

A Guide to United Arab Emirates Legal System

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International Finance Corporation in promoting international practices of corporate governance in the formal banking sector.

The Central Bank tightened its supervision and monitoring program over the banks following a series of banking scandals and difficulties with non-performing loans in the 1980s and early 1990s. It also set a new risk-weighted minimum capital-asset ratio of 10%—2% above the Basel recommended minimum. Since October 2001, banks are required to inform the Central Bank of all transactions exceeding US\$ 10,900. Non-performing loans constituted 12.5 per cent of loans outstanding at the end of 2004, but they were adequately provisioned, keeping the net total (after provisions) to less than 4 per cent.

A new anti money-laundering law in May 2002 gave the Central Bank the power to freeze any suspected accounts for seven days without prior legal permission. The banks were required to provide all details of their clients and internal and external transactions on request and to report on any suspected deal. The Central Bank has already frozen or blacklisted nearly 30 bank accounts on these grounds and uncovered several money-laundering operations inside the UAE. Laws were passed in 2004 against financing terrorism and for addressing money laundering issues in the UAE's financial free zones.

Privatization

The federal government has encouraged diversification and privatization of the economy. Dubai has taken the lead in encouraging foreign investment, in efforts to become a leading hub of international commerce, while Abu Dhabi, which accounts for about 95 percent of the oil production, is spearheading the privatization of utilities and seeking foreign investment in some sectors of the economy, particularly the power industry, to bring in modern technology and management techniques and reduce costs.

The most ambitious privatization plans concern water desalination and producing and distributing electricity. 11 companies are to be created in Abu Dhabi to manage the different aspects of producing, operating, scheduling, dispatching and distributing of water and electricity. Other issues include the elimination of government subsidies of water and electricity as well as a plan to trim the 14,000 strong staff in the industry in order to lower costs and increase profitability.

Stock Exchange

The Emirates Securities and Commodities Authority (ESCA), established in 2000, is the regulatory and licensing body responsible for the market integrity and transparency of the Abu Dhabi Securities Market and Dubai Financial Market, which commenced operations in June of that year. The Dubai International Financial Center in turned opened global operations in September 2004, and efforts are continuing, with advice from the IMF, to develop a comprehensive regulatory framework for these emerging capital markets. There are plans to establish a Securities Exchange Markets Board to monitor the market. Listed companies are obliged in the interests of transparency to issue quarterly financial statements.

In 2006 thirty-eight companies were listed for trade on the ADSM and thirty-four on the DFM. Market capitalization in the ADSM and the DFM reached 60% of GDP at the end of 2004 and was second regionally only to Saudi Arabia, although the turnover ratio remained below 4 per cent of the value of traded stocks. The Central Bank is keen to promote the development of a bond market, as a means to improve liquidity, and allow companies to raise medium-and long-term finance.

The Dubai International Financial Center (DIFC) is intended to become a regional financial center on par with New York, London, Tokyo and Hong Kong. The DIFC possesses its own legal structure and financial regulations, drawn up on the basis of international best practices. The DIFC operates in dollars, and contains its own regulatory body, the Dubai Financial Services Authority, and its own exchange market, the Dubai Regional Exchange (DRX). The regulatory structure for the center was published in December 2003.

Financial Institutes

The Emirates Center for Strategic Studies and Research is the premier think tank in the UAE. The ECSSR is an independent research institution that serves as a focal point for scholarship on political, economic, and social issues pertinent to the UAE, the Gulf, and the greater Middle East through the sponsorship of empirical research and scientific studies conducted by scholars from around the globe. The ECSSR's Department of Economic and Social Studies conducts research on economics and society with the objective of providing recommendations that facilitate future policies for the UAE. It also analyzes economic transformations on the local, regional, and international levels that may impact the security and stability of the UAE.

The Emirates Institute for Banking and Financial Studies (EIBFS) offers nearly 200 training programs each year for the burgeoning banking sector. It also publishes a monthly magazine and operates a Research and Studies Department, founded in 2002.

International Transparency Standards

The United Arab Emirates permits publication online of the IMF's annual Staff Report on Article IV Consultations and joined the IMF's General Data Dissemination System on July 31, 2008. The Emirates have also engaged with the IMF and World Bank in publishing Reports on the Observance of Standards and Codes (ROSC) for banking supervision and payment and settlement.

