



Dear Friends and Clients,

We take the risk! We go Iran! Will you join us?

This immense market has opened up, a population of over 70 mil. people who are all mostly well educated, open-minded and business oriented. This is an immense potential for every entrepreneur. There is still cheap labour, an excellent banking system and a working infrastructure.

Austria has had a bilateral MFN treaty with Iran since 1966, which allows the citizens of the other country to do business like a local (ie: with no restrictions).

The UAE with its favourable geographic position will be the perfect jurisdiction to start business in Iran. There are old ties between these countries and important UAE families have their roots across the Gulf.

If you choose to only stay in the GCC region it's not the worst choice either. The economic outlook is good. There are still some obstacles (like inefficient banking), but you can still make good money here.

Ramadan is over, the hot season doesn't invite many visitors either, but discounts are available everywhere. So just come and see, we also give summer discounts on company set-ups.

See you around!

Yours,

Theodor Strohal

Strohal Legal Group enters new market

After 20 months of negotiations, Iran has agreed to a long-term nuclear deal with the P5+1 group of world powers: the US, UK, France, China and Russia, plus Germany - to limit its sensitive nuclear activities in return for the lifting of sanctions. The Joint Comprehensive Plan of Action (JCPOA) was agreed by all parties on 14 July 2015. To provide you with the best legal service to grow in the new market, Strohal Legal Group will open the first 100% foreign owned law firm in Iran. The opening of our new office in Tehran is planned for September.

We are pleased to assist you with your company set-up and in finding the best suitable corporate structure for your new business, support you in drafting and negotiations of contracts and advise you in business law, labour law and visa regulations as well as in the wild jungle of double taxation agreements in Austria, Singapore, Myanmar, UAE and now Iran.

The German Center in RAK

On 1 July 2015, the ground breaking ceremony of the new German Center in Ras Al Khaimah took place in the presence of Dr. Eckhard Luebckemeier, German Ambassador to the UAE, Dr. Peter Goepfrich, CEO of the German Emirati Joint Council for Industry & Commerce (AHK), Martin Geskes, the architect in charge, and the two founding members of the German Center: Moritz Kerler and Andreas Hangarter. The German Center will be located in a prime position in the heart of Ras Al Khaimah, close to the RAK Chamber of Commerce, on a plot of land granted by H.H. Sheikh Saud.

Upon completion in 2016, the German Center will host various commercial and recreational facilities, (such as: German bakery, coffee shop, and a venue for cultural events), offices for German institutions (the German Consulate and AHK), classrooms for language courses (Arabic/German) and vocational training, as well as office space for new German companies setting up in RAK.

UAE Oil Price Deregulation

The Ministry of Energy has announced that fuel prices across the UAE would be deregulated as of 1 August 2015, adopting a new policy that links to the global prices. The decision, ratified by the UAE Cabinet, is aimed at supporting the national economy, lowering fuel consumption, protecting the environment and preserving national resources.

The ministries of Energy and Finance will act as the government's representatives in a committee set up to review fuel prices in the UAE every month. This fuel price committee also includes members the Undersecretary of the Ministry of Finance, the CEO of Abu Dhabi National Oil Company (ADNOC) Distribution, and the CEO of Emirates National Oil Company (ENOC).

The committee will focus on consumer protection and ensure that petrol prices are balanced according to international standards, as well as urge fuel distribution companies in the UAE to increase their operational efficiency to lower their costs in order to eventually positively impact the prices of petrol and diesel at petrol stations across the country.

On the 28th of each month, the committee will announce the prices for the following month. Furthermore, the Ministry of Energy has assigned a dedicated number (0565467942) and an email ID (fuelprice@moenr.gov.ae) for public inquiries on the new deregulated fuel prices.

In the meantime, the new prices for the month of August have been announced by the Ministry of Energy after a high level meeting with the officials from the two distribution companies and the Ministry of Finance on 28 July 2015: The petrol price of Octane 95 (Special), which is commonly used by motorists, has gone up by 42 fils from Dh 1.72 per litre at present to Dh 2.14 per liter for the month of August. Diesel prices have been reduced from Dh 2.90 per liter to Dh 2.05 per liter, which is 85 fils less per litre. Furthermore, the price of Octane 98 (Super) petrol has been fixed at Dh 2.25 per liter and of Octane 91 (E-plus) at Dh 2.07 per liter.

