

Middle East

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Overview*

This article reviews significant legal developments that were pertinent to and affected the Middle East and North Africa in 2008. While the world watched the 2008 U.S. presidential election unfold and contemplated Barack Obama's effect on U.S.-foreign relations, trade policy, and environmental advancements, the Middle East continued to make legislative and judicial progress in addressing many areas, including the economy, landlord-tenant law, women's and other human rights, consumer safety, intellectual property rights, and cybercrime.

The Middle East witnessed several noteworthy economic developments in 2008. Saudi Arabia approved a new law that permits foreign individuals and business organizations to invest broadly in the Saudi stock exchange. Iran is moving forward with its privatization program. Both Saudi Arabia and the United Arab Emirates passed comprehensive laws that deal with mortgage finance, mortgage registration, supervision and licensing of mortgage companies, and enforcement of mortgages.

Oman, Qatar, and the United Arab Emirates all passed laws aimed at protecting individuals and businesses from exorbitant rent increases. Some methods for regulating landlord-tenant relationships include capping rent increases, creating minimum lease terms for units, clarifying rights of tenants upon the sale of a property, and developing a judicial forum for landlord-tenant disputes to be settled. The new landlord-tenant laws are meant to grant security to tenants who, in the past, could not predict the volatile nature of their landlords.

Women's rights received a boost in the Middle East in 2008. Bahrain, in cooperation with a U.S. State Department conference on leadership, trade opportunities, and business strategies for women, has increased the number of women in the workforce. Saudi Ara-

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bia's Council of Ministers established a law that defines violence against women, sexual harassment, and punishment for violators. Saudi marriage laws were also amended to permit non-Saudi women and their Saudi-born children to freely enter and exit the country without permission. Syria enacted a draft law that defines human trafficking as distinct from prostitution and provides severe punishments to those convicted of trafficking humans.

Other human rights were also granted in the Middle East. Iran's deputy prosecutor has called for a halt to juvenile executions and Iran's judiciary chief has called for increased attention to habeas rights. The King of Bahrain appointed a Jewish Bahraini to serve as ambassador to the United States, and she is the first non-Muslim to serve in this position. Pakistan enacted a law that seeks to align domestic labor laws with international standards with regard to working hours, wages, health and safety conditions, and permission to organize collective bargaining.

Oman and Qatar both passed consumer protection laws that aim to safeguard the public. Oman seeks to protect consumers from the import and consumption of unsafe food and, to that end, has empowered a government agency to monitor a wide range of issues affecting food safety—from the handling of improperly preserved food to tracking food imports from countries reporting outbreaks of epidemics. Qatar enacted a law that gives consumers the right to seek recourse against suppliers and manufacturers and to demand refunds and replacements for defective and non-conforming goods.

In an effort to become major players in the global economy, several Middle Eastern countries recognized intellectual property rights in legislation passed in 2008. Azerbaijan joined the Council of Europe's Convention on Cybercrime and, after ratification, will promulgate domestic laws to enforce the Convention. Bahraini law enforcement performed raids on suspected intellectual property pirates and instituted awareness campaigns highlighting the detrimental effects of intellectual property violations. Iran and Saudi Arabia also passed laws that take a tough stance on intellectual property rights violations.

While there were advancements in many arenas, a few countries in the Middle East suffered setbacks. The Palestinian Legislation Council has not convened and, therefore, has been unable to pass laws. Iran still finds itself at the center of global attention regarding its alleged nuclear weapons program. Western Sahara continues to be on the United Nations' list of non-self-governing territories as the Polisario Front and Morocco dispute control of the territory.

Despite these setbacks in certain parts of the Middle East, the region continued on its path toward democracy and development through improvements in the economy, women's rights, intellectual property protections, and other significant areas. The country reports that follow will elaborate on these and other legal developments pertaining to the Middle East region.

I. Afghanistan*

Afghanistan has continued to make incremental progress in rebuilding its justice system through institutional reform and infrastructure rehabilitation despite an ongoing lack of resources and a shortage of qualified personnel. Significantly in March, the National Jus-

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tice Sector Strategy was established to implement rule of law reform through the National Justice Program, the framework for justice reform activities created by the Ministry of Justice, the Supreme Court, and the Office of the Attorney General, which oversee the reform with help from the World Bank.¹ The objectives of the Justice Sector Strategy include improving the integrity, infrastructure, and performance of the justice institutions; integrating the justice system with other government institutions and civil society; and improving the practices and processes of the justice system.² Following the creation of the Justice Sector Strategy, the Ministry of Justice drafted a criminal procedural code and along with the Office of the Attorney General, established a joint committee to draft guidelines for criminal investigations by the police and prosecutors.³

In other legal developments, the government enacted laws against terrorism and human trafficking and created an office to combat corruption.⁴ In July, the General Assembly of the Independent Afghanistan Bar Association met for the first time and in 2008, the number of registered lawyers rose to nearly 600, including 130 women, a noticeable increase from the previous year.⁵

The deteriorating security situation, however, has hampered the implementation of justice reform, complicating the delivery of justice services and putting personnel at risk.⁶ According to the United Nations, the last half of 2008 saw a marked increase in the number and sophistication of security incidents from the previous six years, particularly in areas around Kabul that had formerly been quiet.⁷ Since the beginning of the year, several judges have been killed in attacks by insurgents and in some places, targeted for assassination.⁸

In addition, deficiencies in civil liberties, including suppression of the right to express differing political and religious views and intimidation of the press, threaten any progress made in strengthening the justice system and undermine rule of law reform.⁹ The most significant case involved Sayad Parwez Kambaksh, a twenty-three year-old journalism student who, in January, was sentenced to death by a three-judge panel in the northern city

1. See The Secretary-General, *Report of the Secretary-General on the Situation in Afghanistan and Its Implications for International Peace and Security*, ¶ 28, delivered to the Security Council and the General Assembly, U.N. Doc. A/63/372, S/2008/617 (Sept. 23, 2008), available at http://www.un.org/ga/search/view_doc.asp?symbol=A%2F63%2F372&Lang=E [hereinafter *U.N. Report on Afghanistan*]; ISLAMIC REPUBLIC OF AFGHANISTAN MINISTRY OF JUSTICE, NATIONAL JUSTICE PROGRAM ROME CONFERENCE FOLLOW-UP, at 1 (Jan. 2008), available at <http://www.and.s.gov.af/ands/jcmb/site/src/Meeting%20and%20Documents/seventh%20JCMB/files/III.%20RIP%20and%20Supporting%20Documents/National%20Justice%20Program%20-%20Rome%20Conference%20Follow%20up%20-%20English.pdf>.

2. See ISLAMIC REPUBLIC OF AFGHANISTAN, AFGHANISTAN NATIONAL DEVELOPMENT STRATEGY 65 (2008), available at http://www.diplomatie.gouv.fr/en/IMG/pdf/Afghanistan_National_Development_Strategy_eng.pdf [hereinafter AFGHANISTAN NATIONAL DEVELOPMENT STRATEGY].

3. See *U.N. Report on Afghanistan*, *supra* note 1, at 8.

4. *Id.*

5. *Id.*

6. See AFGHANISTAN NATIONAL DEVELOPMENT STRATEGY, *supra* note 2, at 64.

7. See *U.N. Report on Afghanistan*, *supra* note 1, at 5.

8. See, e.g., *Coalition Soldier, Judge Killed in Afghanistan*, DAWN, Aug. 4, 2008, <http://www.dawn.com/2008/08/04/top10.htm>; *Provincial Chief Judge Killed in Eastern Afghanistan*, VOA NEWS, Aug. 7, 2008, <http://www.voanews.com/english/archive/2008-08/2008-08-07-voa15.cfm?CFID=62178982&CFTOKEN=71140538>; Ethirajan Anbarasan, *Afghan Anti-drugs Judge is Killed*, BBC NEWS, Sept. 4, 2008, http://news.bbc.co.uk/2/hi/south_asia/7598540.stm.

