resolves to increase the maximum number of Directors beyond six Directors, the Investor shall have the right (but not the obligation) to appoint and maintain in office one additional Director for every two additional non-Investor Directors appointed.

7.8 ... the quorum for the transaction of business at any board meeting shall be three directors and shall include (insofar as they each remain a director) the [Mr Faulkner], [Dr Sachs] and, if one or more has been appointed, an Investor Director.

7.13 ... resolutions arising at any meeting of the Directors shall be decided by a majority of votes provided that both of [Mr Faulkner] and [Dr Sachs] must at all times form part of that majority..."

The shareholders' agreement contained the following provision regarding the shareholders'

## The background

The facts of the case are complex and set out in over 300 paragraphs in the first instance decision. The following is, by necessity, a highly condensed summary of the most salient points.

Compound Photonics Group Limited (the 'Company') was a vehicle for the intended commercialisation of academic research by the CEO, Dr Sachs, into gallium arsenide and liquid crystal technology. The intention

was to utilise that technology for the manufacture of very small ('pico') projectors.

The Company received substantial investment from three companies, which together held 93% of the shareholding (the 'Investors'). The remaining 7% of the shareholding was held by Dr Sachs, Mr Faulkner (the Company's chairman), and 68 other shareholders (the 'Minorities').

The Company's articles of association contained



dealings with themselves and the Company: “Each Shareholder undertakes to the other Shareholders and the Company that it will at all times act in good faith in all dealings with the other Shareholders and with the Company in relation to the matters contained in this Agreement.”

The business foundered. After several years, plans for the pico projector were eventually shelved and attention moved to a less ambitious and larger projector. When plans for that projector also became unstuck, the Investors lost confidence in Dr Sachs and presented him with an ultimatum: either resign or

be removed. He chose the former. The relationship between the Investors and Mr Faulkner subsequently broke down and the Investors (with an overwhelming majority) voted for his removal.

The Minorities presented an unfair prejudice petition, claiming (among other things) that the removal of Dr Sachs and Mr Faulkner represented a breach of shareholders’ agreement, in particular the “good faith” clause, to the Minorities’ detriment as it transferred the balance of power on the board from them to the Investors.

### **The High Court’s decision**

The High Court applied the formulation of good faith in *Unwin v Bond*[2], which set out “minimum standards” of conduct required by such an obligation. Those minimum standards included a requirement that a party subject to a duty of good faith must “be faithful to the parties’ agreed common purpose as derived from their agreement”.

Relying in particular on articles 7.1-7.3, 7.8 and 7.13 (quoted above), the High Court found that the parties’ agreed common purpose, or “bargain”, was that the Minorities would maintain control of the board

through ‘their’ directors, Dr Sachs and Mr Faulkner, who were “entrenched” in their positions. Further, the provisions only allowing for the appointment by the Investors of one director to every two appointed by the Minorities was “expressly designed to avoid the will of the majority prevailing in matters concerned with the commercial future of the Company”. Accordingly, the Investors were required by the good faith obligation not to remove Dr Sachs and Mr Faulkner and to ensure the balance of power on the board of the Company remained with the Minorities. The Investors had breached that obligation.

## The Investors appealed.

### Court of Appeal’s decision

Snowden LG, delivering the lead judgment, set out instructive guidance regarding the proper interpretation of good faith obligations in shareholders’ agreements.

At the outset, he warned that when considering the meaning of a good faith obligation in a shareholders’ agreement, guidance provided by case law in other areas of law or commerce “may be of limited value and must be treated with considerable caution”.

He went on to note that while “judges have, on occasions, used the expression “the spirit of the contract” in the context of a good faith clause”, he did not read that “as an open invitation to the court to interpret a good faith clause as imposing additional substantive obligations (or restrictions on action) outside the other terms of the contract.” Obligations of good faith, he said, “could only operate to support the common purpose and aims of the parties as objectively obtained from the express and implied terms of the contract”. This was particularly true where the agreement had been carefully negotiated and drafted, prepared by lawyers and contained an entire agreement clause.

The question was, therefore, whether the common intention contended for by the claimants, namely that Dr Sachs and Mr Faulkner would not be removed, could be objectively obtained from the express and implied terms of the shareholders’ agreement. The Court held that it could not. Snowden LJ stated that, had that been the parties’ common intention, he would have expected it to be an express term. Further, such an interpretation was directly contradicted by, for example, the words “insofar as [Dr Sachs and Mr Faulkner]

each remain a director” in article 7.8 in the articles of association, and provisions regarding the treatment of their shares in the event they left the Company.

The Court of Appeal accordingly held that there was no agreement that Dr Sachs and Mr Faulkner could not be removed from office and that the good faith obligation had therefore not been breached.

## Takeaway

The High Court’s decision unsurprisingly caused significant consternations: shareholders subject to obligations of good faith were concerned that they might be blindsided by claims of breach of agreements they were unaware they had made. Calm will be restored by the Court of Appeal’s insistence that if a party is required to uphold a common intention, it must be objectively clear from the agreement what that common intention is.

Parties wishing to impose a meaningful obligation on fellow shareholders to be faithful to a common intention should set out the scope of that intention expressly to avoid reliance on implied terms that will almost invariably be subject to dispute.

# Year in review:

## international arbitration in United Arab Emirates



**Alexander Wagg**

### The year in review

#### 1) Developments affecting international arbitration Decree No. 34 of 2021 concerning the Dubai International Arbitration Centre

Undoubtedly, the most important development for UAE arbitration in 2021 was the surprise introduction and swift enactment of the DIAC Decree.

Following enactment of the DIAC Decree, on 20 September 2021, both the DAI and EMAC were abolished and their assets, rights and obligations transferred to DIAC. The DIFC-LCIA Arbitration Centre, being a joint venture between DAI and the LCIA, and one of the most prominent arbitration centres in the UAE for more than a decade, was therefore in effect unable to continue to operate in the UAE beyond the six-month transitional period.

The DIAC Decree dictated that DIAC will (1) have its headquarters in mainland Dubai and a branch in the DIFC; (2) consist of a new board of directors, court of arbitration and an administrative body which will together undertake the overall supervision and management of the new DIAC; and (3) that DIAC would issue new arbitration rules to replace the 2007 DIAC Rules, in line with its stated objectives to strengthen Dubai as a global centre for dispute resolution and apply international best practice. DIAC proceeded to issue its new arbitration rules on 21 March 2022.

The DIAC Decree provided a period of six months for DIAC to coordinate with all concerned entities to make adjustments in consistency with the decree (Article 9). Following enactment of the DIAC Decree, there were certain press releases issued as agreements were slowly reached between DIAC and the LCIA Arbitration Centre during a period of great uncertainty.

At the end of the six-month transitional period provided for under the DIAC Decree, DIAC's announcement on 21 March 2022 confirmed that DIAC now registers arbitration cases referring to the rules of arbitration centres



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abolished by the Decree. Such referrals are accepted from 21 March 2022 and shall be administered under the new DIAC arbitration rules (unless the parties agree otherwise) which also came into effect on 21 March 2022.

On 28 March 2022, DIAC and the LCIA also issued announcements clarifying the position in respect of ongoing, existing DIFC-LCIA arbitrations. These announcements by DIAC and the LCIA provided welcome clarity to those arbitrators, parties and practitioners engaged in existing DIFC-LCIA arbitrations, stating clearly that the LCIA will administer all existing DIFC-LCIA cases to completion. Existing DIFC-LCIA arbitrations include only those that were successfully registered with the DIFC-LCIA and provided with a registered case number on or before 20 March 2022.

In addition, and corresponding with DIAC's announcement on 21 March 2022, all arbitrations, mediations and other alternative dispute resolution proceedings referring to the respective rules of the DIFC-LCIA (including ad hoc proceedings where the DIFC-LCIA is requested to act as appointing authority or administrator), commenced on or after 21 March 2022

shall be registered and administered by DIAC in accordance with the new DIAC Rules 2022, unless the parties agree otherwise.

## DIAC Rules 2022

On 21 March 2022 DIAC issued, pursuant to the DIAC Decree, its new arbitration rules, replacing its old 2007 rules. The new DIAC Rules 2022 marked a significant step forward for arbitration in the UAE, given that they represented a long-awaited and substantial improvement and modernisation of DIAC's previous rules, and reflected recent international best practice.

### The key highlights of the new DIAC Rules 2022 include:

**Seat** – the default seat for proceedings is the DIFC, in absence of agreement by the parties, and unless the Tribunal determines otherwise. This represents a marked change from the prior DIAC rules which provided for a default seat of on-shore Dubai. This change by itself demonstrated DIAC's desire to be an internationally accessible arbitration institution.

**Recovery of legal costs** – for the first time, the DIAC Rules 2022 now provide for the recovery of a party's legal

costs. Previously, the DIAC rules had not empowered a tribunal to make an award of a party's legal costs. Notably, tribunals are now even empowered to make interim orders for the preservation of a party's legal costs.

**Consolidation and joinder of proceedings** – the DIAC Rules 2022 now allow for consolidation of proceedings, and joinder of third parties to proceedings after the appointment of the Tribunal.

**Interim measures and emergency arbitrator** – the DIAC Rules 2022 provide for 'exceptional procedures' which include interim measures and the appointment of an emergency arbitrator. Tribunals are empowered to issue preliminary orders (defined as a temporary measure) at any time prior to issuance of its final award, and on the application of a party, to:

- maintain or restore the status quo pending determination of the dispute;
- prevent harm or prejudice to the arbitration;
- prevent the dissipation of assets;
- preserve evidence; and
- provide security for the costs of the arbitration

In advance of the appointment of a tribunal, a party can make a request to DIAC to appoint an emergency arbitrator to determine an application for emergency interim relief.

Expedited proceedings – the DIAC Rules 2022 provide for expedited proceedings where the sum in dispute is less than 1 million dirhams; where the parties agree to expedited proceedings; or where the case is one of exceptional urgency, as determined by the DIAC Arbitration Court. Under expedited proceedings, parties can expect a tribunal consisting of a sole arbitrator to be appointed within five days.

