



*Dear Friends and Clients,*

*When we say the world is not the same as yesterday it is an all-time true saying. But maybe it has become more true recently.*

*The future will be one of the most interesting times we have experienced in decades, maybe even since the fall of the Berlin Wall.*

*Nearly all of the political and economic forecasts we have made have been shattered or have become unstable. Our biggest question now is, whose recommendation shall we build our decisions on now? Who knows! The questions vary, from person to person and investment to investment:*

*Where to live in peace and safely?  
Which banks we can trust?  
Whether interests will rise or the Dollar will fall?  
Whether gold is still an attractive investment?  
Whether buying a condo in Dubai and gaining 8% p.y. is a safe investment?*

*There are hundreds more questions that probably nobody can answer with very much accuracy. So, what shall we do? Business as usual? Being phlegmatic towards whatever happens around us? We can't change anything, we don't have influence, or do we? If we think we are surrounded by barking dogs, hissing snakes, false storytellers and are close to the eve of destruction, it will not help us either.*

*We still have to rely on our own instinct, recognising what's good or bad and finally on consultants and advisors whose main goal is not just making money. There are thousands of new opportunities. We only need to keep our eyes open and ourselves surrounded by people we can trust and who show us what's going on.*

*As our law graduates start with their teaching jobs, it is the right time to open up towards new shores. Our consultancy is booming so we feel obliged to let others know how to master these difficult times. And we do this for our clients, our students, and last but not least, for our friends. Enjoy the moment, create your own future.*

*Yours,*

*Theodor Strohal*

## Internal SLG News

Jana Krok and Theodor Strohal have both been appointed as lecturers at Modul University Dubai. They will teach business law, business planning and intellectual property law.

Theodor Strohal will further hold lectures on international arbitration at the Yangon Arbitration Courses on Feb. 1 and 2.

Jana Krok, LL.M., Managing Director of Strohal Legal Consultants, will give a lecture at the American University of Ras Al Khaimah on the subject of "Business start-up in the UAE". Interested audience will be welcomed on Wednesday, 15 February, 2017, 3.30 – 4.30 pm, at the Conference Hall, Ground Floor, Building G.

Our annual firm party is expected to take place on 23 February 2017.

SLG offers a new year's 10% discount on fees until April 2017 to members of the Austrian Business Council, the German Emirati Council for Industry and Commerce (AHK), the members of the Swiss Business Council and the Singapore Business Council.

## Publishing free zone in Sharjah to boost the print market

After organizing the Sharjah International Book Fair for more than thirty years, the Sharjah Book Authority (SBA) is setting up Sharjah Publishing City (SPC) covering 400,000 sqm of land with office and warehousing space for companies to set up regional and international sales and marketing presence. This free zone will be the first one devoted to the printing and publishing industries. Around 400 ready-to-use furnished/unfurnished offices and warehouses for long term and short term storage are planned. 30 Indian publishing companies have shown interest in the project and will get an early bird discount.

## **US airlines are up in arms against Emirates for what it calls violation of Open Skies Agreement**

After having won most of the disputes with European airlines (recently Lufthansa/Austrian Airlines had to cancel their Vienna – Dubai flights), Emirates is now targeting the Europe – US routes. Let's see if they will be as successful.

Emirates will begin a new daily route linking Dubai and the New York area via Athens, adding fuel to a dispute with US airlines over whether Persian Gulf carriers are unfairly flooding the skies with flights to the world's largest aviation market.

The route will be Emirates' second to arrive in US after touching down in Europe, enabling the airline to pick up passengers thousands of miles from its home base in UAE. The flights are "commercially and operationally feasible," the airline's president, Tim Clark, said in a statement Monday.

The new route amps up a dispute with US rivals just as President Donald Trump takes office vowing to protect American jobs. Delta Airlines, American Airlines Group, and United Continental Holdings had urged the Obama administration to hold formal talks with UAE and Qatar, alleging that the countries provided billions of Dollars of unfair subsidies to Emirates, Qatar Airways and Etihad Airways.

"By flagrantly violating its Open Skies agreement with the United States at the start of the Trump administration, Emirates is throwing down the gauntlet," said Jill Zuckman, spokeswoman for the Partnership for Open & Fair Skies, the US airlines' lobbying group on the issue. "We look forward to working with President Trump and his team to enforce these agreements and protect American jobs — something that the Obama administration failed to do."

## **Ras Al Khaimah to introduce one-session-court**

RAK's crown prince His Highness Shaik Mohammed bin Saudi bin Saqr Al Qasimi ordered the new summary court to handle claims not exceeding AED 500,000. The court only has jurisdiction over civil and commercial cases and shall give the verdict by the end of the session. However, it will remain in the discretion of the court to order adjournment of longer cases in which the prosecution and defence arguments and documents are not fully submitted.