9. See *Report U.N. Report on Afghanistan*, *supra* note 1, at 11.

of Mazar-e-Sharif for insulting Islam.¹⁰ Kambaksh was accused of printing documents from the internet that discussed the role of women in Islamic societies and sharing them with his teacher and classmates.¹¹ The trial was closed to the public and Kambaksh had no legal representation or opportunity to defend himself.¹² In October, ignoring the recent reforms of criminal procedures, an Afghanistan central appeals court upheld Kambaksh's conviction, although the court reduced his sentence to twenty years in prison.¹³ The conviction and sentencing brought condemnation from the international community, particularly journalist groups.¹⁴

II. Azerbaijan*

Developing the rule of law has been one of Azerbaijan's main priorities since its independence in 1991. Azerbaijan has since ratified several international conventions, including the International Convention on the Elimination of All Forms of Racial Discrimination, Single Convention on Narcotic Drugs, and the Paris Convention for the Protection of Industrial Property.¹⁵

As technology advances, Azerbaijan has had to find solutions to the problems posed by this advancement. One of those problems is cybercrime, which is especially difficult to tackle because cyberspace has no borders. To solve this problem, the Council of Europe introduced the Convention on Cybercrime (Cybercrime Convention) in November 2001.¹⁶ The Minister of Communications and Information Technologies, Ali Abbasov, signed the document to join the Cybercrime Convention on June 30, 2008.¹⁷ Azerbaijan has not yet ratified the Cybercrime Convention.

An important part of the Cybercrime Convention deals with computer-related offenses.¹⁸ One such offense is the alteration of a computer program in order for it to "be considered or acted upon for legal purposes as if it were authentic."¹⁹ This provision of the Cybercrime Convention is aimed at preventing people from downloading illegal applications in order to crack the demo versions of software programs and use them as legally purchased ones.

10. *Afghan Student Sentenced to Death for Downloading Paper Against Islam*, FOXNEWS.COM, Jan. 22, 2008, <http://www.foxnews.com/story/0,2933,324666,00.html>.

11. *Afghan Reporter Shocked by Trial*, BBC NEWS, Feb. 25, 2008, http://news.bbc.co.uk/2/hi/south_asia/7263361.stm.

12. *Id.*

13. Tom Coghlan, *Afghan Journalism Student Sentenced to 20 Years for Insulting Islam*, TIMES ONLINE, Oct. 21, 2008, <http://www.timesonline.co.uk/tol/news/world/asia/article4986956.ece>.

14. *Media Groups Decry Afghan Ruling*, BBC NEWS, Oct. 22, 2008, http://news.bbc.co.uk/2/hi/south_asia/7684197.stm.

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15. See The Permanent Mission of Azerbaijan to the United Nations, Participation in Multilateral Treaties, <http://www.un.int/azerbaijan/mt.php> (last visited Mar. 20, 2008).

16. Council of Europe, Convention on Cybercrime, Nov. 23, 2001, available at <http://conventions.coe.int/Treaty/EN/Treaties/Html/185.htm>.

17. *Azerbaijan Signs Document to Join European Convention on Cybercrime*, TODAY.AZ, June 30, 2008, available at <http://www.today.az/news/society/46054.html>.

18. See Convention on Cybercrime, *supra* note 17, arts. 7-8.

19. *Id.*

The Cybercrime Convention also addresses offenses related to the infringement of copyrights and related rights.²⁰ Illegal music downloads are on the rise. The government of Azerbaijan previously had no law governing this matter, and people were able to download music from the Internet without consequence. The Cybercrime Convention requires parties to adopt legislative measures to establish criminal offenses under its domestic law for such infringements.²¹

Ratification of the Cybercrime Convention will be a major step in protecting the intellectual property rights of copyright owners in Azerbaijan. The next step will be the formulation and implementation of laws to enforce the Cybercrime Convention's provisions domestically.

III. Bahrain*

In boosting its status as an innovative competitor in a diverse world economy in 2008, Bahrain continued to proactively address the critical issues involved in the socio-economic and political advancement of Bahraini women as well as Bahrain's pioneering anti-piracy efforts in the Gulf region.

In an unprecedented move in the region, Bahrain's King appointed Houda Nonoo, a Jewish Bahraini woman, as ambassador to the United States.²² Nonoo is the third Bahraini woman to serve as a Bahraini ambassador and the first non-Muslim to do so.²³ While the move is not without controversy, some perceive it as a sign of religious tolerance and conciliation in a world where diversity and change are favored.²⁴ Nonoo was not the only high-ranking Bahraini woman from a diverse religious background in the political spotlight in 2008, as Alice Samaan, the first Christian woman elected to Bahrain's parliament in 2006, kept her high-profile parliamentary post as second deputy chairperson of the Shura Council.²⁵

Bahraini women's advancement was also evident in the employment arena. In 2008, Bahraini women formed twenty-eight percent of the local workforce as opposed to 25.4% in 2003.²⁶ Such impressive gains are likely to increase given Bahrain's cooperation with the U.S. Department of State in hosting a conference focused on leadership, trade opportunities, and successful business strategies for female executives.²⁷

20. See *id.* art. 10.

21. *Id.*

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22. *Bahrain Names Jewish Ambassador*, BBC NEWS, May 28, 2008, http://news.bbc.co.uk/2/hi/middle_east/7426806.stm.

23. *Huda—A Reflection of Bahrain's Tolerant Culture*, GULF NEWS, June 13, 2008, <http://www.gulfnews.com/opinion/columns/region/10220579.html>.

24. *Id.*

25. *Bahraini Christian Woman in Key Post*, GULF NEWS, Oct. 15, 2008, <http://archive.gulfnews.com/articles/08/10/16/10252150.html>.

26. *Steady Rise in Bahraini Women's Private Sector Presence, Study Says*, GULF NEWS, Nov. 13, 2008, <http://archive.gulfnews.com/articles/08/11/14/10259401.html>.

27. *Leading U.S. & Bahraini Women Executives to Discuss Business Strategies for Success in Manama*, AME INFO, Oct. 30, 2008, <http://www.ameinfo.com/174615.html>.

Another benefactor of Bahrain's emergence in the global economy is its status as the leading anti-piracy presence in the Arab world.²⁸ This commitment was demonstrated by Bahraini law enforcement authorities' raids on suspected intellectual property pirates and by the institution of awareness campaigns highlighting the detrimental effects of intellectual property piracy to the public.²⁹ Such efforts are partially responsible for the 124 intellectual property rights violation cases referred to the Bahraini courts and to the public prosecutor between April 2005 and April 2008.³⁰ This public approach to combating a serious and often overlooked problem aims to enhance Bahrain's economic growth by improving the confidence of investors whose survival depends on the protection of their intellectual property.³¹

In conclusion, Bahrain's advancement of the rights of its female citizens and protection of intellectual property rights demonstrates the country's foresight and has facilitated its ascent as an emerging leader in the rapidly changing Gulf region.

