

rates are 50% for carbonated drinks and 100% for tobacco products and energy drinks. It defines excise price as the higher of the price published by the Authority for the excise good in a standard price list and the designated retail sales price for the excise good, minus the tax included. It goes onto identify the designated retail sales price as the higher of the recommended selling price of the excise good identified, declared and affixed by the importer or producer and the average retail selling price.

Abu Dhabi: Bespoke Drug Courts under Consideration

Abu Dhabi has unveiled plans to deal with the number of offenders who are using illegal substances. The Abu Dhabi Judicial Department is considering the use of bespoke Drug Courts, and an official at the Judicial Department, Ali Al Dhaheri, indicates that requests for a Federal Law dealing with drug users is likely. It is thought that the new

Courts would treat addicts and users as patients, rather than simply criminals, so that rehabilitation would wear off the users. The judicial system is likely to take a more lenient approach to users, but dealers and suppliers will continue to be targeted.

The Abu Dhabi Judicial Department has indicated that the establishment of a Court in Abu Dhabi to deal with non-Moslem family law is imminent.

Dubai: Courts of the Future Forum

The DIFC Courts and Dubai Future Foundation have established the Courts of the Future Forum, a ground breaking move. Mark Beer, co-chief executive and Registrar General of the DIFC Courts has indicated the next meeting of the Courts of the Future Forum will meet in February 2018.



Oman

Ardeshir Patel

Partner, Head of Corporate and Capital Markets

Al Busaidy, Mansoor Jamal and Co.



AL BUSAIDY, MANSOOR JAMAL & CO.
— BARRISTERS & LEGAL CONSULTANTS —

Oman Issues Delisting Rules for Public Companies

At the end of August, Oman's Capital Market Authority (the CMA) issued circular E/8/2017 setting out rules to be followed by Omani public joint stock companies in order to delist from the Muscat Securities Market (MSM).

A number of publicly-listed companies, including high profile companies such as Oman Aviation Services SAOG (Oman Air), Dhofar Power Company SAOG, and National Training Institute SAOG have in the past delisted from the MSM notwithstanding the absence of a well-defined delisting process. These delisting transactions have involved a highly iterative process between the delisting issuer and the CMA. In particular, significant discussion and debate has taken place around the exit rights of minority shareholders. In the absence of clearly defined rules concerning a tender or exit offer (Exit Offer), the delisting process was susceptible to uncertainty and delay.

The Delisting Rules now set out a well-defined process to be followed by an Omani public joint stock company proposing to delist from the MSM (a Delisting Issuer). This involves:

- the board of directors (Board) of the Delisting Issuer approving the proposed delisting at a board meeting, followed by a detailed delisting application being made to the CMA for initial approval;
- the CMA considering and, if deemed fit, approving the Delisting Issuer's application, following which, the Delisting Issuer must make a disclosure on the MSM's electronic transmission system with details of the Exit Offer;
- the CMA supervising the Exit Offer;
- the Board convening (within 30 days of the expiry of the Exit Offer) an extra-ordinary general meeting of the shareholders of the Delisting Issuer to obtain their approval for the conversion of the company into a closed joint stock company (which necessarily follows the delisting);
- the recording of the delisting and conversion with the MSM and the Ministry of Commerce and Industry followed by the Delisting Issuer's shares being moved to the MSM (Third Market) which lists shares of closed joint stock companies (such shares remain transferable but not publicly tradable).

The Delisting Rules set important procedural requirements and accountability standards

with respect to the Exit Offer, which include requirements that:

- one or more shareholders of the Delisting Issuer (Exit Offerors) undertake (in writing) to purchase all shares which are tendered in the Exit Offer at a fair price, such undertaking is a condition to the CMA's initial approval for the delisting;
- the Delisting Issuer obtain an independent valuation report, from a CMA-registered auditor, certifying the fair value of the Delisting Issuer's shares (the Exit Offer price must not be less than fair value);
- the Exit Offerors not abandon the delisting process once the Exit Offer has been completed; and
- the Exit Offer remain open for a period of between two weeks and one month of the date of its opening.

The Delisting Rules fill an important gap in Omani securities legislation and provide much-needed clarity to issuers contemplating delisting their shares from the MSM. However, the requirements are stringent and likely to give prospective Delisting Issuers pause for thought. They need to be particularly mindful of the detailed preparatory work that must be undertaken prior to filing an application to the CMA for initial approval. The material price-sensitive nature of information required to be disclosed during the process, in turn, makes it incumbent upon the Delisting Issuer to keep such information in the strictest confidence until an announcement of the delisting is made.

New Regulations on Marketing Insurance Products

Oman's Capital Market Authority (CMA) has published new rules for marketing insurance products (Decision E/69/2017) (Regulations). The Regulations cover the marketing of insurance and takaful products (Products) in Oman and replace the previous regulations issued in 1983.

Prior to the Regulations, Omani insurers generally followed a practice-driven approach for obtaining CMA approval for marketing new Products. This approach typically involved an initial filing of policy documentation and actuarial certificate for a new insurance product with the CMA, followed by question-and-answer sessions and exchange of correspondence with the CMA to provide any required clarifications and comfort.