Third-party funding – the DIAC Rules 2022 provide that a funded party must disclose the fact that it is being funded both to the opposing parties and to DIAC. Parties are also prevented from entering into a funding agreement where it could give rise to a conflict between the tribunal and the funder.

DIAC Arbitration Court – the DIAC Decree provided for the establishment of a new DIAC Arbitration Court. The Arbitration Court is intended to provide supervision of cases managed by DIAC. The DIAC Rules 2022 empower the Arbitration Court to appoint arbitrators and determine questions



on the existence of a valid arbitration agreement (subject to the tribunal’s power to make a final determination on jurisdiction), and consolidation and joinder of proceedings.

Virtual hearings – the new DIAC Rules provide for pleadings to be submitted electronically, and for hearings to be conducted virtually. In 2021 there has been a significant rise in arbitration hearings being conducted virtually. While there are new challenges (particularly to cross examination of factual and expert witnesses) associated with conducting hearings

virtually, in large part the move to virtual hearings has been broadly welcomed by parties and legal representatives in saving time and cost.

A number of these changes will be recognisable to those familiar with rules updated in 2021 by both the ICC and the LCIA.

### UAE Mediation Law

On 29 April 2021, Federal Law No. 6 of 2021 on Mediation in Civil and Commercial Disputes (UAE Mediation Law) was issued in the UAE.

The UAE Mediation Law provides, for the first time,

# The UAE Mediation Law protects documents, information, and agreements

a modern and robust foundation for conducting mediations in the UAE.

The UAE Mediation Law sets out two distinct types of mediation: judicial mediation, whereby courts are empowered to refer, with the parties' consent, disputes to mediation; and non-judicial mediation whereby parties are free to enter into an agreement to mediate their dispute before a mediation and consolidation centre. Parties that engage in mediation are protected from counterparties having recourse to either the courts or arbitration while the parties are engaged in mediation.

Importantly, the UAE Mediation Law protects documents, information, and agreements, including settlement efforts from being produced in any subsequent court proceedings or arbitration. Settlements reached between the parties are binding and treated with the same effect for

enforceability as if they were a judgment of the courts.

## 2) Arbitration developments in local courts DIFC courts' discretion in setting aside an award under DIFC Arbitration Law

On 29 December 2021, the DIFC Court of Appeal issued its judgment in *Lachesis v. Lacrosse*,<sup>2</sup> in which it considered provisions of the DIFC Arbitration Law concerning the court's discretion in setting aside an award.

The appellant and the respondent had entered into two charterparties for the charter of two separate vessels for the purpose of work on an offshore project. Disputes arose concerning non-payment of hire by the appellant to the respondent.

The appellant (who had commenced the arbitration) made an application to set aside an arbitration award, which was dismissed by the

DIFC Court of First Instance, and also dismissed by the Court of Appeal.

The governing law of one charterparty was English law, the seat of the arbitration was the DIFC, and the arbitration was to be conducted in accordance with the Rules of the Ladonna Centre (LADONNA). At the outset of the arbitration, the parties agreed that disputes under both charterparties should be heard under the same governing law, and jurisdiction provisions.

## The DIFC Court of Appeal determined three issues pursuant to the DIFC Arbitration Law.

### Signature of award

The appellant argued that the award was invalid and must be set aside for lack of signature on each page (as required by the LADONNA Rules), and lack of connection between the signature page and the operative part of the award. As the award had not been signed on every page, the appellant submitted that Article 41(2)(a)(iv) of the DIFC Arbitration Law provided the court should set aside the award as 'the arbitration procedure was not in accordance with the agreement of the parties'. The Court of First Instance held



that the courts had discretion whether to set aside an award, and the appellant had failed to address the Court's discretion and why it should be exercised in favour of setting the award aside. The Court of First Instance also held that the appellant had waived its right to object to the format of the award, on the basis that it had not, pursuant to Articles 9 and 40(1)(a) of the DIFC Arbitration Law submitted a request within 30 days to the tribunal, that it correct the error in its award.

The Court of Appeal held that it had no power to set aside an award unless the challenge came within one of the specified grounds set out in Article 41(2) of the DIFC Arbitration Law, and even then the court's power was a discretionary power. Failure to comply with the LADONNA Rules did not mean that the court must set aside an award, and it found that there were overwhelming reasons not to do so.

### Incapacity to act

The appellant argued that the award must be set aside as its former solicitors did not have authority to merge the governing law, and jurisdiction provisions of the second charterparty with that of the first charterparty. The governing law clause

of the second charterparty provided for UAE law. The Court of First Instance held, pursuant to Article 41(2)(a)(ii) of the DIFC Arbitration Law, that the incapacity cited by the appellant referred to the capacity of a party to enter into an arbitration agreement; however, in this case the complaint was founded on the alleged incapacity of its legal advisers to amend the governing law of the underlying agreement, and not the arbitration agreement.

The Court of Appeal held that if any question of incapacity arose, it related to an underlying agreement and not the agreement to arbitrate, and therefore fell outside of Article 41(2)(a)(ii) of the DIFC Arbitration Law.

### Unfair and unequal treatment

The appellant also argued that the award must be set aside because of unfair and unequal treatment of its witnesses and legal representatives during the course of the arbitration hearing, in breach of the right to equality and full opportunity to be heard provided by Article 25 of the DIFC Arbitration Law. The Court of First instance considered Articles 41(2)(a)(ii) and 41(2)(b)(iii) of the DIFC Arbitration Law as grounds to set aside an

award either where a party was 'unable to present his case'; or where 'the award is in conflict with the public policy of the UAE'. The Court of First Instance held that the appellant had not supported how it had been unable to present its case, and had not explained how the award would have been different had it been allowed to take the steps it was allegedly stopped from taking.

The DIFC Court of Appeal reviewed 59 complaints by the appellant, together with the respondent's responses, however found none to support its case that it had been denied the right to a fair and equal hearing. In its judgment, the court stated:

Neither errors of law nor errors of fact on the part of the Tribunal, if any there were, disclose a ground upon which the Award could be set aside; the Arbitration Law is based on the Model Law which does not permit such challenges. Importantly, this Court needs to scrutinise challenges of this nature carefully – and guard against arguments on the merits being dressed up as legitimate complaints of unfairness demonstrating a failure of natural justice. It is also important to recognise that a mere trivial and inadvertent technical breach of the requirement of a fair

hearing, without substantive consequences, will not, or not necessarily, suffice to set an award aside; this is not a game of procedural snakes and ladders.

### Interpretation of the wording of an agreement to arbitrate

In its judgment in Case No. 526/2020 Abu Dhabi Court of Cassation dated 20 July 2020, the court clarified that it is possible for parties to enter into an arbitration agreement after a dispute has arisen even if the parties have started court proceedings. However, the court went on to state that the arbitration agreement must specify the issues that were to be subjected to arbitration between the parties. That approach to specificity of the arbitration agreement was also followed by another recent judgment of the Abu Dhabi Court of Cassation in March 2021, in which the court held that a simplistic arbitration clause which failed to specify the issues and simply referring to the application of UAE law in the event of arbitration did not evidence the parties' explicit agreement to resort to arbitration to resolve any disputes.

Separately, in its judgment in Case No. 69/2019, the UAE Federal Supreme Court

investigated the ambiguity of the parties' intentions in an English language ADCCAC arbitration clause to refer disputes to arbitration. The Court of First Instance held that the agreement to arbitrate prevented the courts from hearing the dispute. The judgment was appealed on the basis of an argument that the clause was an option method of dispute resolution to be agreed by the parties. The Court of Appeal determined that the clause did not subject the dispute to arbitration. On appeal to the UAE Federal Supreme Court, the court overturned the judgment of the Court of Appeal.

In another notable case, on its judgment in Case No. 1308/2020 Dubai Court of Cassation dated 3 March 2021, the court held that a simple reference to incorporating International Federation of Consulting Engineers (FIDIC) general conditions did not bind the parties to the arbitration clause referring disputes to arbitration within those general conditions. Even though pursuant to Article 7(2)(b) of the UAE Arbitration Law parties can incorporate an agreement to arbitrate by reference, in this case the parties had not specifically incorporated by express statement the arbitration

provisions of the FIDIC general conditions.

### Payment orders where there is an agreement to arbitrate

Pursuant to amendments to the UAE Civil Procedures Law, the UAE courts now provide for a mechanism of 'payment orders' whereby a claim can be made for an uncontested commercial debt and a summary judgment obtained which can be enforced swiftly against the debtor.

In its judgment in Case No. 1098/2020 Dubai Court of Cassation dated 27 January 2021, the court held that a dispute involving contested values in a construction contract that envisaged the need for experts to determine values and extensions of time, the conditions for an application for a payment order were not fulfilled. The appellant contested the court's jurisdiction on the basis of an arbitration clause.

### Joint Judicial Committee

The Joint Judicial Committee (JJC) was established in 2016 by Dubai Decree 19/2016 as a final adjudicator of disputes involving jurisdictional conflicts between the DIFC courts and the onshore

Dubai courts. The tribunal is made up of three DIFC Court judges, three Dubai Court judges, and the President of the Dubai Courts.

The role of the JJC is called for when 'the same dispute has been presented to the two courts and they both issued a statement indicating that each of them stick to their jurisdiction of hearing the case, or that both of them abandon hearing it' as explained by the JJC as its reasonings for most of its decisions.

In the notable Case No. 8/2020 JJC Cassation dated 22 March 2021, the JJC held that 'the United Arab Emirates was a party to the New York Convention for the recognition of foreign arbitration decisions and their implementation by Decree No. 43 of 2006, which states to accept the procedure in any jurisdiction in the country and the DIFC Courts is one of such jurisdiction'.