IV. Egypt*

Egypt saw a number of controversial legal developments in 2008. These developments follow the equally controversial constitutional amendments of 2007, passed under a parliament controlled by the National Democratic Party (NDP).³² The amendments limited the operation of religious political parties while expanding the government's police power.³³ Affected parties include the NDP's biggest rival, the Muslim Brotherhood.³⁴ The NDP maintains that the amendments support Egypt's fight against growing Islamist radicalism.³⁵ Others argue that the amendments are anti-democratic as they disenfranchise certain political parties.³⁶

In April 2008, the legislature passed a new law that has received similar criticism.³⁷ The law bans public demonstrations in or near religious establishments, imposing jail time of up to a year.³⁸ The Muslim Brotherhood conducts most of its demonstrations at Cairo's mosques and would thus likely find it harder to organize.³⁹ The NDP counters, however,

28. *BSA backstops Bahrain's Anti Software Piracy Initiatives*, AME INFO, Jan. 15, 2008, <http://www.ameinfo.com/143716.html>.

29. *Id.*

30. *124 Cases of Intellectual Property Rights Violations Registered in Bahrain from 2005 to 2008*, AME INFO, July 9, 2008, <http://www.ameinfo.com/163003.html>.

31. *Id.*

* Kinan H. Romman, an associate with Fulbright & Jaworski L.L.P. in Houston, Texas, prepared the report on developments in Egypt.

32. Suzan Pritchett, *Egypt*, 42 INT'L LAW. 1047, 1057-58 (Summer 2008).

33. *Id.*

34. *Id.*

35. *Id.*

36. *Id.*

37. Rob Ray, *Egypt Cracks Down Post-Strike*, FREEDOM NEWSPAPER, May 22, 2008, <http://libcom.org/news/egypt-cracks-down-post-strike-22052008>; Adam Morrow & Khaled Moussa al-Omrani, *New Egyptian Law Tightens Noose Around Freedom*, ANTIWAR.COM, Apr. 24, 2008, <http://www.antiwar.com/ips/morrowmrani.php?articleid=12735>.

38. See Morrow, *supra* note 37.

39. *Id.*

that the law's purpose is to preserve the inviolability of places of worship, including mosques and churches alike.⁴⁰

Another hotly debated law relating to public speech is being discussed by the legislature. In July 2008, an independent Egyptian newspaper leaked the draft⁴¹ of a proposed media law prepared by the NDP.⁴² If passed, the law would establish a national agency to regulate all forms of media, including television, internet, and radio.⁴³ Any form of public communication that threatens "social peace," "national unity," "public order," or "public values" would be forbidden.⁴⁴ Violations could result in imprisonment of up to three years, cancellation of broadcasting licenses, confiscation of equipment, and hefty fines.⁴⁵ Critics say that the draft law's vague language is intentional and would give the government great discretion in silencing unwanted speech.⁴⁶

Two recent health policy developments have also drawn controversy. The first is the passage of a child protection law in June 2008. The new law bans female genital mutilation (FGM), a common practice in Egypt.⁴⁷ Those found guilty of the practice could be jailed for up to two years.⁴⁸ The Muslim Brotherhood opposes the new law and refused to vote on it during session, claiming it contradicts Islam.⁴⁹ Nevertheless, Egypt's highest Muslim authority supports the law.⁵⁰ Aside from banning FGM, the new child protection law now makes it illegal to try a child as an adult and raises the legal age of marriage to eighteen.⁵¹

The second health policy development is an organ-transplant bill supported by the Egyptian Medical Association (EMA). It was introduced in parliament in August 2008. If passed, the law would end organ donations between Muslims and Christians in Egypt.⁵² Many suspect the bill was pushed by the Muslim Brotherhood, as the organization has

40. *Id.*

41. Draft Law of the National Agency for Organizing Audio and Visual Transmission (unofficial English version), available at http://www.arabmediasociety.com/articles/downloads/20080729105525_AMS6_draft_media_law_english.pdf; Draft Law of the National Agency for Organizing Audio and Visual Transmission (Arabic version), available at <http://www.almasry-alyoum.com/article2.aspx?ArticleID=112614>.

42. Alaa al-Ghatrifi, *Al-Masry Al-Youm Exclusively Publishes the Draft Law of Audio-Visual Transmission and Monitoring the Internet*, *Al-Masry Al-Youm*, July 9, 2008, <http://www.almasry-alyoum.com/article2.aspx?ArticleID=112635> (discussing the provisions of the draft law in detail).

43. David Stanford, *Egypt Faces New Media Censorship*, *AL JAZEERA*, Aug. 7, 2008, available at <http://english.aljazeera.net/focus/2008/08/20088791952617974.html>.

44. *Id.*

45. *Id.*

46. *Id.*; see also Egypt: Proposed Law to "slaughter the media," <http://abuaardvark.typepad.com/abuaardvark/2008/07/egyptian-draft.html> (July 9, 2008, 1:31 PM).

47. *Egypt Lawmakers Ban FGM*, *AFROL NEWS*, June 9, 2008, available at <http://www.afrol.com/articles/29278>.

48. *Id.*

49. *Id.*

50. The Al-Azhar Supreme Council of Islamic Research, Egypt's highest Muslim authority, has stated that it supports the banning of FGM. *Id.*

51. Liam Stack, *Egypt's Child Protection Law Sparks Controversy*, *THE CHRISTIAN SCIENCE MONITOR*, July 24, 2008, available at <http://www.csmonitor.com/2008/0724/p05s01-wome.html>; Magdy Samaan, *Shoura Council Passes Child Law, Criminalizes FGM*, *DAILY NEWS EGYPT*, May 12, 2008, available at <http://www.thedailynewsegypt.com/article.aspx?ArticleID=13659>.

52. Martin Barillas, *Egypt: Law Ends Christian/Muslim Organ Donation*, *SPERO NEWS*, Aug. 19, 2008, available at <http://www.speroforum.com/site/article.asp?id=15931>.

influence over the EMA and is seen as particularly sectarian.⁵³ Egypt's Christian minority has attacked the law as discriminatory.⁵⁴ The EMA, on the other hand, claims that the law would prevent organ trafficking and "protect poor Muslims from rich Christians who buy their organs and vice versa."⁵⁵ Still, both Christians and Muslims in Egypt have spoken out against the proposed law.⁵⁶ The Egyptian Human Rights Union has filed suit in Cairo in an effort to declare the law unconstitutional.⁵⁷

V. Iran*

A. ECONOMY

Having faced ideological resistance during 2006 and 2007, Iran's large-scale privatization program is finally moving forward.⁵⁸ In the years following the 1979 Islamic revolution and during the Iran-Iraq war of the 1980s, the government controlled all major industries. This public monopoly on banking, steel, petrochemical, mining, energy, and telecommunications⁵⁹ resulted in a weak private sector. These industries have been inefficient and unprofitable, in part, because they have hired large numbers of unnecessary employees in order to reduce the national unemployment rate.⁶⁰ Much of the ongoing resistance to privatization has been led by conservatives who want to avoid the large-scale layoffs true privatization would likely bring.⁶¹ The creation of attractive opportunities for foreign investment is also a significant part of the privatization regime, though U.S. sanctions on Iran may hinder investment by European and Asian companies.⁶²

President Mahmoud Ahmadinejad has taken many steps to update Iran's antiquated tax code and banking systems. In 2008, the government tried to enforce a new sales tax whereby merchants would pay the government three percent of their sales receipts.⁶³ A series of strikes, led by the politically powerful merchant class, forced the government to suspend implementation of the sales tax.⁶⁴ It appears that merchants opposed the bill

53. *Id.*

54. *Id.*; see also Yasmine Saleh, *PA Discussions of Organ Transplant Law to Exclude Religious Committee*, DAILY NEWS EGYPT, Oct. 20, 2008, available at <http://www.thedailynewsegypt.com/article.aspx?ArticleID=17216>.