While retaining elements of the previous regime, the Regulations introduce a raft of additional requirements including:

- obliging insurers to complete CMA-issued

application forms (which currently await publication);

- expanding the documentation that an insurer needs to furnish in support of its application for Product-approval, including:

- policy documents in Arabic or Arabic translations (which are deemed to override their English counterparts);
- the insurer's pricing policy relative to the Product (which must be consistent with the insurer's board approved underwriting and pricing policy); and
- marketing materials for the policy.

- recognition of fairness standards, which oblige insurers to ensure that policy documentation is balanced and fair;

- introduction of a time bound application process (30 days in which to complete the application process from initial filing) and response process (30 days from filing of a complete application for the CMA to respond); and

- levying fees that insurance companies are required to pay the CMA for scrutiny of the Product application (OMR 100) and for marketing it in Oman (OMR 500).

The introduction of the Regulations is aligned with the CMA's declared goal of establishing a sound regulatory and supervisory environment for the insurance sector, aligned with international practices and standards.

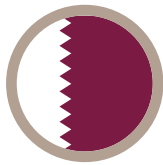
While overall the Regulations successfully bring structure to the process of applying for and obtaining Product approvals, there are certain areas where the Regulations could be improved to address problems that insurers may face. For instance, the Regulations provide that where the CMA does not approve a Product within 30 days of receiving a complete application from an insurer, it is a deemed refusal of the application. The Regulations neither contemplate an extension of the deadline, nor require the CMA to provide reasons for rejection of an application (even subsequent to the elapse of the 30-day approval period).

This lacuna is likely to leave insurers in a quandary with respect to whether or not to revisit the application process, given the likely opacity concerning its failure. Moreover, in case of rejection (whether explicit or deemed), it is not clear whether an insurer may re-engage with the CMA, on the basis of the earlier application, or whether the insurer is required to restart the application process.

Similarly, the Regulations authorise the CMA to cancel (albeit pursuant to a reasoned order) consent for marketing a Product previously granted to an insurer. However, they are silent with respect to the impact of such cancellation on policies that may already have been issued, i.e., whether or not

they may continue in force or need to be terminated and are also silent with regard to the wider ramifications of such cancellation (e.g., on insured parties, reinsurance arrangements and similar matters).

Going forward, notwithstanding initial teething problems, we anticipate that insurers in Oman will rapidly familiarise themselves with and adopt the new Product approval regime.



Qatar

Buthaina Elgahani

Trainee

Mahmoud Abuwasel

Associate

Sultan Al-Abdulla & Partners



Amendment to the Property Leasing Law

Law No. 19/2017 (the New Law) amended certain provisions of Law No. 4/2008 regarding Property Leasing (the Leasing Law), being the fourth amendment to the Leasing Law since its issuance in 2008. This continued sequence of amendments validates the vitality of the leasing business in Qatar and the importance of the legislation.

The New Law introduces several amendments to Article 20 of the Leasing Law, which concerns the registration of a lease agreement. Under both the New Law and the Leasing Law, a lease agreement must be in writing and should include the names of the parties, their nationalities, their address, details of their legal representative, the duration of lease, the rental and the means of payment, and the purpose of the lease.

The most significant change is that the New Law reduces the fee for registering a lease agreement with the Real Estate Lease Registration Office to 0.5% of the annual rental, subject to a minimum registration fee of QAR 250 and a maximum of QAR 2 500.

The New Law also requires the lessor to register the agreement within 60 days of the date of concluding the lease agreement, as opposed to the previous 30-day period.

Gian Miranda

Paralegal

Michael Earley

Senior Associate

Sultan Al-Abdulla & Partners



Qatar Pushing for a Unified Economic Registry

As part of its initiative to modernise the way in which it does business and centralise the registration of economic establishments in Qatar, the Cabinet has recently approved a draft law on the implementation of a national unified economic registry (Registry). Once launched, the Registry will document Qatari enterprises, corporate entities, and foreign branches operating in Qatar through the issuance of a specific registration number. In addition, the introduction of the Registry should streamline the process of registering transactional and company-related documentation.

The Registry is intended to serve several purposes. First, the Registry will record the business type and its transactional history in a centralised database for easy reference. Second, maintaining such a database can pave the way to more effective regulation of

businesses operating locally. The registration system could potentially enable the government to keep track of violators, as well as provide a more vigilant means of monitoring compliance. Third, by issuing a single unified identification number, the government could potentially eliminate duplication between the various Ministries and agencies.

If the Registry is made accessible to the public, it could increase transparency and consequently encourage more foreign investment, by enabling people to locate suitable business partners in the country. In addition, such transparency could compel local businesses to be more diligent in their transactions and dealings in Qatar. Regarding the registration of individual enterprises, the Registry should ensure that these individuals are qualified and have the necessary credentials to practise their professions. The Registry could also serve to protect the public from potentially detrimental business partners.