This case changed the way in which the DIFC Courts are to be used as an independent jurisdiction (as opposed to a 'conduit' jurisdiction, implying that the DIFC Courts are to be used in extraordinary circumstances) for recognising and enforcing foreign arbitral awards, under the New York Convention. Previously,

**the ICC issued guidance in 2020 covering possible measures to mitigate the effects of covid-19 on ICC arbitrations. The guidance encouraged parties and the arbitral tribunal to not materially delay proceedings as a result of covid-19 and encouraged parties to make use of technology for pleadings and hearings.**

the JJC considered that Dubai Courts had primary jurisdiction in Dubai to enforce foreign arbitration awards over those of the DIFC. However, Case 8/2020 instils the notion that the DIFC Courts are an integral part of the court system of the UAE, therefore the DIFC Courts have jurisdiction to accept recognition and enforcement applications without giving the Dubai Courts a priority. This is the case even if the matter (or parties) has no connection to the DIFC at all.

### **Covid-19, force majeure and exceptional circumstances**

The outbreak of covid-19 at the start of 2020 caused an unprecedented change in the way both the legal profession and its clients had to work and adapt. Court hearings and arbitration hearings largely moved

online. Internationally, the ICC issued guidance in April 2020 covering possible measures to mitigate the effects of covid-19 on ICC arbitrations. The guidance encouraged parties and the arbitral tribunal to not materially delay proceedings as a result of covid-19 and encouraged parties to make use of technology for pleadings and hearings.

In the construction sector, FIDIC released guidance on the interpretation of FIDIC standard form contracts in light of possible impacts of covid-19.

In 2021, the UAE courts began to issue judgments in disputes involving issues related to the covid-19 pandemic, force majeure, and exceptional circumstances. In the UAE, a claim may be commenced (or defended) for non-performance where, as a result of the pandemic,

**In 2021, the UAE courts began to issue judgments in disputes involving issues related to the covid-19 pandemic, force majeure, and exceptional circumstances.**

performance became impossible. However, where parties agree contractual provisions to the contrary, risk will be allocated according to the contract.

The UAE Courts of Cassation have relied on government-issued restrictions as the basis for force majeure events. In its judgment in Case No. 512/2021 Abu Dhabi Commercial Cassation dated 25 May 2021, the Court of Cassation upheld the judgment of the Court of First Instance determining that ‘if a force majeure arises that makes the performance of the obligation impossible, the corresponding obligation shall, be extinguished and the contract ipso facto rescinded’, and that ‘force majeure must be the sole reason for the damage to occur’.

In recent judgments arising out of contractual disputes in

which the parties have been affected by covid-19, the courts have consistently held that:

force majeure cannot be relied on where the defendant had been at fault prior to the force majeure event relied on;

force majeure events must be unforeseen and not anticipated at the time of entering into the contract; and

delay in obtaining government approvals (unrelated to covid-19, and in relation to construction projects generally) does not qualify as a force majeure event under UAE law.

The courts have also held that contractual provisions made specifically in respect of force majeure will be applied by the courts.

The current jurisprudence

in respect of ‘exceptional circumstances’ is most recently set out in Case No. 1995/2020 Dubai Commercial Court of Appeal dated 14 October 2020. In that case the defendant argued that the contract should be reduced to a reasonable time frame pursuant to Article 249 of the UAE Civil Code on the basis that its obligations under the contract had become oppressive and it was threatened with heavy losses under the contract as a result of covid-19. The Court of Appeal upheld the judgment of the Court of First Instance in favour of the claimant, holding that the exceptional circumstances on which the defendant relied had occurred after its payment obligation was due.

**3) Investor–state disputes**

The UAE is a signatory to 106 bilateral investment treaties, including most recently with the Democratic Republic of Congo, North Macedonia, Israel and Zambia. Bilateral investment treaties signed between states establish the terms for investment by investors of one state in the other state, and often provide for disputes to be referred to an international arbitration institution such as the International Centre for Settlement of Investment

Disputes (ICSID). In November 2021, Jersey signed a bilateral investment treaty with the UAE designed to promote responsible investment including considerations of public health, the environment and labour protections.

The UAE is a signatory to the ICSID Convention, ratified in December 1981. The UAE is also a signatory to multilateral investment treaties including the Organisation of Islamic Cooperation Agreement of Promotion (the OIC Agreement), Protection and Guarantee of Investments, the Arab League's Unified Agreement for the Investment of Arab Capital in the Arab States, and the Energy Charter Treaty.

In an ongoing arbitration commenced on 21 April 2021,<sup>4</sup> a Swedish national registered an ICSID dispute against the Government of Dubai Legal Affairs Department under Sweden's bilateral investment treaty with the UAE. The dispute arose from the Swedish national's investment in an optical data storage company in Dubai and was commenced as a result of the Swedish national's deportation from the UAE. The Swedish national argued that the UAE breached the equitable treatment standard

under the bilateral investment treaty.

In the past year, an ICSID dispute commenced by Indian and United Kingdom nationals has been continuing against the UAE as a party.<sup>5</sup> The dispute involves the sale of plots of land at the World Islands Project in Dubai, developed by Nakheel and subsequently bailed out by the Dubai government following the 2008 global financial crisis.

In a different matter, a tribunal issued an award in an ICSID dispute on 3 April 2020,<sup>6</sup> commenced by the UAE-based VTEL Middle East and Africa Limited and VTEL Holdings Ltd, together with two Jordanian entities, Itisaluna Iraq LLC and Munir Sukhtian International Investment LLC, against the Republic of Iraq. Following the acquisition of a licence by the claimants for the provision of telecommunications services in the Republic of Iraq, the dispute arose because the claimants were prevented from operating their own international gateways. The claimants commenced their claim as investors under Article 8 (1) of the OIC Agreement regarding fair and equitable treatment, and full use and protection of their investment. The tribunal had to determine

'whether the Claimants are able to incorporate into the OIC Agreement, by operation of its MFN clause, the ICSID arbitration clause in the Iraq Japan BIT'. The tribunal found that it did not have jurisdiction under the OIC, whether read alone or together with any other treaty, and upheld the respondent's objection to jurisdiction.

In 2020, Qatar Airways commenced investment treaty claims seeking US\$5 billion in damages from the United Arab Emirates, Bahrain, Saudi Arabia, and Egypt, who banned it from their airspace and their markets, and revoked its licences to operate from June 2017. Qatar Airways' claims are based on the Arab Investment Agreement, and the OIC Agreement.



**Nicholas A. Lawn**



**Helin Laufer**



**Frenkchris T. Sinay**

# IBA focuses in on small value claims in investment arbitration

## Global

According to UNCTAD, there have been at least 116 investment arbitrations where the claimant has sought compensation in excess of USD 1 billion. These are usually well-known and publicly reported cases. But not all investment arbitrations involve mega-claims, and it is reported that nearly a third of recent investment arbitrations involve claims of less than USD 50 million. It is this phenomenon of the small value investment arbitration claim that the International Bar Association (“IBA”) focuses in on in its recent report. On 25 October 2022, the IBA’s Investment Arbitration Subcommittee (the “Subcommittee”) published its report on the procedural tools available to facilitate the cost-effective resolution of small value investment claims (the “Report”). This Client Alert provides our overview and analysis of the IBA Report.

## Small value claims in investment arbitration

Although it is always the high value investment arbitration mega-claims which make the headlines, there are a substantial number of investment arbitrations in which investors have sought more modest amounts. According to UNCTAD figures, there have been at least 321 investment arbitration cases (around 40% of the total number of known ISDS cases in respect of which there is data) in which the claimant has sought compensation of less than USD 100 million.<sup>1</sup> Indeed, there have been at least 59 cases in which the claimant has sought less than USD 10 million. It is therefore clear that there are substantial numbers of individuals and small businesses who are utilising investment arbitration as a remedy to obtain relatively modest amounts of compensation in respect of damage done to foreign investments.

It is this phenomenon which the IBA Subcommittee seeks

to focus in on and analyse. Defining a “small value claim” as a claim of a value no greater than USD 50m or EUR 50m, the Subcommittee draws on recent case data from various arbitral institutions to assess the prevalence of small value claims and to consider what can be done to facilitate the effective resolution of such claims.

## Overview of the IBA Report

In terms of content, the Report proceeds to: (i) analyse case information from the International Centre for Settlement of Investment Disputes (“ICSID”), the Permanent Court of Arbitration (“PCA”) and the Arbitration Institute of the Stockholm Chamber of Commerce (“SCC”);<sup>2</sup> (ii) assess various international investment agreements (“IIAs”) and arbitration rules to identify special procedures that exist, or are available to parties, which take into account small value claims; and (iii) identify mechanisms that parties can agree to use throughout an arbitration to

**The Canadian Model FIPA also includes special mechanisms such as the possibility to consent to mediation, a limited document production phase, and the sole arbitrator’s discretion to limit written submissions and expert witness evidence.**

facilitate the resolution of such small value claims.

Finally, the Report contains various annexes, which include observations on methodological considerations, cost management in investment arbitration, and a comparison of existing expedited arbitration rules (“EAR”).

Overall, the Report does not take a view on whether small value claims are desirable or should be encouraged, but rather investigates the procedural tools available to parties in ISDS proceedings to facilitate the cost-effective resolution of small value claims.

## Prevalence of small value claims in investment arbitration

Of the 632 cases registered or reported between 1 January 2010 and 31 December 2021 at ICSID, the PCA and the SCC, almost 30% were small value claims. Over 40% of SCC cases were small value claims, and almost 25% were claims below USD 10m.

The Subcommittee observes that no particular industry sector or region was likely to face more small value claims. However, the Report does mention that a large proportion of prior proceedings with a value of up to USD 50m had concerned Eastern European and Central Asian parties. The figures relating to ICSID and PCA cases, in particular, reveal that individuals or small or medium-sized enterprises (“SMEs”) initiated at least half of the small value claims in the relevant time period.<sup>3</sup>

## Special procedures for arbitrating small value claims under IIAs and arbitral rules

The Subcommittee emphasises that various IIAs and arbitral rules already contain special tools which could be used for arbitrating small value claims. A number

of recent IIAs provide the option to employ certain procedural mechanisms when the investor is an SME or when the claimed damages are relatively low. Such IIAs include the EU-Canada Comprehensive Economic and Trade Agreement, the Dutch Model Bilateral Investment Treaty and the Canadian Model Foreign Investment Protection Agreement (“FIPA”).