55. Barillas, *supra* note 52.

56. *Id.*

57. *Id.*; see also MOHAMMED ABDEL KHALEQ MESAHEL & WAEL ALI, Human Rights Organization Sues Doctors' Syndicate Chairman Over Decision to Ban Organ Transfers Between Muslims and Copts, AL-MASRY AL-YOUM, AUG. 17, 2008, available at <http://www.almasry-alyoum.com/article2.aspx?ArticleID=117840>.

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58. Nader Habibi, *Iran's Privatization Judgment; Rush to Judgment*, INT'L HERALD TRIB., Aug. 12, 2008, available at <http://www.iht.com/articles/2008/08/12/opinion/edlet.php>.

59. *Id.*

60. Jahangir Amuzegar, *Iran's Third Development Plan: An Appraisal*, REDORBIT, Oct. 3, 2005, http://www.redorbit.com/news/science/258875/irans_third_development_plan_an_appraisal/.

61. *Id.*

62. Habibi, *supra* note 58.

63. Thomas Erdbrink, *Iran Halts New Sales Tax After Merchants Strike*, WASH. POST, Oct. 9, 2008, available at <http://www.washingtonpost.com/wp-dyn/content/article/2008/10/08/AR2008100803527.html>.

64. *Id.*

because, in order to afford it, their prices would be increased and they could lose a significant portion of their client base.⁶⁵

In trying to cut government spending and to lower inflation, President Ahmadinejad also called for an end to government subsidies on basic products such as gasoline, flour, and electricity.⁶⁶

B. HUMAN RIGHTS

The head of Iran's judiciary, Ayatollah Mahmud Shahrudi, has issued a decree tbars judges from ordering the detention of suspects without the filing of formal charges.⁶⁷ The decree also states that judicial institutions are to refrain from summoning people or granting bail before formal charges are pressed.⁶⁸ The long-term effect of the decree is unclear because the Iranian Ministry of Intelligence rarely consults with the judiciary before detaining suspects.⁶⁹

Iran has long been criticized by human rights advocates for its use of the death penalty, especially with regard to minors.⁷⁰ In October 2008, Iran's deputy prosecutor general said that judges shall no longer impose the death penalty on minors.⁷¹ Iran is a party to the United Nations Convention on the Rights of Children,⁷² which explicitly prohibits the death penalty for minors. Yet in the past, the government has convicted minors of capital offenses and waited for the minors to reach eighteen before executing them. While human rights campaigners welcomed the news of the moratorium on the death penalty for minors, it is not clear what force the declaration of the deputy prosecutor general will have.⁷³ Nearly 100 child offenders currently face the death penalty in Iran.⁷⁴

Judiciary Chief Shahrudi also has ordered a halt to public executions that do not have his approval as well as an end to the publication of photos or images of such executions.⁷⁵ While public executions will likely continue, the Iranian government says they will be carried out on a social necessity basis.⁷⁶

C. INTELLECTUAL PROPERTY PROTECTION

In January 2008, the Iranian parliament passed a law which prohibits the production, distribution, and copying of audio and audiovisual products without a permit from the

65. *Id.*

66. *Id.*

67. Brett Murphy, *Iran Chief Judge Says No Detention without Formal Charges*, JURIST, Feb. 7, 2008, available at <http://jurist.law.pitt.edu/paperchase/2008/02/iran-chief-judge-says-no-detention.php>.

68. *Id.*

69. *Id.*

70. Antoine Blua, *Iran: Judiciary Chief Seeks Curbs on Public Executions*, PAYVAND, Feb. 1, 2008, available at <http://www.payvand.com/news/08/feb/1005.html>.

71. Jon Leyne, *Iran 'to Stop Executing Youths*, BBC NEWS, Oct. 17, 2008, available at http://news.bbc.co.uk/2/hi/middle_east/7676292.stm.

72. Blua, *supra* note 70.

73. Leyne, *supra* note 71.

74. Blua, *supra* note 70.

75. *Id.*

76. *Id.*

Ministry of Culture and Islamic Guidance.⁷⁷ Those engaged in illegal audio and audiovisual activities will be fined two million to twenty million rials (US\$200 to US\$2,000) and will also be punished separately for copyright violations.⁷⁸ There are especially heavy penalties, including jail time, for those involved in producing and publishing pornographic materials.⁷⁹

VI. Israel*

The Israeli Supreme Court, considered the High Court of Justice,⁸⁰ rendered two important decisions in 2008 regarding Israel's legal rights and obligations in its dealings with and in matters involving the residents of the Gaza Strip.

The first of these rulings defined the parameters of Israel's legal responsibilities to Palestinians residing in the Gaza Strip. The High Court ruled that since September 2005, Israel no longer had effective control over what takes place within the Gaza Strip; therefore, Israel bore no general obligation to concern itself with the welfare of the residents of or to maintain public order within the Gaza Strip, according to the international law of occupation.⁸¹ The Court ruled, however, that Israel still had certain responsibilities to Palestinians residing in the Gaza Strip that arose out of Israel's armed conflict with Hamas, its degree of control over border crossings with the Gaza Strip, as well as its thirty-eight years of military occupation of the area.⁸²

The other Israeli Supreme Court decision involved an appeal by detainees from the Gaza Strip over the Unlawful Combatants Law.⁸³ The Court upheld the constitutionality of the law, which was originally passed in 2002 and authorized Israel to detain illegal combatants until the end of hostilities.⁸⁴ Illegal combatants are defined as foreign nationals who belong to a hostile organization or have participated directly or indirectly in hostile actions against the state of Israel and who do not benefit from the protection of the third Geneva Convention. Detainees may be held for fourteen days before seeing a judge.

77. Gholam Vafai, *Iran: Criminal Law – New Law Punishes Illegal Audiovisual Activities*, GLOBAL LEGAL MONITOR, Mar., 2008, available at http://www.loc.gov/lawweb/servlet/loc_news?disp3_276_text.

78. *Id.*

79. *Id.*

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80. The Supreme Court is an appellate court that also operates as the High Court of Justice. The Supreme Court has jurisdiction to hear criminal and civil appeals from judgments of the District Courts. Israel Ministry of Foreign Affairs—The Judiciary: The Court System, <http://www.mfa.gov.il/MFA/Government/Branches+of+Government/Judicial/The+Judiciary+The+Court+System.htm>.

81. HCJ 9132/07 Bassiouni v. Prime Minister, [2008] (para. 12) (Isr.), available at <http://www.mfa.gov.il/NR/rdonlyres/938CCD2E-89C7-4E77-B071-56772DDFF79CC/0/HCJGazaelectricity.pdf>.

82. Dan Izenbeg, *High Court Decides To Hear Gaza Petitions*, JERUSALEM POST, Jan. 25, 2008, available at <http://www.jpost.com/servlet/Satellite?cid=1201070788813&pagename=JPost%2FJPArticle%2FShowFull>. See also, Yuval Yoaz, *High Court Okays Reducing Fuel and Power Supply to Gaza Strip*, HAARETZ, Jan. 30, 2008, available at <http://www.haaretz.com/hasen/spages/949679.html>. See also, *Egypt Reveals Gaza Border Breach*, BBC NEWS, Feb. 3, 2008, available at http://news.bbc.co.uk/2/hi/middle_east/7224734.stm.