Education and Youth

Introduction

The UAE offers a fully-fledged educational system for both boys and girls from primary level to university, with education for the country's citizens being provided free through government schools, colleges and universities. There is also an extensive private education sector which now accounts for around 40 per cent of the student population.

Over half a million students are now at school or in college, while several thousand students, of both sexes, are pursuing courses of higher education abroad at Government expense.

Education from primary to secondary level is universal and compulsory and literacy rates are comparable to the norm in developed countries. An adult illiteracy programme conducted in association with the UAE Women's Federation is helping to eradicate illiteracy among the older members of society. There is a strong focus on computer literacy and on English language teaching in higher education to equip young Emirates with the necessary skills.

State-funded educational opportunities in the UAE have blossomed since the establishment of the Federation when only a tiny minority of the population had access to formal education. A comprehensive free education system is now available to all students, male and female. At the start of the 1999/2000 academic year, 336,135 students enrolled in over 640 government schools throughout the country. Substantial progress has also taken place in the private sector which accounts for nearly 40 per cent of the student population at kindergarten, primary and secondary level.

In addition the UAE's youth have ready access to higher education, both federally-funded and at the many internationally accredited private institutions that are being established throughout the UAE. Generous grants are also available for those wishing to study abroad.

Educational Strategy

Although the UAE has achieved much in the field of education there is a real awareness that constant updating of policy and continual investment in infrastructure is required to ensure that graduates are properly equipped to enter the workforce and assist in the country's development. To this end, the Ministry of Education has released a draft policy document outlining a strategy for educational development in the UAE up to the year 2020 based on several five - year plans. The strategy aims to introduce the latest information technology at all levels including a computer for every 10 students at kindergarten, every five students at primary school, every two students at preparatory school, and a computer for every student at secondary school. The primary focus of attention will be on the needs of students, especially through the promotion of self-learning and continuous education programs. There will also be training programs for teachers since surveys have shown that although the majority of students can use computers and the Internet, their teachers were less familiar with this technology.

Cooperation between the public and private sectors at this stage in the country's progress is considered to be essential and so the draft policy document features the establishment of a council for educational development, comprising senior education specialists, government officials and businessmen to assist in raising finance for infrastructure and information technology projects. It also envisages the setting up of a special fund comprising governmental and private bodies.

The emiratization of teaching staff is scheduled to reach 90 per cent by the year 2020, a necessary development if the UAE's Islamic traditions and principles are to be safeguarded.

Secondary School Certificate

Women in the UAE have enthusiastically embraced the educational opportunities provided by them in recent years. (For more information see the section on Women.) This was evident yet again in the General

Secondary School Certificate results in 1999 where female students outshone their male counterparts for the third consecutive year. The results showed a good overall performance by girls in both the science and literature subject groups. Fifteen girls were in the top 10 places in the literature group, while 16 girls and 10 boys shared the top 10 positions in the science group. The pass percentage of government schools was 96.2 per cent in science and 82.6 per cent in literature while private schools' pass percentage was 84 per cent in science and 77.9 per cent in literature.

Higher Education

More than 80 per cent of national students who graduated from secondary school in 1999 took up a place in higher education in September 1999. According to the National Admissions and Placement Office (NAPO), 90 per cent of female students and 73 per cent of their male counterparts commenced courses at the federally funded Higher Colleges of Technology (HCT), established in 1987, Zayed University for women, established in 1998, and UAE University at Al Ain, established in 1977.

A total of 16,000 students, including 4,000 new recruits, commenced the new academic year 1999/2000 at Al Ain University, whilst 1,692 students enrolled at Zayed University, where the entire educational process is computer-based, 742 at the Abu Dhabi campus and 950 at the Dubai campus

In 1999, 4,944 students were granted admission to the 11 constituent colleges of the HCT network, compared with 4,154 at the beginning of the 1998–1999 academic year. Of these admissions, 1,675 were male and 3,229 were female, the latter figure being nearly double that for 1998.