Special procedures include the possibility of using videoconference consultations, sole arbitrator nominations, the consolidation of multiple claims in one set of proceedings and considering the claimant’s financial resources. The Canadian Model FIPA also includes special mechanisms such as the possibility to consent to mediation, a limited document production phase, and the sole arbitrator’s discretion to limit written submissions and expert witness evidence.

However, the Report highlights that the “vast majority of IIAs do not provide for a special procedure for SMEs or small value claims, although this may well change in the future”.

In terms of arbitration rules, the Report observes that IIAs most frequently refer to ICSID and United Nations



Commission on International Trade Law (“UNCITRAL”) arbitration rules. However, some treaties also refer to the arbitration rules of the PCA or the International Chamber of Commerce. Additionally, consent clauses in investment contracts may refer to arbitration rules that are more prevalent in the context of commercial arbitration, or to various arbitral institutions’ special rules for investor-State arbitration.

The Report notes that, in the context of commercial arbitration, many arbitral institutions have adopted fast-track procedures or expedited rules when the dispute concerns a particular subject-matter, is “simple”, or involves a small value claim. Depending on the institution, these procedures would apply when parties consent to this, or in urgent cases.

The Report also provides an overview of the application of expedited rules in investment disputes and the typical features of an expedited arbitration. The Report notes that parties to ISDS proceedings usually have to opt in to use expedited rules (such as the ICSID EAR and the UNCITRAL EAR).

The Report also identifies certain typical features of expedited arbitration: a monetary threshold for

small value claims, opt-in clauses with qualifiers, sole arbitrators by default, time limits for, and a limited number of, filings, the possibility to limit document production, time limits for tribunals to render awards, the power of tribunals to render unreasoned awards or awards with summary reasons, and the possibility to revert to non-expedited proceedings.

### Additional procedural mechanisms available for arbitrating small value claims

The Subcommittee lists additional procedural mechanisms that may be employed throughout the arbitration of a small value claim. The Report explains that whether parties may adopt these procedural mechanisms will depend on the instrument setting out the arbitration agreement, as well as the relevant arbitration rules.

While a tailored choice of arbitration rules, arbitrators and counsel remains imperative in the pre-arbitration phase, the Report found that the process of arbitrating small value claims could benefit from limiting submission rounds, document production, expert evidence, and imposing time

limits on rendering orders, decisions and awards.

Similarly, in the post-arbitration phase, the procedural schedule could be compressed, and written submissions in the context of award annulment proceedings could be limited.

### Overall appraisal of the Report

Responding to the reality of an increasing prevalence in small value investment claims, the IBA has chosen to focus in on that phenomenon and offer procedural insights as to how such claims might be handled. The Report notes insightfully that “[s]mall value claims in investment arbitration are not necessarily simpler, smaller or less complex than large value claims. But the more modest sums at stake militate in favour of a proportioned and tempered approach to resolving such cases”. It is in this context that the Report makes a meaningful contribution by usefully identifying a number of procedural tools to assist the parties to ISDS proceedings to reach a cost-effective resolution of such smaller value claims.



**Baker McKenzie – Virusha Subban**

# An update on free trade

## the Guided Trade Initiative, regional value chains and measures for sustainable, climate-resilient trade

### In brief

The African Continental Free Trade Area Agreement (AfCFTA) recently launched the Guided Trade Initiative to test meaningful, continuous trade under AfCFTA and to assist in the development of shorter, regional value chains that will allow for more climate-resilient, sustainable trade across the continent. But for Africa to make the most of free trade, it is essential that large gaps in continent-wide infrastructure and manufacturing be developed in a sustainable way.

### In depth

The AfCFTA Guided Trade Initiative (GTI) is the latest development designed to boost trade in the Africa's continent-wide free trade zone. The GTI was launched

in October 2022 with the aim of testing meaningful, continuous trade under AfCFTA and to assist in the development of regional value chains that will allow for more climate-friendly, sustainable trade across the continent.

The GTI will test AfCFTA's policies, legal framework and operational and institutional environments. There are eight countries participating in the GTI that have all met the minimum requirements in terms of AfCFTA's tariff book and rules of origin - Cameroon, Egypt, Ghana, Kenya, Mauritius, Rwanda, Tanzania and Tunisia. The GTI will allow the shipment of goods from these countries through customs clearance, including ceramic tiles, sisal fiber, batteries, and beverages and foodstuffs,

including tea, coffee, processed meat products, corn starch, sugar, pasta, glucose syrup and dried fruits. African countries receiving these goods will benefit from reduced tariff treatment (and possibly eventually from zero tariffs). The GTI will also focus on increasing opportunities for Small and Medium Enterprises (SMEs), youth and women in trade.

AfCFTA has the ultimate goal of increasing the ease of trade and investment across African borders, as well as eliminating tariffs on intra-African trade, reducing unemployment, increasing infrastructure development and creating a more competitive and sustainable environment for cross-border trade. However, the continent's massive

“**A Baker McKenzie report recently found that Africa’s external imports accounted for more than half of the total volume of imports in the continent, with the most important suppliers being Europe, China and the rest of Asia including India.**”

gaps in infrastructure, especially its utilities and transport infrastructure, have hampered the ability of African countries to trade. Transport challenges in African countries, made worse by the issues in global supply chains in the past few years, have caused significant trade blockages, especially with regard to transporting goods to, and out of, the continent’s ports. Other issues, such as severe weather events, are also affecting trade supply chains in Africa.

For Africa to make the most of free trade, the continent must address these challenges. Projects are already in progress to boost the development of continent-wide infrastructure. For example, Tanzania’s construction of the Standard

Gauge Railway Project is expected to provide a safe and reliable means for efficiently transporting people and cargo to and from the existing Dar-es-Salaam port. Other large projects underway include the Trans-Maghreb Highway in North Africa, North-South Multimodal Corridor, the Central Corridor project and the Abidjan-Lagos Corridor Highway project.

Further, the African Union African Peer Review Mechanism 2020 noted that Africa’s supply chain challenges could be addressed if the continent boosted its manufacturing capacity, reducing its reliance on global suppliers. As a result, many African countries have begun

looking at ways to improve their manufacturing capacity so that they can produce local components that don’t need to be imported and that can be traded within the continent.

A Baker McKenzie report recently found that Africa’s external imports accounted for more than half of the total volume of imports in the continent, with the most important suppliers being Europe, China and the rest of Asia including India. By contrast, imports from other parts of Africa account for only 16% of total merchandise imports. Manufacturing GDP represents on average only 10% of GDP in Africa. Limited production capabilities within Africa are therefore being compensated for through foreign imports. The aim is to ensure this manufacturing deficit is satisfied within the continent and enabled by AfCFTA.

Shortening supply chains will also make them more sustainable. According to the World Trade Organization global greenhouse gases (GHGs) released by the production and transport of trade in goods and services account for around 20-30% of global GHG emissions.



To facilitate sustainable trade under AfCFTA, Africa requires a drastic increase in climate financing for its continent-wide major investments in infrastructure, manufacturing capacity, clean energy and climate change adaptation. The African Development Bank (AfDB) has noted that around USD 1.6 trillion in financing is needed by 2030 to assist Africa to adapt to and mitigate the risks of climate change, as well as for African countries to effectively implement their Nationally Determined Contributions (NDCs) under the Paris Agreement. These funding commitments have been a

key topic of discussion at the United Nations Climate Change Conference (COP 27) in Egypt.

A boost in local production and regional trade (currently being developed through initiatives such as the GTI), as well as the development of climate resilient infrastructure and manufacturing will make Africa more competitive globally. If the continent's gaps in infrastructure and manufacturing can be developed in a sustainable way, via for example, investments in renewable energy projects, food security initiatives, shortened supply chains and projects

that assist SME, women and youth traders, Africa's free trade successes will benefit the whole planet.

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## **Dr. Hanadi Mubarak Al Mubaraki**

**Founder of Lico System for Management Consulting Co.**

# The Gulf Initiative

## launches the International Conference on Digital Economy

### Meeting Topics

#### Definition of the Gulf Initiative

It is the first Gulf initiative launched in 2020, which is concerned with seeking economic diversification through modern digital economy programs in the Gulf countries and developing countries to be in the ranks of the developed world countries and in line with the visions of the Gulf countries 2035 and their alignment with the global goals for sustainable development 2030.

#### Objectives of the Gulf Initiative

The initiative aims at economic diversification based on modern global programs such as innovation and entrepreneurship programs, technology transfer and marketing program, and raising the Gulf standard competitive indicators and linking it to global indicators such as Innovation Index, Entrepreneurship Index, Patent In-



dex, Science and Technology Index, and Research and Development Index.

#### Phases of the Gulf Initiative

The Gulf Initiative is divided into four main phases:

First: Holding an annual Gulf and international conference to exchange successful applications and the best successful experiences.

Second: The launch of the Gulf magazine Techno Park in Arabic and English to provide distinguished interna-

tional content.

Third: The launch of the Gulf Smart Virtual Business Accelerator to provide joint Gulf programs in cooperation with global consultants.

Fourth: Issuing a series of books on the Amazon platform, which are concerned with economic diversification through smart international programs, and it is a roadmap for successful global applications of the modern digital economy.

The idea of the conference was launched through the Gulf initiatives for the year 2020, which focus on upgrading the innovation system, entrepreneurship, technology, and artificial intelligence towards sustainable smart growth.

### Conference Idea

The idea of the conference was launched through the Gulf initiatives for the year 2020, which focus on upgrading the innovation system, entrepreneurship, technology, and artificial intelligence towards sustainable smart growth.

### Conference Facts

The opening ceremony of the Third International Virtual Conference will host 36 international, regional and Gulf personalities, as well as 321 international elite of inventors, innovators, entrepreneurs, companies, organizations, and economic institutions, 45 international inventors and innovators who received international patents and awards. As well as 60 global consulting companies and 30 round-table discussion sessions, as the conference focuses on 10 main topics during 11 hours a day over 3 days.