83. CrimA (TA) 6659/06 *A. v. State of Israel*, [2008] (Isr.).

84. *Id.*

Other legal developments worth mentioning are the new Copyright Law, the Supreme Court ruling allowing for tax deductions in connection with dividend distributions, and a set of new regulations reforming the mutual funds market.⁸⁵

VII. Jordan*

A scandal rocked the Jordanian financial market in 2008. Some 200 Jordanian brokerage firms that claimed to deal in foreign currency, stock, and commodity exchanges failed. Those brokerage firms operated as money pyramids, a scam that is outlawed in many countries.⁸⁶ The firms reportedly amassed one billion Jordanian Dinar in deposits (US\$1.41 billion)⁸⁷ and conned people of low and middle income, especially in the northern region of Jordan. People had sold land and mortgaged homes in order to invest with these firms.

Brokerage firms were neither regulated by the Central Bank of Jordan (CBJ) nor the Stock Exchange Commission (SEC) but were simply registered as regular commercial companies with the Ministry of Industry and Trade. The Legislation Interpretation Bureau later decided that the CBJ was to regulate the brokerage firms' currency and precious metals trading, and the SEC was to govern their trading in financial markets.⁸⁸ But, the CBJ and SEC failed to oversee such firms.

In response to the financial scandal, the government issued a provisional law to regulate the operations of international brokerage firms.⁸⁹ Brokerage firms must now have a minimum capital of no less than ten million or fifteen million Jordanian Dinar and must provide 500,000 Jordanian Dinar in license fees.⁹⁰ They must also provide a bank guarantee covering thirty percent of their deposits.⁹¹ Contracts of brokerage firms must be scrutinized by the recently established Foreign Exchange Regulatory Commission.⁹² The pur-

85. For information on the amended Copyright Law, see Rachel Aridor-Hershkovitz and Roman Krupnik, *The New Israeli Copyright Law—Renovation of Israeli Copyright Laws*, LEGAL 500, July 2008, available at <http://www.legal500.com/c/israel/developments/4790>. For information on taxes on dividend distribution, see Gross, Kleindendler, et al., *Tax Law: The Pi-Gilot Case—Allowing Tax Deduction in Connection with Dividend Distribution*, LEGAL 500, July 2008, available at <http://www.legal500.com/c/israel/developments/4793>. For information on mutual funds, see Gross, Kleindendler, et al., *Ground Breaking Amendments to Israeli Mutual Funds*, LEGAL 500, July 2008, available at <http://www.legal500.com/c/israel/developments/4792>.

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86. See Clinton D. Howie, *Investing in Louisiana: Is It A PYRAMID Scheme? Multilevel Marketing and Louisiana's "New" Anti-PYRAMID Statute*, 49 LA B.J. 288, 289 (2002). See also Eric Witwi, *Selling the Right to Sell the Same Right to Sell: Applying the Consumer Fraud Act, the Uniform Securities Law and the Criminal Code to PYRAMID Schemes*, 26 SETON HALL L. REV. 1635 (1996).

87. See Mohammad Ben Hussein, *Investors in Collapsing Financial Firms Might Wait 6 Months to Recover Funds*, JORDAN TIMES, Sept. 25, 2008.

88. See Legislation Interpretation Bureau, Explanatory Decree No. 8 for the year 2006, Official Gazette No. 4798 (2006).

89. See Provisional Law on Regulating Dealings in Foreign Exchanges No. 50 of 2008, Official Gazette 4924 (Aug. 17, 2008).

90. See Regulation of Licensing Dealings in Foreign Exchanges No. 84 of 2008, Official Gazette 4930, arts. 3, 5 (Sep. 23, 2008).

91. *Id.* art. 3.

92. *Id.* art. 6.

pose of all these rules in the law and its implementing regulation is to provide a guarantee for investors. Brokerage firms were given sixty days to rectify their legal status.

Shortly after the government issued the new law regulating brokerage firms, many of the brokerage firms opted for voluntary liquidation so that they could announce bankruptcy at a later date and take over their clients' money. The prosecutor general charged the brokerage firms as involved with fraud and referred them to the State Security Court.⁹³

The government's move to draft and issue a law addressing the activities of brokerage firms dealing in foreign currency and stocks came late. Investors in brokerage firms are mathematically unlikely to recoup most of their original investments—let alone make profits. The impact of the scandal on the financial and real estate markets, especially in the northern region, and of the liquidity crunch that has emerged have not fully unfolded yet.

VIII. Kuwait*

A. NEW CORPORATE INCOME TAX REGIME

In an apparent effort to attract foreign investment and stimulate commerce within Kuwait, the Kuwait National Assembly approved a bill that was subsequently issued by the Amir of Kuwait, Sabah Al-Ahmad Al-Sabah, in January 2008 as Law No. 2 of 2008 Concerning the Amendment of Certain Provisions of Kuwait Income Tax Decree No. 3 of 1955 (New Tax Regime).

All foreign companies carrying on business in Kuwait are taxed on income earned with respect to their activities in Kuwait with the exception of companies that are incorporated in any other Gulf Cooperation Council (GCC) country or that are wholly owned by GCC citizens.⁹⁴ The New Tax Regime abolishes the regressive tax regime that resulted in the net income of foreign companies being taxed at rates up to fifty-five percent and replaced the phased rates with a flat rate of fifteen percent (Flat Rate).⁹⁵ The following categories of income are subject to the Flat Rate: (1) the portion of net profits of a foreign company operating within Kuwait or outside Kuwait with operations related in Kuwait; (2) the allocable portions of the net profits of a Kuwaiti company that are proportionate to the shareholding interest of shareholders that are foreign companies; and (3) the portion of net profits of an *ad hoc* venture attributable to the performance by venturers that are foreign companies.⁹⁶

Taxable income includes Kuwaiti-sourced income from trade, business, dividends, interest, discounts, rents, royalties, and premiums as well as other gains or profits of an income or capital nature.⁹⁷ The Flat Rate applies to net income earned by foreign companies in

93. See *Two More Companies Referred to Court—Rawashdeh*, JORDAN TIMES, Sept. 10, 2008. See also *Six More Firms Referred to SSC*, JORDAN TIMES, Sept. 16, 2008.

* David Pfeiffer, managing partner, and Ola Saab, associate, with the Kuwait Law Office of Denton Wilde Sapte, prepared the report on legal developments in Kuwait.

94. Law No. 2 of 2008, Regarding the Amendment of certain provisions of Kuwait Income Tax Decree No. 3 of 1955.

95. See *id.*

96. *Id.*

97. *Id.*

Kuwait on taxable activities after deduction of related and permitted expenses or costs including head-office expenses and depreciation of assets.⁹⁸ What constitutes profits is not clarified under the New Tax Regime, and therefore, it is not possible to say with certainty the extent to which capital gains (being a form of profit) are taxable in Kuwait. A foreign company shareholder of a Kuwaiti company is liable for the tax on its allocable share of the Kuwaiti company's net profits regardless of distribution.⁹⁹

B. CUSTOMS LAW

Decree No. 199 of 2008 amended Article 1 of the Executive Regulations of Law No. 10 of 2003 concerning the Unified Statute of Customs for GCC Countries (Decree), which protects the rights of importers. An importer may have its goods released by the Department of Customs (Customs) upon the expiration of the timeline within which Customs is to have determined the customs value of the consignment in question provided the importer is able to offer an adequate guarantee.¹⁰⁰

Customs is further obliged to keep all information that it receives confidential and not to disclose any such information except in certain prescribed situations.¹⁰¹ Customs must duly consider all information provided to it by an importer provided such information has been prepared in accordance with proper accounting standards.¹⁰² An importer is now entitled to ask for details on how Customs determined the dutiable value of its consignment.¹⁰³ Further, to guard against abuse of authority by Customs, the Decree clarifies the principles upon which the customs valuation is to be conducted.