It is assumed that petrol prices will increase little and diesel prices will decrease. The good days are over for drivers of Bugatti Veryon, Porsche Cayenne & Co.

RTA launches carpooling app "Sharekni" in Dubai

Starting August 1, petrol prices are expected to increase after a new pricing policy linked to global prices will be adopted. One of the objectives of this decision is to lower fuel consumption by encouraging residents to take alternative public transportation to protect the environment.

Apart from different modes of public transport, some residents say carpooling is an easier and more effective alternative. Therefore, the Roads and Transport Authority (RTA) launched "Sharekni" on 11 July 2015. This smart app enables groups of potential riders to share vehicles while traveling to and from their workplaces. In addition to the new smart app, the service portal (www.sharekni.ae) has been upgraded. This service is available inter-Emirates and is applicable for both passengers as well as drivers. The newer version simplifies the registration process, enables communication with customers through text messages and e-mails, and allows all holders of valid driving licenses issued from various emirates of the UAE to sign-in.

The benefits of carpooling and ride sharing are vast and, though it has gained immense popularity among European and American users during the last few years, it is only now that the UAE has formally adopted it as a practice. Sharekni shall not be used as a money making tool or as a competitor to existing cab/taxi services, but it enables passengers to share petrol costs and travel together to save money and petrol, thus reduce driving stress and increasing socio-environmental benefits.

But be aware that the local customs still apply for car pooling. So don't accept an offer from a single lady if you are male.

Dubai real estate market not supposed to crash

Dubai residential rents declined by three per cent during the second quarter of 2015, according to the latest ADIB/MPM Properties Real Estate report. The highest quarter-on-quarter declines were noted in properties along Shaikh Zayed Road (7 per cent), Palm Jumeirah (6 per cent) and Jumeirah Beach Residence (7 per cent). This comes amid a surge in supply as 6,750 new residential units were delivered this quarter, taking the total Dubai residential stock to 479,000 units. The majority of the new supply was added along the Sheikh Mohammed Bin Zayed road, with the International Media Production Zone (IMPZ) area accounting for 26 per cent of the total supply. However, apartments in the International Media Production Zone (IMPZ), Dubai Sports City and Dubai Silicon Oasis, showed rental increases of between 6 and 13 per cent.

These small ups and downs in the real estate market are quite normal. The UAE had shown a significant improvement on its diversified economy and is becoming one of the world's most important financial centers and a major hub for trading in the Gulf. Likewise, the tourism sector has seen phenomenal growth in the past few years and is expected to stay positive. Other factors like political stability in the UAE, the steps taken by the Government to keep the market regulated (which includes mortgage caps, increases in registration fees, mandatory use of escrow accounts, lessons learned by the developers, and external factors like the possibility of the US lifting sanctions on Iran and the rebound of the Russian Ruble) will also offer stability to the UAE real estate market.

This doesn't mean that there is a guarantee on the value of Dubai real estates, but at least the risk of a crash is less than it was in 2008. Speculations are still going on and many buyers just park their money in real estate instead of bank accounts for obvious reasons. They don't mind if the money doesn't bear interest. They just expect an increase, or at least no loss, in value.

UAB Banks Federation Annual Report

The UAE Banks Federation (UBF), a professional body representing 50 member banks operating in the UAE has emerged as a key coordinator of the UAE's financial services sector according to its latest annual report published on 26 July 2015.

Last year, the UBF was instrumental in leading initiatives such as the Interim Marginal Lending Facility, El Etihad Credit Bureau, the UAE Mobile Wallet

project, SME (small and medium enterprises) financing.

"Discussion of best practice, identification of threats to the industry and development of common positions on issues of significance to member banks continued to be the principle goals of all the Federation's specialised committees. Some noteworthy examples of the subject areas focused on in 2014 included: SME financing, Close-Out Netting, Anti-Money Laundering, Customer Charter and Emiratisation," said Abdul Aziz Al Ghurair Chairman of the UBF.

The UBF said the work on the implementation of the mobile wallet project is progressing on schedule and when implemented, the platform has the potential to make the UAE a truly digital economy where both smart phones and feature phones can be used to access banking services. It will also make the UAE on par with developed financial markets such as the USA, UK and Japan

Maybe we can suggest further issues to the UBF, mainly improving customer service and reducing the time for compliance on new customers. We once had an experience where one of the leading UAE banks was not able to cancel a deposit and retransfer the funds to the European client for OVER 3 WEEKS!!.

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