### Objectives of the Conference

1. Strengthening the innovation, entrepreneurship, and artificial intelligence ecosystem.
2. Activating the role of societies in innovation, entrepreneurship, and talent activities.
3. Sustaining smart growth through smart district technology.
4. Sustainability of innovation strategies in educational institutions.
5. Accelerating the social and economic impacts of innovation, artificial intelligence, and entrepreneurship at all levels.
6. Enabling effective partnerships in the areas of innovation, artificial intelligence, and entrepreneurship.

7. Identifying challenges and opportunities for innovation, artificial intelligence, and entrepreneurship programs.
8. Enabling economic diversification through smart programs such as innovation programs, technology transfer, and commercialization.
9. Enabling the digital economy.
10. Support inventors and creators.

### Conference Topics

The conference will focus on 10 main topics:

First Topic: the international applications of the entrepreneurship ecosystem. Second Topic: the international applications of the innovation ecosystem. Third Topic: international applications of artificial intelligence and technology. Fourth Topic: Enabling virtual services for innovation programs, transfer and commercialization of technology. Fifth Topic: Global applications of innovation approaches. Sixth Topic: global applications of innovation and entrepreneurship strategies. Seventh Topic: the role of the media in supporting the innovation and entrepreneurship system. Eighth Topic: the successful journey of innovators. Ninth Topic: the journey of successful entrepreneurs. Tenth Topic: International applications of the digital economy.





### Phases of the Conference

The Conference is divided into four main phases:

First: The opening ceremony with the participation of ministers, Sheikhs, leading figures, and diplomats over the three days.

Second: Conference lectures presented by experts, practitioners, and senior policymakers in all Gulf countries.

Third: Roundtable discussions, which include open dialogue between speakers to put forward their future recommendations.

Fourth: The conference competition, which contains a financial reward of \$7000, aims to enhance the climate of innovation and entrepreneurship for all Gulf participants.

### Gulf Conference Competition

The competition aims to encourage inventors, innovators, and entrepreneurs to attend the conference and follow up on experts and conference topics. There will be prizes of \$200 for the first three winners.

### Participants

Sheiks, ministers, the diplomatic family, academic institutions, international organizations, investment companies, professional associations, heads of local and Gulf newspapers, elite inventors, creators, and entrepreneurs.

### Conference Strategic Partnerships

Mr. Anas Mirza, Group CEO of the National Technology Enterprises Company and the Public Authority for Youth from the State of Kuwait, and the General Secretariat of

the Gulf Cooperation Council. From Sweden, an innovation company from an international 360 perspective. From the United Kingdom, the Institute of Civil Engineering specialized in smart cities and innovation, and the Arab British Chamber of Commerce. From the United States of America, University of California, and Stockton University. With the exclusive media sponsorship of the conference annually, Al Anbaa Newspaper, Mr. Yousef Al Marzouq, and media sponsorship, Al Nahar Newspaper, Al Qabas Newspaper, Al Dana Magazine, and the exclusive Gulf sponsorship, the Gulf Entrepreneur Magazine.

### Invitation to register and attend

<https://forms.gle/YurGZ1mD-fQ4UEHsb9>

you can communicate with us via WhatsApp at 55239576



# Rabab Al Gohary

## Al Anbaa Newspaper

# Creating a platform that includes sectors and setting controls for displaying stocks

The lawyer AREEJ HAMADAH launched a specialized incorporation initiative for small and medium enterprises (SMEs), with the aim of addressing the situation of stumbled entrepreneurs and those with constructive ideas. During a seminar held at the headquarters of the Bar Association, she presented a draft law on the establishment of the alternative investment market, which is the first experience in drafting a serious law that cares for this group of young entrepreneurs, both men and women.

In the draft, Hamada presented the historical sequence of launching the initiative, which began in 2014 with the initiative to establish a specialized stock exchange as a means of financing. In 2016, she chaired the Economic Committee of the Bar Association and organized an economic forum to discuss the establishment of the relevant stock exchange. In 2017, she published part of the study that she conducted, comparing it with international experiences.

## Caring About the Youth Initiatives

For his part, the President of the Kuwait Bar Association, Sharyan Al Sharyan, expressed his



Sharyan Al Sharyan



Areej Hamadah

happiness that there is a clear interest in this type of initiative wishing for more attendees next time, stressing that this initiative will benefit all young people and entrepreneurs who own small and medium enterprises. Since there are countries, governments, and leaders that have adopted this initiative in pursuit of a real recovery of the national economy in those countries that understand the meaning of small projects and the actions of entrepreneurs.

He also added, “We, in the Bar Association and through the team that will undertake this initiative and with the participation of staff in the Board of Directors, will be supportive of this initiative and we will be confident that the success of this initiative will only be through pressure groups. As well as through a voice emanating from the initiators and project owners until we achieve the difficult equation, we will be a voice heard by the political leadership and the executive and legislative authority, which must adopt qualitative projects that advance economic work.”

He continued, “It is not possible to imagine a country without an economy, investors or initiators, as well as small projects implemented by young men and women looking to start their working and professional lives. Therefore, we believe that the initiative in the next time, when the voice of those speaking for this initiative reaches the street and the Kuwaiti media, there



Lina Adlouni

will be real interest, especially since there is a certain group that monitors and follows up on those distinguished initiatives that discuss a specific issue. Our insistence on continuing any initiative that will achieve the desired results and successes, whether the project is successful or stumbled. There is no doubt that the idea is qualitative and only mature minds adopt it, and we always say great opportunities need prepared minds. Therefore, we call on every initiator to adopt this initiative so that we can implement this initiative on the ground”.

### Step on the right course

For her part, the head of the Investment and Business Laws Review Committee, Lina Adlouni, said that economic studies confirmed that the Corona pandemic contributed to providing job opportunities of different shapes and sizes. Referring that small and medium enterprises are initiatives undertaken by individuals that turn into economic entities, whether companies, organizations, commercial or industrial projects. Hence, it is necessary to provide means for the development of



Abdullah Al Jouan

small enterprises in order to strengthen the economy, and we are working to support the initiators through concerted efforts, whether from the efforts of initiators, government agencies, or civil society agencies, to encourage this group to work in the market and achieve its goals. And if there are obstacles, time will tackle them.

She also added, "There is no doubt that the initiative to establish a stock exchange to promote small and medium enterprises is a first step on the right course, and I see that the

initiative is new of its kind and will achieve its goals soon."

### **The stock exchange creates new liquidity**

For his part, entrepreneur Abdullah Al Jouan said that the capital markets in general, before classifying them, are mainly aimed at creating liquidity, which reflects positively on the improvement in the performance of the economy, and since it is customary to divide and classify the markets in Kuwait into a primary market and other markets. In addition, the types of markets vary

according to the liquidity of the stock itself, whether issued or available shares. In addition to the existence of certain requirements for the inclusion of this type of company in the stock exchange.

Al Jouan said that with the development of economies and the diversification of legal entities, and there is a need to create secondary markets, which will help in revitalizing the economic cycle in the country that depends on entities.

He also added, the markets are no longer only for companies, but include commodities and bonds. There is no doubt that there are emerging companies, but they are no longer able to exist for trading.

He pointed out the importance of having multiple markets, especially for emerging markets, where their objectives must be profitable, have businesses and generate revenues. Therefore, I see that the initiative presented by lawyer Areej Hamada will achieve many benefits, boost the economy, create liquidity, and support owners of small and medium enterprises.

### **Investing in an ambitious generation**

In turn, the rapporteur of the Investment and Business Laws Review Committee at the Kuwait Bar Association, Almas Bouqmaz, said that investing in the energy of young people and trusting their abilities opens the doors of achievement and construction. She referred to the keenness of the Kuwait Bar



Almas Bouqmaz

Association to shed light on the investment sector, not only to encourage them, but also to enable them to build projects and also protect them in the future.

Bouqmaz stated that she believes in investing in an ambitious generation that always seeks to create projects that help build society and increase productivity. During the symposium, she reviewed the reasons for its introduction, its mechanism of action, and the role that the relevant authorities will play in activating its articles and implementing it on the ground.

### Attracting investors to projects

For her part, the Head of the Business Women Network, Bodour Al Sumait, said that owners of small projects should attract investors to enter into their projects if the projects stumbled due to special circumstances, but it was successful. She pointed out that the successful project will be attractive to the investor, as the presence of the investor helps to quickly overcome stumbling and strengthen the project entity by expanding or increasing products and adding a new product or production or exporting due to the presence of

an investor who helped increase the capital.

About the importance of the entry of investors as partners in small and medium enterprises, she said that the entry of investors is important for several parties, whether for the owner of the project, which may strengthen his financial position by expansion or development. As well as the investor, who will be able to invest his static money and convert it into an operational one that will return to him with revenues.

Al Sumait reviewed the controls and standards for the inclusion of small and medium companies in the public capital markets, as she considered that it must meet the requirements for listing, which are set by the founders of the Small and Medium Enterprises Exchange, as it differs from the basic listing. As for the current conditions of the Kuwait Stock Exchange, it is that the value of the company is estimated at 15 million Kuwaiti Dinars as a minimum. The company must have at least 450 shareholders, each of whom owns shares worth at least 5,000 dinars, or 225 shareholders, each of whom owns shares that are worth 10,000 dinars.

Furthermore, Al Sumait touched on the criteria and controls for determining the market value of a small and medium project or idea, as she considered that the market value of the project should be determined according to the value of the due or future assets and obligations on the



Bodour Al Sumait



Tariq Al Jassem

project. As well as the expected rights and profits, by calculating the value of the project's assets, current profits, and expected liabilities.

About the possibility of including creative ideas in this type of market, so that the investor is the full financier of this project, she emphasized the possibility of making partnerships between the owner of the ideas and the investor to enable the ideas to be converted into a profit-generating project. As well as to be entered into the Small and Medium Enterprises Exchange, after studying and knowing the market need for the project and idea.

### Alternative Financing Opportunities

For his part, entrepreneur Tariq Al Jassem stressed the need to find alternative opportunities to finance start-ups or faltering projects and at the same time build a platform that gives successful projects the opportunity to sell or exit from their companies in order to strengthen and revitalize the field of small projects, especially after Corona. He also pointed out that the importance of building a market for small projects, which will increase the importance and seriousness of using and relying on the accounting profession as a primary means of evaluating the price of project stocks.