IX. Lebanon*

After almost two years of protest, the doors of the Lebanese parliament were open again, and the parliamentarians resumed legislating. In Lebanon, there are two political camps: the Opposition, who are loyal to Syria and Iran, and the Loyalists, who are loyal to the West—mainly the United States. The division between these two camps began immediately after the assassination of the late prime minister Rafic Hariri. The division widened after the United Nations passed Resolution 1559 to force the Syrian army to leave Lebanon. The Resolution also called for fair presidential elections to be held without foreign interference and called on all militias to surrender their weapons to the Lebanese army.¹⁰⁴

98. *Id.* art. 3.

99. *Id.*

100. Decree No. 199 of 2008, Regarding the Amendment of Article 1 of the Executive Regulation of Law No. 10 of 2003, Regarding the Unified Statute of Customs for GCC Countries.

101. *Id.*

102. *Id.*

103. *Id.*

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104. Press Release, Security Council, Security Council Declares Support for Free, Fair Presidential Election, in Lebanon; Calls for Withdrawal of Foreign Forces There; U.N. Doc. SC/8181 (Feb. 9, 2004), available at <http://www.un.org/News/Press/docs/2004/sc8181.doc.htm>.

The division between the two camps widened further when the Syrian-Iranian supported camp chaired by Hezbollah kidnapped two Israeli soldiers, which led to the July 2006 war with Israel. The war lasted thirty-three days and caused devastating destruction to the country's already undeveloped infrastructure.¹⁰⁵ A new U.N. resolution was passed, Resolution 1701, to stop the war between the two sides. Soon after the ceasefire, the Opposition group withdrew from the cabinet and its supporters camped in public areas near the capital for almost two years and paralyzed the functions of all government institutions including the parliament.¹⁰⁶

On May 7, 2008, the Opposition, organized by Hezbollah, launched a militia-style offensive to take control of the government without success.¹⁰⁷ The Arab League intervened and sponsored a national dialogue, which was held in Doha, Qatar.¹⁰⁸ The dialogue produced an agreement under which the parties will elect a new president; the Opposition will remove its camps from public areas;¹⁰⁹ the parliament will resume its legislative work; and the Opposition and Loyalists will continue dialogue to address sensitive issues such as the negotiation for peace, Hezbollah's weapons, Lebanon's defense strategy, and the preparation for a new electoral law for the parliamentary election in 2009.¹¹⁰

Lebanon is also hoping its tourism sector will rebound.¹¹¹ Lebanon does not have natural resources and depends highly on tourism for income to pay its national debt.¹¹²

The recent economic downturn that hit many countries around the world did not affect Lebanon due to the conservative lending policy and the restrictions imposed on banks by the Lebanese central bank.¹¹³ Since the global downturn in 2008, therefore, many institutions around the world are now looking to Lebanon for financial guidance.¹¹⁴

105. 2006: *Lebanon War*, BBC NEWS, May 6, 2008, available at http://news.bbc.co.uk/2/hi/middle_east/7381389.stm.

106. See MIDDLE E. MEDIA RESEARCH INST., *Lebanon on the Brink of Civil War (6): Beirut, December 10 at 3 PM—A Mass Rally for a 'Second Phase' and 'Escalation of Actions to Topple the Government'* (Dec. 8, 2006), available at <http://memri.org/bin/articles.cgi?Page=archives&Area=sd&ID=SP138506>.

107. See *Hizbollah to Withdraw Armed Forces from Beirut*, NATIONAL, May 10, 2008, available at <http://www.thenational.ae/article/20080510/FOREIGN/153325481/1001/PICTURESAD24>.

108. Embassy of Qatar in Washington, D.C., *Emir Announces Lebanese Dialogue In Doha Successful*, May 21, 2008, <http://www.qatarebassy.net>.

109. Lucy Fielder, *Hizbullah Secures Demands*, AL AHAM, May 22-28, 2008, available at <http://weekly.ahram.org.eg/2008/898/fr1.htm>.

110. Paul Dakiki, *At Last, Lebanese Factions Reach Agreement*, ASIA NEWS, May 21, 2008, available at <http://www.asianews.it/index.php?l=en&art=12313>.

111. *Lebanon Hopes for Stability So Foreigners Return, Business at Hotels, Restaurants, Shops Hammered by Israel-Hezbollah War*, MSNBC.COM, Oct. 30, 2008, available at <http://www.msnbc.com/id/15483929/wid/11915829/page/2/>.

112. See Yann Rotil, *Tourism Sector of Lebanon*, available at <http://www.1stlebanon.net/editouk/tourism.html> (last visited Feb. 13, 2009).

113. See *Salameh Advises Caution to Fend Off Worldwide Recession*, DAILY STAR, Nov. 12, 2008, available at http://www.dailystar.com.lb/article.asp?edition_id=1&categ_id=3&article_id=97614; see also *Waning Global Demand Due to Financial Crisis Likely to Spare Lebanon*, WORLD NEWS, Nov. 18, 2008, available at http://article.wn.com/view/2008/10/29/Waning_global_demand_due_to_financial_crisis_likely_to_spare/; *Salameh Retiterates View That Local Banks Are Immune to Global Woes*, Daily Star, Oct. 30, 2008, available at http://www.dailystar.com.lb/article.asp?edition_id=1&categ_id=3&article_id=97237.

114. See *Salameh Issues Call for Arab Monetary Union—Central Bank Chief Warns of Imminent Fallout from Global Financial Crisis*, DAILY STAR, Nov. 14, 2008, available at http://www.dailystar.com.lb/article.asp?edition_id=1&categ_id=3&article_id=97677.

X. Libya*

Perhaps the biggest development in Libya in 2008 did not occur in the form of a new law passed by Libya's General People's Congress, but rather, a law passed by the U.S. Congress along with a couple of historic meetings and a phone call may have finally cleared the remaining obstacles in paving the way to normalization of ties between the United States and Libya. It has taken years, since Libya gave up its nuclear ambitions in December 2003,¹¹⁵ for relations to resume.

A. PASSAGE OF THE U.S. LIBYA CLAIMS RESOLUTION ACT (LCRA)

The U.S. Congress and representatives from the Libyan government finally constructed the framework to resolve the last remaining roadblocks related to compensation for families of the victims of the 1988 Pan Am 103 Lockerbie bombing.¹¹⁶ The U.S. Congress had previously refused to appropriate funds for the construction of a U.S. embassy in Tripoli, Libya's capital, or confirm the appointment of a new U.S. ambassador to Libya until all claims related to Libya's past terrorist activities were completely settled.

On July 31, 2008, Congress approved the Libya Claims Resolution Act (LCRA). The LCRA required the Libyan government to pay \$1.5 billion into a fund for victims of the Lockerbie bombing. The countries also agreed to set aside \$300 million in the fund to compensate victims of Libyan families in connection with the April 1986 U.S. bombing of Tripoli.¹¹⁷

B. EFFECTS AFTER FULFILLMENT OF LCRA OBLIGATIONS

Libya completed payments to the fund set up under the LCRA on October 31, 2008. Additionally, Libya's sovereign immunity was restored under U.S. law and all pending cases related to past Libya-related terrorist activities were dismissed.¹¹⁸ Condoleezza Rice visited Libya to meet with its leader, Col. Muammar Gaddafi. Following Rice's visit and Libya's fulfillment of the conditions stipulated in the LCRA, President George Bush called Gaddafi "to voice satisfaction"¹¹⁹ with the fulfillment of the U.S.-Libya deal to compensate victims of terrorism. Shortly after Bush's historic call, the U.S. Congress confirmed the first U.S. Ambassador to Libya in thirty-six years, Gene Cretz.¹²⁰ In a final

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115. *Libya to Give Up WMD*, BBC NEWS, Dec. 20, 2003, available at <http://news.bbc.co.uk/2/hi/africa/3335965.stm>.

