



Dear Friends and Clients,

Back to business. The summer is still on, but the international schools will start soon and the expats are coming back from holidays.

When I entered the smart gate at DXB Terminal 3 about 80% of the machines rejected my e-gate and also my Emirates ID, "Fingerprint cannot be recognized". But no problem, the friendly immigration officer behind the smart gates does it within a minute. However, when leaving DXB, all machines work properly, no officers are needed, same in Sharjah and in RAK. Interpretation: Is the country more likely to leave than to arrive?

Once you are at home and start your computer you should be aware of committing a crime if "VPNs are used in a fraudulent act". So is it a fraudulent act, when your Etisalat connection shows the famous "This site is blocked" and you access this site through the VPN connection? Or you call home through an internet phone provider for free, using a VPN tunnel because the Skype-to-phone connection is still blocked in UAE? We will try to find answers to these questions by the time our next newsletter will be published.

Minimizing hotel waste is a good thing, but the local municipalities and police should also increase awareness of waste in general. They should focus on things like teaching the kids in school not to throw empty bottles and other garbage through the car windows (which ought to incur a higher fine against the driver than a parking ticket).

The rest of the news is overwhelmingly positive. That's the right way to jump into a new business year, being it the increase on millionaires in the country, ranking 5th in safe investments worldwide, or the still ongoing Dubai real estate deals. The tighter restrictions on who is allowed to do business in this country are understandable. The UAE is no longer the "wild" Middle East where almost anything is allowed because hardly anything is forbidden. Now – maturing from a developing country into a first world country - new laws have had to be implemented to secure this progress and the stability.

Have a successful business year!

Yours,

Theodor Strohal

UAE decree to ensure workers are paid on time

The decree, which will be effective from October 2016, aims to ensure employees' wages are fully paid within a period not exceeding 10 days from the due date. The decree takes into consideration companies registered with WPS (mostly onshore companies/LLCs) and distinguishes between companies with over 100 employees and companies with less than 100 employees.

Saqr bin Ghobash Saeed Ghobash, Minister of Human Resources and Emiratization, pointed out that companies employing over 100 workers must pay wages within a period not exceeding 10 days. If a company delays wages for more than a month, judicial authorities will be informed and action could be taken against all companies owned by the same owner. A fine of Dh5,000 per worker's delayed wages will be levied if wages are not paid for over 60 days. When the company fails to pay wages for two months, a ban on issuing new work permits will continue for 60 days after paying the wages.

Additionally, if the ministry comes across any sorts of salary delays or violations by companies that employ less than 100 workers, the current regulations will apply, from work permits ban to fines to public trial referrals, if the company fails to pay the wages within 60 days. However, if the company commits such violations more than once in one year, the ministry will apply penalties as stated for companies that employ over 100 workers.

Emirates ID holders to fast-track through Dubai airport

UAE residents arriving at Dubai Airport's Terminal 3 will now be able to quickly pass through the electronic gates using their Emirates ID.

Until now, residents have had to sign up for the service and pay a fee of around Dhs200 for an e-gate card. Now the service will be free and Emirates ID holders are automatically signed-up. There are 28 e-gates at the arrivals area in Terminal 3. The service will be implemented at all terminals in the near future.

UAE's zero tolerance for sharing photos, videos of accidents

A number of people have shared pictures on social media of an accident in which an epileptic driver crashed into a restaurant in Ajman, killing a 45 year-old Asian woman and a 9 year-old Arab child.

The UAE's Ministry of Interior Ministry warned the public against sharing photographs and videos of the accidents on social networking sites and apps in order to preserve the dignity and emotions of the deceased and their loved ones.

The ministry said in a statement that it was against the law and that it reflected negatively on the positive spirit of the country's strong values.

"Sharing of accident photos is an unacceptable behaviour, which disturbs families of the deceased and the injured. This is also not compatible with the UAE's customs and traditions, which have been derived from the tolerant Islamic concept. There is zero tolerance for those who are engaged in such behaviour."

Target set for Ras Al Khaimah hotels to minimize waste

The Hotel and tourism industry in Ras Al Khaimah will now have to follow new guidelines in waste management. As per the new standards, the hotels have to increase the waste recycling from the current four per cent to 75 per cent by 2021.

To bring a change in the waste management system, Ras Al Khaimah Tourism Development Authority (RAKTDA) has collaborated with Ras Al Khaimah Waste Management Authority (WMA) to launch the waste management standards as part of the emirate's efforts to achieve goals set out in the UAE Vision 2021 National Agenda, which includes increasing their contribution to clean energy and minimizing waste.

By the end of 2017, hotels and other establishments are required to recycle a total of 15 per cent of their waste. Targets for the following years have been set at 30 per cent and 50 per cent, respectively, before achieving the final goal of 75 per cent by 2021.

No VPN ban in UAE, but higher punishment for VPN crimes

The recently issued amendment of Federal Law No. (5) of 2012 states that using a VPN or proxy server for the purpose of committing a crime or preventing its discovery could lead to imprisonment and a fine of 500,000 AED, which can rise up to as much as 2,000,000 AED.

Virtual Private Network (VPN) securely routes your Internet traffic through a distant connection, which protects your browsing by hiding your location data and accessing restricted resources. Therefore, VPNs have become an important and useful tool not just for large companies, but also for individuals to avoid content restrictions as well as to counter the growing threat of cyber-attacks.