# Closing of the Second Global Virtual Conference to Support Innovation, Creativity and Entrepreneurship System for 2022

Coinciding with the global celebrations of the Entrepreneurship Week, the third global virtual conference to support the innovation, entrepreneurship, artificial intelligence and technology system was launched from Kuwait. The conference continued for three days from 15th to 17th November 2022 from 1 pm to 12 am KWT, under the auspices of Her Excellency Ms. Aseel Al-Munifi, Undersecretary of the Ministry of Finance. This conference comes as part of one of the Gulf initiatives that took upon itself to raise the competitive ratings and indicators of the Gulf countries, and economic diversification through modern economic programs, in which more than 320 experts from all over the world will participate. It brought together practitioners, governments, academic scientists, decision-makers, funding institutions, researchers, and experts to share the best successful practical applications and future visions related to innovation, management, technology, entrepreneurship, and artificial

intelligence. The conference will be held via Whova Artificial Intelligence platform.

### The Second Global Conference focused on (7) main objectives:

- 1- Enhancing the atmosphere of innovation, creativity, and entrepreneurship.
- 2- Involving the local and Gulf community in innovative, creative, and entrepreneurial activities by creating media and educational systems; as well as developing curricula that work on the transfer of knowledge and skills to individuals and organizations to employ them in order to raise awareness and promote the spirit of innovation, entrepreneurship, and creativity.
- 3- Supporting communities of practitioners and professionals through the sustainability of smart growth and innovation, as well as the sustainability of economy through the sustainability of smart

zones through technology, cooperation, education, and other economic and social strategies.

- 4- Exchanging experience with effective partnerships in the areas of innovation, artificial intelligence, and entrepreneurship.
- 5- Developing strategies and implementation plans to accelerate the social and economic impacts of innovation, creativity, and entrepreneurship at all international levels.
- 6- Identifying challenges and opportunities for innovation, artificial intelligence, and entrepreneurship programs.
- 7- Supporting the innovation and entrepreneurship ecosystem.

The conference was initiated with an opening speech by His Excellency Mr. Saad Al-Alaty on behalf of Her Excellency Ms. Aseel Al-Munifi, as he welcomed all the participants at the opening of the Third Global Virtual Conference



to support the innovation, creativity, technology, and entrepreneurship system. He also expressed his pride in launching it from the State of Kuwait, as the conference is an extension of the events that aim at raising the Gulf, local and global communities towards economic, social, and technological growth.

In his speech, he noted that the State of Kuwait has always been a key player in technological investment, advanced technologies, and virtual and innovative services towards economic diversification based on innovation and entrepreneurship programs. As this comes in line with the State of Kuwait's 2035 development vision, which focuses on sustainable smart growth and digital transformation, that the State of Kuwait becomes a financial and commercial center attracting investment at the regional and global levels, as well as aligning them with the 2030 Sustainable Development Objectives.

Al-Alaty added, "The digital economy is considered a long-term investment on which the world's advanced countries have relied towards digital transformation. As digital economy is involved in all areas of economic, technological, financial, academic and social life."

He continued, "Countries have many challenges in the

innovation, entrepreneurship and technology ecosystem, but in the Gulf countries, the challenges disappear by accession to business accelerators and business incubators programs, innovation and entrepreneurship centers and obtaining direct logistical support such as financing, consulting and training. Therefore, the importance of global conferences comes through sharing successful global experiences and expertise, creating strategic partnerships in the area of innovation, entrepreneurship, artificial intelligence, and technology, as well as generating innovative ideas, tools, and strategies for future applications.

Dr. Hanadi Al-Mubarak, President of the Global Conference to Support the Innovation and Entrepreneurship Ecosystem and the Founder of Ecosystem for Management Consulting Co., delivered a speech in which she said, "It is my great pleasure to be here today to meet with more than 321 experts from 36 countries in this global virtual conference in conjunction with the global celebration of Entrepreneurship Week towards the improvement of innovation and entrepreneurship system."

Dr. Hanadi Al-Mubarak stated that advanced and developing countries have largely agreed that innovation is the strategic

driver of the digital economy, supporting the growth and expansion of modern economic institutions based on innovation and technology, towards growth and activating highly efficient acceleration programs, which help institutions implement innovation strategies, and accelerate the process of establishing start-ups. As well as promote smart economic growth and encourage innovation that dramatically improves products, services, processes and new organizational methods in business practices.

Al-Mubarak noted that smart programs are considered a long-term investment and a vital tool for economic diversification based on successful best practices that lead to the achievement of a matrix of outputs, such as a high rate of successful partnerships and relationships, technology transfer, and marketing them. In addition to helping to accelerate financing and successful strategic planning, enhance the atmosphere of entrepreneurship and innovation in smart cities, in addition to marketing research and development, and technological innovation. As well as supporting technological entrepreneurship, which will lead to the provision of a high rate of employment opportunities, high productivity, and distinctive inventions with a high survival rate of firms



**H.E. Dr. Mohamed Eid Al-Suraihi**



**H.E. Khaled A. Mahdi**



**H.E. Colonel Abdul Samad Sulaiman**

around 90% and a high rate of startups in the market.

For her part, Her Highness Princess Doaa bint Mohammed, the pioneer of social work and the founder of Al-Maharah Education Company, explained that undergraduate and postgraduate studies have two basic missions, the first and the basic ones are based on research and education, and the second is based on innovation and impact. Thus, undergraduate education is the starting point for supporting innovation, supported by financing funds.

For his part, His Highness Sheikh Salem Al Qasimi, Chairman of the Department of Civil Aviation in Ras Al Khaimah, said, "Innovation is simply a new idea or improvement and the process of enhancing an existing idea. At the Department of Civil Aviation in Ras Al Khaimah, our focus will always be on more

efficient services for customers and a safer environment for all, which is why we inculcate innovation and creativity as part of our cultural values, to provide our employees with confidence and competence to tackle the challenges in the daily scenario."

In this context, Mr. Abdullah Al-Mazrou', Director-General of the Patent Office at the General Secretariat of the Gulf Cooperation Council for the Arab States (GCC), said that he considered the intellectual property system in its various categories and the rights arising from it as an incubator that stimulates innovation, artificial intelligence, and entrepreneurship. As this leads to the possession of qualitative assets that push the knowledge-based economy of countries to the desired sustainability.

At the opening ceremony of the conference, His Excellency Mr. Anas Mizra, the CEO of

the National Company Group for Technology Projects, said, "One of the most important factors to support and develop the innovation system is to create a supportive environment that ensures its stimulation and containment in all its stages. As well as to ensure its sustainability even in the absence of institutional support for it. This environment is not necessarily associated with a specific time or place, especially in the initial stages of the innovation journey, but it is associated with ideas, the way to deal with the conditions of daily life, the ability to make decisions, and liberty to implement."

His Excellency Professor Yousef Al-Roumi, Rector of Kuwait University, represented by His Excellency Dr. Zaid Dashti, participated in a speech at the opening ceremony, in which he said, "At Kuwait University, we seek to achieve visions and create strategies



**H.E Manaf Al-Munifi**



**H.E Youssef Al-Marzouq**



**H.E Dr.Moudi Al-Humoud**

that are concerned with promoting modern technology in the various work centers in University and its colleges. As we are working on creating an administrative and financial system, high-quality systems that support the development process aiming to improve administrative, financial, and service performance through the use of artificial intelligence techniques to achieve quality standards and beneficiary satisfaction, supporting the infrastructure of information systems, developing the electronic ecosystem and making it a tangible reality.”

His Highness, Sheikh Mohammed Al-Sabah, Chairman of Malik Soft Company, gave a speech in which he spoke about the New Kuwait Vision 2035, which works on adopting and developing various technology strategies to serve all mankind, especially in Artificial Intelligence, and about the

importance and impact of this vision on changing my practical and investment nature of this area. His Excellency, Dr. Tariq Al Sheikh, the Representative of UN Secretary-General, noted that recent developments in the Internet of Things (IoT), artificial intelligence (AI), digital twin, robotics, smart grids and meters are leading and supporting the development of smart sustainable cities all over the world.

His Excellency Dr. Youssef Al-Marzouq, Chairman of Al-Anbaa Newspaper, said, “In a world where geopolitical variables are intense and peoples fight over natural resources whose main feature is depletion sooner or later, “innovation” remains an inexhaustible resource. As this makes it a real wealth that deserves attention by supporting and developing it to enrich people’s lives with new solutions that facilitate all their life matters, to achieve prosperity for all.”

For his part, His Excellency Dr. Ashraf Mansour, Secretary-General of the Arab Federation for Sustainable Development and Environment in Cairo, stated that when efforts are united, the impossible is made possible and the difficult becomes easier, and the gathering of these competencies is clear evidence of a firm desire to overcome all obstacles.”

His Excellency Manaf Al-Munifi, the Head of Strategic Planning and Follow-up at Burgan Bank, said, “We expect the highly regulated banking industry to be rigid, heavy, and slow to change. The inability to adapt in these times will make any bank cease to exist within the next 5 years, therefore, the only way to move forward for banks is to adapt and become flexible enough to accommodate the shift in banking services from these old, thick building structures, to a service provider that customers can carry in their pockets, while still maintaining



**H.E Zaid Alluhaib**



**H.E Dr. Rabih Baalbaki**



**H.E Dr. Shafia Al Neyadi**

the same confidence in the security of traditional non-transferable vaults that we've seen in the movies."

For his part, His Excellency Colonel Abdul Samad Suleiman, Deputy Assistant Director for Leadership and Future Affairs of the Federal Authority for Identity, Citizenship, Customs and Port Security of the United Arab Emirates, concluded the speech at the opening ceremony, noting that the world is witnessing various developments now. As it is moving at an accelerated pace towards a new stage, governments seek to provide the best models for providing services and improving the quality of life through innovation and future foresight, and enhancing these services and processes to distinct levels. In this sense, the UAE has provided an inspiring model for governments, as it launched the Artificial Intelligence and Blockchain strategy. Since

the leadership directives have always concentrated on establishing and developing the innovation system in line with the variables, using effective tools and strategies to support talent and to promote quality of life in various areas.