116. See *Lockerbie Families Claim Victory*, BBC NEWS, Nov. 21, 2008, available at <http://news.bbc.co.uk/2/hi/americas/7741017.stm>.

117. *Libya Compensates Victims of Terrorism*, NATIONAL, Nov. 1, 2008, available at <http://www.thenational.ae/article/20081101/FOREIGN/279614920/0/NATIONAL>.

118. See Theodore Kassinger & Karl Thompson, *Effect of the Libyan Claims Resolution Act on Private Corporations*, Aug. 1, 2008, <http://www.omm.com/effect-of-the-libyan-claims-resolution-act-on-private-corporations-08-01-2008/>.

119. Tabassum Zakaria & Arshad Mohammed, *Libya's Gaddafi Speaks to Bush*, REUTERS, Nov. 17, 2008, available at <http://www.reuters.com/article/politicsNews/idUSTRE4AG3V220081117>.

120. Graham Bowley, *The Libyan-American Thaw Gathers Pace*, LEDE BLOG, N.Y. TIMES, Nov. 21, 2008, <http://thelede.blogs.nytimes.com/2008/11/21/the-libyan-american-thaw-gathers-pace/>.

show of the warming of ties between the two countries, Gaddafi's son, Seif Islam Gaddafi, paid a visit to Washington, D.C. to attend meetings with U.S. administration officials to discuss strengthening of bilateral ties.¹²¹

C. IMMEDIATE PROSPECTS FOR U.S.-LIBYAN BUSINESS RELATIONS

Many of the impediments to economic development in Libya, such as the issuance of visas to Americans and the establishment of a full U.S. Embassy with an accredited U.S. Ambassador, should now be gone. This is welcome news for U.S. companies that have been trying to do business with Libya since efforts to improve bilateral relations began in 2003.

Despite the steep fall of oil prices from highs of nearly \$150 a barrel to below \$50 and the current international credit crisis, investors and developers have much more reason to be bullish about Libya than with other countries. Nearly every sector in Libya, from tourism and hospitality to medical services, and banking and finance, is underserved, which opens opportunities for American businesses to capitalize on virgin territory. Libyan agencies, such as the Libyan Investment Authority and the Libyan Social and Economic Development Fund, are flush with stockpiles of cash, which can now potentially be deployed into the struggling U.S. economy.

XI. Oman*

Royal Decree No. 72/2008 (the Amendments), which came into effect on June 2, 2008, promises to standardize and clarify the landlord-tenant relationship in Oman and imposes these standards retroactively on all existing leases regardless of the municipality wherein they were originally registered.¹²² It is expected to have a significant impact in Oman, particularly on businesses and low-to-middle income tenants.¹²³ This Decree amends provisions of Royal Decree No. 6/89, Oman's law regulating all lease agreements between landlords and tenants for residential, commercial, and industrial leased properties.

Some key features of the Amendments include the following:¹²⁴ (1) capping rent increases to seven percent every three years of the annual rental value as stipulated in the lease contract;¹²⁵ (2) creating, subject to some exceptions, a minimum stay period of four years for tenants of residential units and seven years for commercial and industrial

121. *Qaddafi Son Says Libya Wants to Invest in U.S.*, N.Y. TIMES, Nov. 21, 2008, available at <http://www.nytimes.com/2008/11/22/world/africa/22libya.html?ref=americas>.

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122. *Amendments to Oman's Landlord and Tenant Law*, WEEK, July 2, 2008, available at <http://www.theweek.co.om/disCon.aspx?Cval=853>. See also Ardeshir D. Patel, *Oman Tenancy Law Amended*, BUS. TODAY, July 2008, available at <http://www.businesstoday.co.om/disCon.aspx?Cval=153>.

123. See *Amendments to Oman's Landlord and Tenant Law*, *supra* note 122; see also Patel, *supra* note 122.

124. This list is nearly identical to and relies heavily on information presented in *Amendments to Oman's Landlord and Tenant Law*, *supra* note 122 and Patel, *supra* note 122. See *Oman Takes Steps to Halt Escalating Rents*, ZAWYA (originally published in KHALEEJ TIMES), May 26, 2008, available at <https://www.zawya.com/story.cfm/sidZAWYA20080526041802>.

125. For existing lease agreements, the three-year period will be calculated from the time of and on the rental value of the last rental increase. *Amendments to Oman's Landlord and Tenant Law*, *supra* note 122. See also Patel, *supra* note 122. See also *Oman Takes Steps to Halt Escalating Rents*, *supra* note 124.

units;¹²⁶ (3) establishing the legal assumption that where the lease contract is silent on the frequency of rental payments, rent is to be paid monthly, in advance, and within fifteen days of the due date;¹²⁷ (4) clarifying landlord and tenant rights when the leased property is sold;¹²⁸ and (5) setting up the Rent Circuit of the Primary Court, a forum for the resolution of disputes between landlord and tenant.¹²⁹

The need to provide greater clarity in Oman's tenancy law appears to have been motivated by the Omani government's desire to tame the country's volatile rental property market.¹³⁰ Rental property prices have skyrocketed over the short term,¹³¹ leaving many low to middle-income tenants vulnerable to rising costs and evictions. It may take time to see if the amendments will have the desired stabilizing effect for which they were engineered, but according to some accounts, it will likely have mixed success.¹³² The amendments will create rent controls for existing leases but may also encourage landlords of newly built rental properties to set rents well above existing market prices as a way to counter the impact of the Amendments on their profits over the long term.¹³³ It is not clear if the Amendments alone will be able to solve the economics behind escalating rental property prices throughout Oman, but the new law is a step closer to establishing a more transparent framework for handling disputes that may arise between landlords and tenants, and this will likely benefit everyone.¹³⁴

B. FOOD SAFETY LAW

Royal Decree No. 84/2008, referred to as the Food Safety Law, was promulgated by the Omani government with the aim of safeguarding public health and strengthening consumer safety from the import and consumption of unsafe food.¹³⁵ This law, which is set to come into effect at the end of 2008, empowers the Minister of Regional Municipalities and Water Resources to monitor a relatively wide range of issues affecting food safety—from the handling of improperly preserved food to tracking food imports from countries

126. "Lease contracts may for example be entered into yearly[;] however[,] unless the tenant serves a notice to vacate at least three months before the stipulated contractual end date, there is the implied obligation on the landlord to renew the lease contract. . . . However, with the new provisions, it is vital for any party wishing to terminate a lease to ensure that it is aware of how and when to serve the correct notice for it to be legally binding." *Amendments to Oman's Landlord and Tenant Law*, *supra* note 122. See also Patel, *supra* note 122 and *Oman Takes Steps to Halt Escalating Rents*, *supra* note 124.

127. *Amendments to Oman's Landlord and Tenant Law*, *supra* note 122. See also Patel, *supra* note 122 and *Oman Takes Steps*, *supra* note 124.

128. *Id.*

129. *Id.*

130. Anita Joseph, *Oman Royal Decree Could Help Ease Rent Woes*, ZAWYA, Jun 9, 2008, available at <http://www.zawya.com/printstory.cfm?storyid=ZAWYA20080609044214&l=04420080609>.