Higher Colleges of Technology

The courses provided by the HCT are designed to prepare nationals for professional and technological careers in both government and private sectors. Since their foundation, the colleges have grown dramatically, with staff and students increasing by about 30 per cent each year. At present over 10,000 students are taking advantage of the educational opportunities offered by HCTs in Abu Dhabi, Dubai, Sharjah, Al Ain and Ras al-Khaimah. HCT courses are grouped under four main programme headings: engineering, technology, health science, communication technology and business

During the period under review, Sheikh Zayed issued Federal Law No. 17 of 1998 dealing with the re-organization of the HCTs. The law stated that these institutions should henceforth be administered under an independent central body which will have its headquarters in Abu Dhabi but with branches in other towns.

Universities, Institutions and Research & Community Service Centers :

Abu Dhabi University - Contains colleges of arts and science, engineering and computer science, business administration, and an English language institute that offers language foundation programs.

Academic Integration Network - Website for the students of the United Arab Emirates University in Al Ain featuring students activities and events, campus maps, related links, and news.

Ajman University of Science and Technology - Network of universities in the Emirates with campuses in Ajman, Al Ain and Fujairah. Includes profile, registration, faculties, alumni and contact details.

George Mason University in Ras Al Khaimah - Branch of the US-based university, offering undergraduate degree programs in engineering and information technology, business administration, and biology.

Ittihad University - Unaccredited University in Ras Al Khaimah offering BA programs in engineering, computer studies, business information systems, teaching and translating English.

Preston University Ajman - Licensed branch of the Preston University in USA, offering courses in business administration, information technology, fashion design, and Islamic studies.

Ras Al Khaimah Medical and Health Sciences University - Established by the Ras Al Khaimah Human Development Foundation, offering BA degrees in medicine and surgery, dental surgery, pharmacology, and nursing.

United Arab Emirates University - Based in Al Ain, containing colleges of humanities and social sciences, education, business and economics, shari'ah and law, information technology, and engineering.

World Al Lootah University - Emirates-based online distance learning university offering BA, MA and PhD programs in Islamic banking, economics and commerce, accounting, management, and computer science.

Zayed University - Open to national women of the Emirates, offering BA and MA programs in business sciences, information technology and education, with campuses in Abu Dhabi and Dubai.

College of Business and Economics - United Arab Emirates University - Offers MBA, and BA degrees in accounting, economics, banking and finance, marketing, business administration, management information systems, and statistics.

College of Engineering - United Arab Emirates University - Offers undergraduate and postgraduate programs in chemical, civil, mechanical, architectural, and petroleum engineering, as well as other engineering related courses.

Department of Islamic Studies - Preston University Ajman - Details the Islamic Studies and Arabic degrees, diplomas and courses offered in English by the Emirates based university department.

Emirates Center for Strategic Studies and Research - Independent research institution dedicated to the promotion of professional research and educational excellence in the UAE and the Gulf Area; site also has a general introduction to the UAE.

International Center for Biosaline Agriculture - A applied research and development centre located in Dubai; mission is to develop and promote the use of sustainable agricultural systems that use saline water to grow crops.

CSEM-UAE Innovation Center - Centre that works on technologies in environmental applications (energy and water), system engineering & mechatronics; joint venture between the Government of Ras Al Khaimah & the Swiss Research Center CSEM; based in Ras Al Khaimah.

Dubai Harvard Foundation for Medical Research - Foundation created to help drive resurgence in scientific inquiry and discovery in the Middle East; its initiatives include the Harvard Medical School Dubai Center Institute for Postgraduate Education and Research.

Gulf Research Center (GRC) - Research institute in Dubai, founded by Abdulaziz Sager to promote studies on Gulf Cooperation Council (GCC) countries, and Gulf issues; conducts workshops, publishes data on GCC, offers consultancy, and training to students & employees.

Center of Excellence for Applied Research and Training - Centre of Excellence for Applied Research and Training, Higher Colleges of Technology, Abu Dhabi, and UAE. Online courses available.

Gulf Research Center (GRC) UAE - Independent research institute aims to enrich and foster academic and intellectual understanding of the political, economic, security, social and educational issues relevant to the Gulf region.

Emirates Institute of Banking and Financial Studies (EIBFS) - Offers banking and financial services, studies and news in Dubai, UAE.

Academia UAE - Academic institute offering education, vocational, training and transfer of technology in UAE. Partners, activities, contact details and more.

Lotus Educational Institute, UAE - Educational institute located at Dubai Knowledge Village, UAE.

Two Four 54 - Tadreeb - Media and content training academy providing high level courses across a range of technical and managerial disciplines in UAE and MENA region.