For his part, His Excellency, Dr. Mohamed Al-Serih, the Chairman of the Arab Council for Creativity and Innovation, gave a speech in which he said, "We live in an era that is full of influences and rapid changes that have changed the features of the real world that we knew and transferred it into a hypothetical world that we had previously imagined and now we coexist with. In order to be able to coexist, there must be a synchronization accompanying this great change, the modification of many of the constants that the human resource is accustomed to, who is the maker of this scientific breakthrough including changing the utilized

knowledge, sciences and systems, and accelerating the modernization of organizations. All of these influences contribute to changing and developing this world around us."

The journalist and political analyst, Mr. Dahem Al-Qahtani, spoke on behalf of Mr. Walid Al-Nisf, the Chairman of Al-Qabas Newspaper, said, "AI is no longer an option to determine whether we will use it or not. In today's world, Artificial Intelligence Systems have become one of the most important and indispensable pillars of most systems that operate factories or public utilities."

In addition, His Excellency Mr. Waleed Al Khashti, the Executive Director of Relations and Communications at Zain Kuwait, delivered a speech as he said, "With the wave of digital transformation that the entrepreneurship world is witnessing, it is essential to



**H.E Ghassan N. Alkhoja**



**H.E Waleed AlKhashti**



**H.E Mishaal Al-Subaie**

exchange experiences and expertise between the private sector and the government agencies, as well as the civil society organizations to achieve the optimal benefit for all, which is the key objective of this distinctive conference year after year.”

His Excellency, Ghassan bin Nasser Al-Khoja, Resident Representative of the World Bank in Kuwait, said, “Demand-side factors must be addressed in the light of their role in determining the pace of digital adoption once digital connectivity is achieved. These factors include increased access to financial accounts, and increased digital and financial literacy, which can be leveraged to expand digital finance networks. While efforts to expand financial inclusion must continue across traditional bank accounts, mobile banking promises to accelerate the adoption of digital payments across society. The report

found that mobile banking can stimulate digital payments, which will enable the region to overcome access restrictions to bank accounts and digital products that rely on bank accounts.”

Dr. Shafee Al Neyadi, a trainer and expert in human resource development and family relations, concluded the opening speeches, saying, “The study of innovative thinking in the era of information technology is a matter of “be or not to be” for any society, especially communities that depend on innovation in their industry and economy. As innovation is the most authentic future in human life, as it is that spring of life that never ceases, and this new hope is what keeps people hopeful, that tomorrow will be something else.”

For her part, Her Excellency Wejdan Ayyad, Advisor to the Minister of Education, said that the recent studies

have shown that the most important transformation that may be reflected in the field of entrepreneurship is the “Artificial Intelligence Revolution”. This is because the interactive relationship between entrepreneurship, innovation, and the acceleration of the technological pattern inevitably provides entrepreneurs with a great ability to transform ideas into successful projects. As this helps them enter emerging markets, develop innovative business models, invent new goods for customers, or create modern production technology and low-cost services to ensure the sustainability and profitability of companies, thus contributing to the development of a higher lifestyle for communities and achieving economic and social development.

Dr. Mohamed Laza’r, the senior expert of the technical staff at the Arab Planning Institute, said that this conference has gained an international reputation and



**H.E Keith Howells**

its popularity is increasing year after year. This is due to its interest in topics of great importance related to economic diversification, innovation, technology, entrepreneurship, and creativity in the Arab countries in general and the GCC states in particular.

Ms. Al-Jawhara bint Turki Al-Otaishan, Chairman and Editor-in-Chief of Rowad Al A'mal Magazine, said, "Today we are on an important occasion that could represent a new approach that contributes to providing a deep vision of an area that is becoming increasingly important day after day. As it could become the Arab world's safe gateway to solve all its economic, social and possibly political problems. Entrepreneurship has acquired an important dimension in the map of economic activities affecting the world, and this dimension was only a result of the development and growth achieved by entrepreneurship



**H.E Prof.fernando lopes**

in the economies of many countries.

The opening speeches of the conference were concluded by His Excellency Abdul Rahman Al-Qa'shish, a Strategic Planning Advisor, by calling for partnerships and investment in various fields in the Kingdom of Saudi Arabia, saying, "As everyone may know that the Kingdom's Vision 2030 is mainly based on innovation as a tool to reach the objectives of its programs, initiatives, and qualitative projects. It is the cornerstone that will position it to achieve leadership in the global innovation scene, by creating a diversified and balanced innovation system characterized by effectiveness and efficiency. Government sectors have moved rapidly towards adopting modern concepts and practices in innovation to improve the governmental work environment and develop services, which will have a direct and indirect impact on all beneficiaries."

The Third Global Virtual Conference to Support the Innovation, Technology, Artificial Intelligence and Entrepreneurship System concluded with a set of recommendations, namely:

1. Developing and establishing a bank for initiatives that includes basic information and data for innovations and inventions at the local, Gulf, and regional levels, utilizing the latest applications in modeling.
2. Establishing technology transfer offices in research institutions and universities to support and market new inventions and technologies because of their added value in increasing the number of patents and intellectual property.
3. Enhancing the role of media in supporting innovation, entrepreneurship, artificial intelligence, and digital transformation via joint Gulf media programs and highlighting successful innovators, inventors, and entrepreneurs.
4. Encouraging businessmen and private sector companies to invest in supporting the innovation and entrepreneurship system in establishing the infrastructure for digital transformation.
5. Applying the Metaverse virtual services in companies, financial institutions, as

well as academic and research institutions as one of the outputs of artificial intelligence.

6. Enabling the use of smart devices at all levels to encourage smart generations to keep pace with today's fast-moving technology.
7. Empowerment of new positions that shape the technological century instead of traditional jobs, starting with presenting new academic disciplines.
8. Linking academic education outputs to the ladder of new jobs that serve the digital economy.
9. The launch of the Expo competition annually at the level of Arab and international countries, in conjunction with the annual celebration of Innovation Day.
10. Empowering Arab inventions and turning them into investment projects to support the local and global economy.
11. Encouraging investors and Chambers of Commerce to support inventors and innovators.
12. Empowering innovation and artificial intelligence strategies in academic institutions towards sustainable smart growth.
13. Urging the financial and funding institutions



**H.E Abdulrahman  
Alqaeshesh**

to streamline funding procedures to invest more capital, and encourage investments in innovation, artificial intelligence, and technology.

14. Empowerment of economic diversification via modern global programs towards a knowledge economy based on human capital, information technology, and artificial intelligence techniques.

15. Encouraging and empowering entrepreneurs and emerging companies to remain in the local market by simplifying the financing, administrative, and marketing procedures toward local and global economic growth.

16. Encouraging and empowering comparatively local products and services to compete with global products to support the local economy.



**H.E Dr. Iazar Mohammad**

17. Empowerment of human capital through training and applying innovative skills and modern technologies.

18. Empowering investment in research outputs in academic institutions to raise the research and development index and take advantage of research and studies that serve the growth and development of the local economy.

19. Enabling the flow and growth of data and their analysis locally and globally by applying artificial intelligence techniques and algorithms that facilitate access to financial, economic, social, and technological data.

20. Establishing a data bank that links global, Gulf, and regional databases that are concerned with innovation, entrepreneurship and technology.

# The Saudi Arabia Smart Grid Conference under the Sponsorship of the Ministry of Energy





Under the sponsorship of the Ministry of Energy, the 10th Saudi Arabia Smart Grid Conference and its accompanying exhibition have been launched today under the slogan “Integrative Solutions for Sustainable Energy”. The Conference and exhibition will continue for 3 days, during which the impact of sustainability, renewable energy, legislation, and future directions for smart grids will



be discussed.

The Governor of the Water and Electricity Regulatory Authority, Dr. Abdul Rahman Al- Ibrahim, in his speech on this occasion, stressed the support and care provided to energy sector by the wise leadership, may God support them, which has led to the achievement of a paradigm shift in various fields related to the sector, pointing out that the Ministry’s sponsorship of this conference reflects its interest and concern to enhance this vital sector, contribute to the development of electric power industry technologies, and transform the electricity system to achieve the Kingdom’s Vision 2030.

The opening session of the conference was held, and attended by the Deputy Minister

of Housing, Eng. Abdullah bin Muhammad Al-Budair, the Assistant Minister at the Ministry of Human Resources and Social Development for the Common Services Sector, Eng. Muhammad bin Nasser Al-Jasser, the Governor of the Water and Electricity Regulatory Authority, Dr. Abdul Rahman Al- Ibrahim, and the Undersecretary of the Ministry of Economy and Planning for Sectoral and Regional Development Affairs, Farah bint Ahmed Ismail.

On the first day of the conference, six workshops were held, during which many important topics regarding the electricity grids were addressed, including; applications of artificial intelligence in smart grids, regulatory aspects related to the application of advanced technologies in grids, the infrastructure of electric car





charging stations, and etc.

On the second day, many dialogue and specialized sessions were held, including; a dialogue session on the regulatory aspects and future directions of smart grids, and a session on grid upgrades, attended by the Governor of the Standards, Metrology and Quality Organization, Dr. Saad Al-Qasabi, the Governor of the Communications and Information Technology Commission, Dr. Muhammad Al-Tamimi, and the Director of the National Information Center, Dr. Essam Al-Waqit, and another session on the future of smart utilities, attended by the CEO of the Saudi Electricity Company, Eng. Khaled Al-Qunun, the

CEO of the National Water Company, Nimr Al-Shibl, and the CEO of the Saudi Power Procurement Company, Eng. Mazen Bahkali, in addition to an introductory session on "Saudi Kingdom's Youth Energy." The activities of the second day concluded with a discussion session on sustainability and renewable energy.

The program also included keynote speeches of the President of the Arab Union of Electricity, Eng. Abdul Rahim Hafizi, and the President of the State Grid Corporation of China, Jang Jiayang.