The TRA (Telecommunications Regulatory Authority) stated that the laws only "target those who misuse virtual network services and **will not affect any legitimate activity consistent with UAE laws**". **For that reason, the amended law** will not affect banks, companies and institutions that use VPNs to gain access to internal networks for legitimate reasons. Just the purpose of using it for manipulating internet protocols with the intent to commit any fraud or crime is punishable by law.

This law is not new in its essence. The only changes were related to tightening the penalty (or punishment) for any violation when VPNs are used in a fraudulent manner and the intention is to commit a crime. To summarize, UAE companies are free to use a VPN as long as the activity does not break the country's laws.

UAE rated 5th for safe investments

The UAE is popularly known as a safe haven in the world of business. Rightly so. Be it property, banking and finance, tourism, trade and travel, the UAE – Dubai to be precise – attracts foreign direct investments in a host of sectors and from investors across different nationalities and all continents.

Thanks to the investor-friendly policies, stable government, progressive policies, state-of-the-art infrastructure, lowest crime rate in the world, the UAE's status as a safe haven gains further credence to prove the point that the UAE is, indisputably, among the safest countries to do business.

UAE to have 3,500 millionaires in 2016

The UAE is one of the top destinations for wealthy citizens from various countries around the world, with 3,000 super-wealthy individuals (HNWIs), or 4 per cent added to the millionaire population in 2015 already living here. The country is ranked as the fifth favourite place among the well-off, while Australia occupies the first spot, followed by the United States and Canada creating the top 3.

Given the migration patterns of millionaires, and following the recent atrocities in other markets, some 3,500 new millionaires are expected to move to the UAE this year. These moguls will come from different countries, although many of them will be moving in from Turkey.

Reasons to move to the UAE include: no income tax, relative safety, good educational options for children, good places to socialise, good business opportunities, a growing economy, and first-world transportation and infrastructure. Furthermore, the UAE's international access, political stability, wide variety of shopping and dining options and year-round sunshine are attracting a growing number of wealthy residents.

UAE Ministry of Finance reviews IMF report

Abu Dhabi: The Ministry of Finance (MoF) has reviewed the International Monetary Fund's (IMF) Article IV Mission to the UAE report, which has been evaluating the UAE's economic performance in 2016.

The UAE's economy is projected to grow by 2.3 per cent in 2016, with inflation set to decrease by 3.3 per cent. The country's currency will remain stable thanks to the financial decisions, policies and reforms implemented by government entities with regards to reducing the UAE's dependency on oil revenues, transferring the capital to government-related entities and raising water and electricity charges.

The report showed the growth of non-oil GDP at 3.7 per cent in 2015; and moderate growth is expected in 2016 amid the drop in oil prices. It also highlighted that the EXPO-related investments allocated towards airport extensions, rail, transportation by land and sea, tourism facilities and real estate will promote economic growth in 2017.

Dubai real estate deals cross Dh113 billion for the first half of 2016

Real estate related transactions in Dubai totaled Dh113 billion for the first half of this year, compared with Dh129 billion a year ago.

Business Bay was the most heavily transacted location, accounting for 1,643 units and with a combined value of Dh2.34 billion (figures released by Dubai Land Department show). The Dubai Marina followed in second spot with 1,392 transactions (a combined value of Dh2.89 billion) and Warsan 1 was in at third with 999 transactions (a value of Dh454 million).

However, from the second quarter onwards, the rate of decline in property values started to slow down and then stabilise, while at the same time there were also increases in sales volumes. It was at the time when many of Dubai's developers made a determined bid to jack up sales through sales incentives, which include deferred post-handover payments, low monthly instalments and better support through mortgage providers.

Market analysts remain hopeful that, for the full year, the total will be closer to the Dh267 billion attained in 2015. These expectations are based on a number of projects nearing completion, which is always good for a sales boost. Also, by September, the off-plan market should start getting active again, with locations such as Dubai South, MBR (Mohammad Bin Rashid) City and Culture Village expected to be the beneficiaries.

Contact:**UAE Head Office:****STROHAL LEGAL CONSULTANTS**

Villa 2, 20b Street, Community 153
P.O.Box 31484, Ras Al Khaimah, UAE
Tel: (971) 7 2364530 ,
Fax: (971) 7 2364531
Mobile: (971) 503765847

SINGAPORE Office:**STROHAL LEGAL GROUP PTE. LTD**

20 Upper Circular Road #02-10
The Riverwalk, Singapore, 058416
Fax: +65 65330313,
Tel: +65 65330212

MYANMAR Office:

U MIN SEIN & STROHAL
ASSOCIATES PARTNERSHIP
7 B189-195 Pansodan Tower
Pansodan Street
Yangon, Myanmar
Tel: +959975061451

AUSTRIA Office:**MARSCHALL & HEINZ**

Goldschmiedgasse 8, A 1010
Vienna – Austria
Tel: +431 5335256
Fax: +431 513191124

Email: office@slg-strohallegalgroup.com

Web: www.slg-strohallegalgroup.com

If you do not wish to receive our newsletter anymore just
write an email mentioning, "unsubscribe" to
office@slg-strohallegalgroup.com