## **Dubai Duty Free cut prices after a Brexit-affected weaker Pound led to lower airport sales**

Dubai Duty Free cut prices after a weaker Pound led to lower airport sales and expects to boost revenue by 5 per cent this year, driven by spending by Chinese travelers.

"We have been negotiating with our suppliers, a lot of whom we pay in Dollars," the airport retailer's Chief Executive Officer Colm McLoughlin said in an interview on Sunday. "They cooperated very well with us and we've been able to correct this business of being perceived as expensive."

The government-controlled company, which operates at Dubai International Airport, the world's busiest by international traffic, posted a 3 per cent drop in sales to \$1.85 billion in 2016. The decline was partly due to the Pound's slump against the Dollar in the second half of the year after Britain voted to leave the European Union in June, the CEO said.

"The biggest effect of Brexit from our point of view is the exchange rate," McLoughlin said. "If it makes travel more expensive for people, it's serious." European travelers make up almost a quarter of Dubai Duty Free's business, he said.

## **Mashreq bank's net profit in 2016**

Mashreq bank reached a net profit in the amount of AED 1.9 billion in 2016, compared to a AED 2.4 billion record in 2015. 2016 is considered a tough year in the region for the banking industry. Despite the economic climate and low oil prices, Mashreq bank kept its strong position. The total operating income for 2016 was at AED 6.2 billion, an increase of 3.2 per cent compared to 2015 operating income in the amount of AED 6 billion.

## **3 months paid maternity leave for Dubai government employees**

His Highness Shaikh Hamdan Bin Mohammad Bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of the Executive Council, approved this new policy for Dubai government employees that will come to effect from March 1. The policy will benefit employees of all government entities covered by Dubai Government Human Resources Law.

### **UAE updated its fire and safety code**

The new fire and safety codes were unveiled by Dubai Civil Defence (DCD) officials speaking at the first day of the Intersec 2017 exhibition. There have been a series of fires at high-rise towers in the UAE, amid on going concerns over the quality of materials used in some buildings in the country. The new code includes guidelines related to fire doors, cladding, installation, and maintenance responsibilities for each building development party – eg: clients, consultants, and contractors. Further, the specifications will guarantee the installation of safe claddings, minimising the chances of fire spreading.

Existing towers already have DCD approvals and don't have to change their claddings. However, cladding sections undergoing maintenance would have to comply with the new codes. Since each building's maintenance schedule for cladding is different, no deadline has therefore been set for their adjustment to the new guidelines.

A fine of min. AED 500 and up to max. AED 50,000 will be levied for non-compliance with the code's new guidelines.

### **'Hard' Brexit leads to bank relocation**

After Prime Minister Theresa May said that Britain would leave the EU internal market, global banks put plans into action to cope with a hard exit by Britain from the EU.

Banks that relied on the EU "passporting" regime that allowed them to offer services across the pond, out of their British hubs, will be focused on getting regulatory approval and installing necessary infrastructure in the EU, in order to continue to sell products and services to EU customers. Frankfurt has emerged as the top choice because this is where the European Central Bank is headquartered. Regulators in Frankfurt have spoken with "a significant double-digit number of banks" considering moving to the German city, including big U.S. banks, Japanese banks and other European banks. Other London-based posts will be moved to France, Spain and Poland.

The UAE central bank said that banks in the country are not going to see any significant impact from Brexit, as banks based in the UAE do not depend on foreign interbank markets to fund their balance sheets, and their consolidated net foreign interbank position is positive.

### **Industry rumours say Etihad plans to borrow \$2.6 billion to finance the purchase of 10 Boeing Dreamliners and two Airbus A380 superjumbos**

Etihad Airways is in talks with banks to raise roughly \$2.6 billion in loans to finance aircraft deliveries, according to three people familiar with the matter.

The airline is seeking to raise \$2 billion in 12-year loans for 10 Boeing Dreamliner aircraft and about \$600 million in financing for two Airbus A380 superjumbos, said the people, asking not to be identified.

Separately, low-cost carrier FlyDubai is in early talks with Emirates NBD, Noor Bank, and Union National Bank for a club loan "to supports its infrastructure requirements", a spokeswoman for the airline said, without detailing how much it plans to raise. The carrier, which currently operates out of Dubai International Airport and Al Maktoum International Airport, is due to move all of its operations to Al Maktoum this year.

FlyDubai and Etihad are seeking to raise the funds as carriers based in Persian Gulf countries feel the impact of weakening global economies and a prolonged drop in oil prices. Last month Etihad said it would eliminate jobs across several units as part of an organizational review and restructuring after almost tripling its staff to 20,292 over the past eight years, and its fleet expanded to 122 aircraft from 42.

Etihad said it does not comment on market rumors.

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