On the third day, a number of sessions were held, during which various topics were covered, including the support

of major transformations in the energy sector, the latest trends in advanced grid solutions, entrepreneurship in the energy sector, the role of women in the energy sector, and the latest trends in smart grid technologies.

Moreover, the conference marked the honoring of the winners of the Smart Grids "Ideathon", which is being held for the first time, participated by 130 male and female students from 24 Saudi universities, representing 26 teams, competed in finding solutions and innovations related to some of the challenges facing the electricity sector and electrical grids.

# International Commercial Arbitrator Program



“Youth Public Authority” celebrates the graduation of the first batch of the Areej Hamada Initiative to qualify young people in the field of “International Commercial Arbitration” Al-Rabea:

“Paying attention to Kuwait’s human wealth and empowering and caring for youth through many programs and projects”

Al-Shariaan: Kuwaiti youth have the ability to work in any field with high efficiency

Hamada: The initiative is the first in the Middle East and aims to create a promising generation in international

commercial arbitration

The Authority stated, in a press release, that the program aims to qualify Kuwaiti arbitrators at the international level in the fields of law, engineering, and commerce (accounting and finance), and to provide international job opportunities for Kuwaiti youth. It added that the program contributes to qualifying legal cadres technically and professionally among young Kuwaitis, and works to raise awareness in international legal arbitration. Furthermore, the authority stated that the program also aims to familiarize young people with the basics of

international commercial arbitration processes, raise their efficiency, and refine their talents through academic training curricula that provide them with job opportunities in the field of international commercial arbitration. It also pointed out that the program includes merging the academic side of legal studies with the practical side, training young people on how to initiate an arbitration case, how to form the arbitrators’ panel and draft a claim for the nullity of arbitration. In addition, it stated that the program qualifies Kuwaiti youth to work in the field of international

# برنامج المحكم التجاري الدولي

24 سبتمبر - 2 أكتوبر 2022





Alaa Khalifah



# Global Trade Arbitrator Program

Organized By Youth Public Authority & Chinese European Arbitration Centre & Hamburg Arbitration Circle  
Center Of Excellence In Management



**Dr. Elke Umbeck**  
President of the Chinese European Arbitration Association



**Dr. Friedrich Rosenfeld**  
Global Adjunct Professor of Law at NYU Law in Paris



**Jörn Carsten Hombeck LL.M. (Auckland)**



**Oliver Körte**  
Chairman of the Hamburg Arbitration Circle



**Dr. Jonas Pust**  
Co-chair of Young CEAC of the Chinese European Arbitration Centre



**Dr. Simon Mariner**



**Dr. Felix A. R. Dörfelt LL.M. (Pepperdine)**  
Rechtsanwalt/Partner



**Dr. Bashayer Alghanim**  
Associate Professor of Private International Law at College of Law Kuwait University



**Areej Hamadah**  
Local representative officer in Kuwait ( CEAC )

From 24.9.2022 / To 02.10.2022 

commercial arbitration, equipping them with the skills of concluding international arbitration agreements and discovering loopholes, besides clarifying the basic principles of international arbitration rules and their applications. It stressed the importance of strengthening the presence of Kuwaiti international commercial arbitrators in international commercial arbitration centers, indicating that Kuwait is currently represented by arbitrators from other countries. The Authority stressed the need to develop the legal skills of Kuwait's youth, to avoid making mistakes, to achieve success in the competitive international arbitration market.

Today, Sunday, the Youth Public Authority concluded the "International Commercial Arbitrator" program, in cooperation with the Center for Excellence in Management, at the College of Administrative Sciences, Kuwait University. As well as the Chinese European International Arbitration Center, and the Hamburg Chamber of International Commercial Arbitration to qualify Kuwaiti arbitrators at the international level.

The Director General of the Authority, Dr. Mishaal Al-Shaheen, said in a speech he delivered on this occasion: 56 trainees participated in the program and obtained certified

international certificates after completing the program successfully.

In this context, Al-Shaheen added that the participants were trained according to the principles of international commercial arbitration processes, raising their efficiency and refining their talents through academic training curricula that provide them with job opportunities in the field of international commercial arbitration. He also emphasized the importance of youth acquisition of the necessary skills for success, stressing the Authority's keenness to provide various programs to embrace and

direct youth energies.

Dr. Al-Rabee' stated that the Authority has qualified young people to work in the field of international commercial arbitration and has provided them with the skills of concluding international arbitration agreements and discovering loopholes, in addition to clarifying the basic principles of international arbitration rules and their applications.

He mentioned that the Authority offers many programs that qualify young people to keep up with the labor market and provide them with the necessary skills and develop their capabilities, including the "Work Makers" project, which aims to employ newly graduated Kuwaiti youth from various scientific disciplines.

Moreover, he stated that the Authority has always paid attention to Kuwait's human wealth and has taken upon itself the empowerment and professionalization of youth and care for them by offering many programs and projects available to them, stressing the importance of investing in the national youth component.

For his part, the Head of the Economics Department at the College of Administrative Sciences, Kuwait University, Dr. Anwar Al-Shariaan, clarified in a similar speech that a group of professors of

international law participated in the program to qualify Kuwaiti arbitrators to create international job opportunities for young people.

Dr. Al-Shariaan explained that the Center for Excellence in Management at the College of Administrative Sciences is working to contribute to serving young people and qualifying them for better jobs through the many skills that the center embraces and works to develop and refine them.

He stressed the importance of the presence of Kuwaiti international commercial arbitrators due to the scarcity of Kuwaiti arbitrators in Kuwait. As well as to create job opportunities for young people in international commercial arbitration centers, indicating that Kuwaiti youth have the ability to work in any field with high efficiency.

For her part, the regional representative of the European-Chinese Commercial Arbitration Center, Attorney Areej Hamada, stated that she presented the initiative of the International Commercial Arbitrator Program, the first of its kind, to the Youth Public Authority in cooperation with the Hamburg Center for International Commercial Arbitration, the Chinese-European Commercial Arbitration Center in Germany. As well as the Center for Excellence in Management

at College of Administrative Sciences, Kuwait University.

In addition, Hamada explained that the objective of the program is to create international job opportunities for Kuwaiti youth in international commercial arbitration centers in various countries of the world by qualifying them to become international arbitrators in the field of international trade. She also pointed out that the program aims to create a new promising generation in the field of international commercial arbitration, which is a new initiative of its kind and is the first in the Middle East in terms of youth support.

She added that the program targeted Kuwaiti youth between the ages of 23-34 and holders of a bachelor's degree in law, engineering, or accounting, provided they are proficient in the English language, as the training during the program is delivered in English. She pointed out that it was supposed to train 30 people, but about 200 people applied for registration, 164 were interviewed of those who met the conditions, 76 of them were accepted, and in the end, 56 people were able to pass the test.

Moreover, Hamada pointed out that 7 international arbitration lawyers from Germany trained the participants in the program, and they are considered among the most famous and



experienced lawyers in Europe. Their work was voluntary, but the Youth Public Authority paid the expenses of hosting them and organizing the training program.

## Advanced Stage

Hamada stated that the certificates obtained by those who passed the program, after they completed 56 hours of the duration of the training program, were signed by two international arbitration centers, the Hamburg Chamber of Commercial Arbitration and the Chinese-European Arbitration Center, which are affiliated with the German Chamber of Industry and Commerce in Hamburg. She pointed out that the training period was daily from 4 to 10 pm at the College of Administrative Sciences, Kuwait University.

Hamada indicated that 9 of the participants in the program were accepted to become members of the Chinese-European Arbitration Center, which is considered a success for the program, which marks their entry into the second stage in the field of work in international commercial arbitration centers. She also added, "We in this program will not only qualify them, but also we will endeavor to provide all support for their appointment to international centers and organizations."

She expressed her pride in all



the Kuwaiti youth competencies that participated in the program from various disciplines, noting that the program will continue in the coming years in cooperation with various government agencies in order to qualify and appoint qualified national competencies to work in the field of commercial arbitration.

Furthermore, Hamada

indicated that the lecturers in the training program expressed their great admiration for the young people participating in the program and their precise discussion style and intelligence in analyzing cases, expressing her pride in this elite host of graduates of the International Commercial Arbitrator Program.













With a kind invitation from the TANAWUR Voluntary Team, ALDABT Law Firm, and NAWAT Coffee in Asir, the Kingdom of Saudi Arabia, the attorney and the Editor-in-chief of Legal Challenges Magazine, Areej Hamada, participated in a symposium to present her experience as a lawyer, and how she managed to overcome all the challenges she encountered to achieve success. The event witnessed the presence of an elite host of Saudi male and female lawyers and male and female entrepreneurs.









# Lawyer. Danah Nasrallah

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# Abolition of the Civil Service Bureau

No reform is possible without putting competent people in the right place. Perhaps the beginning will be through the abolition of the Civil Service Bureau, which contributed to the accumulation of graduates over years and not placing them in places that suit their specializations and ambitions. As well as destroying their hopes of employment in the field they prefer, love, and spent their life studying it, hence the disguised unemployment.

It is necessary to establish an agency or authority to identify competent people without nepotism, where the focus shall be on the interests of governmental bodies, ending nepotism in all its forms, achieving justice among members of society, and provision of equal opportunities.

The purpose of the agency or authority shall be to collect data on graduates looking for jobs and those with experience, and when there are suitable vacancies for them, recruitment and placement shall be done through this agency or authority.

In addition to coordinating with higher education to develop special files for graduates with higher degrees from abroad, which in turn leads to the enrichment of local administrations with Kuwaiti competencies mixed with experience from abroad.

Youth is the basic building block in the development of any society. Giving them the opportunities they deserve will undoubtedly reflect positively on government work.

There are many young men and women whose dreams have been destroyed after graduation, as they cannot be employed in the right job.

Moreover, many university graduates spent many years waiting for the Civil Service Bureau to place them in a suitable job.

Many people also could see others parachuting down into leadership positions for which he/she is not qualified.

## Isn't It Time For A Change?

# Legal Challenges

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التحديات القانونية  
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