131. "At least 45 percent of Oman's residents have witnessed a rent increase of 25 percent or more since 2006." *Id.* See also Lynne Roberts, *Oman Rent Law to Safeguard Tenants*, ARABIANBUSINESS.COM, March 10, 2008, <http://www.arabianbusiness.com/513278-oman-rent-law-to-safeguard-tenants>.

132. Joseph, *supra* note 130.

133. *Id.*

134. *Id.*

135. SULTANATE OF OMAN, MINISTRY OF FOREIGN AFFAIRS, *His Majesty Sultan Qaboos Has Issued Three Royal Decrees*, July, 6, 2008, http://mofa.gov.om/mofanew/news_datewise1.asp?id=64. See also *Oman Issues New Food Safety Law*, GULFNEWS.COM, July 6, 2008, <http://archive.gulfnews.com/articles/08/07/06/10226594.html>.

reporting outbreaks of epidemics.¹³⁶ The Food Safety Law provides the government with a legal basis to establish a food management regime to ensure safety along the entire food chain and aspires to raise food safety levels in Oman to international standards.¹³⁷

XII. Pakistan*

In Pakistan, significant legal developments have occurred in the areas of labor law and national security law. In September 2008, the Pakistan Senate passed the Industrial Relations Bill 2008 after passage in the House, which in effect, repealed the Industrial Relations Ordinance of 2002.¹³⁸ The purpose behind enacting the 2008 law is to grant workers and laborers labor rights in accordance with international labor standards.¹³⁹ Further, President Asif Ali Zardari passed the Prevention of Electronic Crimes Ordinance 2008, which prescribes severe penalties, including the death penalty, for electronic crimes.¹⁴⁰ The purpose of this law is to combat cyber-terrorism.¹⁴¹ Pakistan's Parliament also passed a resolution emphasizing the need for dialogue to combat rising militancy and extremism.

A. LABOR LAW

Lengthy working hours, low wages, poor health and safety conditions, and prohibitions on collective bargaining and organizing characterize Pakistan's working environment.¹⁴² Such conditions exist despite Pakistan's adherence to fair domestic and international labor standards.¹⁴³ The enactment of the Industrial Relations Ordinance 2002 imposed addi-

136. *Id.*

137. The Ministry of Regional Municipalities and Water Resources recently devised a plan to train key restaurant staff in an effort to raise food safety and hygiene across Oman in accordance with the new Food Safety Law. The plan consists of courses running from one to three days, teaching restaurant staff how to deal with contamination concerns in areas of food preparation, handling, storage, display, and service. See Conrad Prabhu, *Plan to Train Restaurant Workers in Food Hygiene*, OMAN OBSERVER, available at <http://www.omanobserver.com/20/Daily/Head/Head3.htm>.

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138. *Senate Passes Industrial Relations Bill 2008*, ASSOCIATED PRESS OF PAKISTAN, Sept. 4 2008, available at http://www.app.com.pk/en/_/index.php?option=com_content&task=view&id=51566&Itemid=2.

139. *Senate Passes Industrial Relations Bill, 2008*, DAILY TIMES, Sept. 5 2008, available at http://www.dailytimes.com.pk/default.asp?page=2008\09\05\story_5-9-2008_pg5_17.

140. Qaiser Felix, *Islamabad, Internet Law Sets Death Penalty for Cyber-terrorists*, ASIA NEWS, Nov. 7, 2008, available at <http://www.asianews.it/index.php?l=en&art=13695&geo=2&theme=5&size=A>.

141. *Id.*

142. Zeenat Hisam, *Denial and Discrimination: Labour Rights in Pakistan*, PAKISTAN INSTITUTE OF LABOUR EDUCATION & RESEARCH (2007), available at <http://www.piler.org.pk/Denialanddiscrimination.htm>.

143. Pakistan's Constitution states that "that "the state shall . . . make provision for securing just and humane conditions of work." PAKISTAN. CONST. art. 37(c). Further, Pakistan ". . . shall ensure the elimination of all forms of exploitation and the gradual fulfillment of the fundamental principle, from each according to his ability to each according to his work." PAKISTAN. CONST. art. 3. Pakistan is a signatory to the U.N. Universal Declaration of Human Rights of 1948, which recognizes the right to work, to freely choose employment and to have just and favorable working conditions, and to the 1998 ILO Declaration on Fundamental Principles and Rights at Work. Hisam, *supra* note 142.

tional curbs on the right to unionize and the right to collective bargaining.¹⁴⁴ The Industrial Relations Bill 2008 seeks to align domestic labor laws with Pakistan's international labor obligations and grants laborers the right to unionize and request dispute resolution by the independent Labor Appellate Tribunal.¹⁴⁵

B. NATIONAL SECURITY LAW

On September 7, 2008, President Zardari passed the Prevention of Electronic Crimes Ordinance 2008 (Ordinance).¹⁴⁶ The Ordinance specifies in pertinent part:

[A]ny person, group or organization who, with terroristic intent utilizes, accesses or causes to be accessed a computer or computer network or electronic system or electronic device or by any available means, and thereby knowingly engages in or attempts to engage in a terroristic act commits the offence of cyber terrorism.¹⁴⁷

The inclusion of the death penalty in the Ordinance is of concern to human rights organizations, who advocate a moratorium on the death penalty to further assess its discretionary application in Pakistan.¹⁴⁸

Parliament further passed a consensus resolution aimed at resolving rising militancy in the Northwest Frontier Province and terrorism in its major cities through dialogue and negotiation.¹⁴⁹ It also reaffirms Pakistan's sovereign and territorial integrity.¹⁵⁰ The political motivations of this resolution are evident, because Pakistan accuses the United States of conducting military airstrikes within its territory.¹⁵¹

XIII. Palestine*

Under military occupation since the end of the 1967 Arab-Israeli War, the Palestinian Territories (Territories), comprising the West Bank and Gaza, continue to exist in a state of economic and political turmoil. These conditions filter down to the day-to-day lives of Palestinians and continue to hinder any major, long-term legal developments within the Territories. Nevertheless, minor legal developments have taken place, and the Palestinian

144. The Industrial Relations Ordinance, No. XCI of 2002; Pakistan Gazette (2002), available at http://www.jamilandjamil.com/publications/pub_labour_laws/ordinance2002.htm.

145. *Senate passes Industrial Relations Bill, 2008*, *supra* note 139.

146. Felix, *supra* note 140.

147. *Id.* The punishment guidelines are as follows: "Whoever commits the offence of cyber terrorism and causes death of any person shall be punishable with death or imprisonment for life and with fine and in any other case he shall be punishable with imprisonment of either description for a term that may extend to ten years, or with fine not less than ten-million rupees [more than \$120,000], or with both." *Id.*

148. For example, the Human Rights Commission of Pakistan notes that despite the pervasive use of the death penalty, law and order has not improved. *Id.*

149. *Pakistan Passes Resolution on Terror, Extremism*, MERINEWS, Oct. 23 2008, available at <http://www.merineews.com/catFull.jsp?articleID=145771>.

150. *Id.*

151. Jane Perlez, *Pakistan Tells U.S. to Stop Airstrikes in Tribal Zone*, N.Y. TIMES, Oct. 29 2008, available at <http://www.nytimes.com/2008/10/30/world/asia/30pstan.html?partner=rssnyt&emc=rss>.

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factions, Hamas and Fatah, agreed to meet in November 2008 to resolve internal conflicts and restore some stability within the West Bank and Gaza.¹⁵²

The Palestinian Basic Law remains the interim governing law in place of a permanent Constitution for the Palestinian Authority. Presidential decrees have the power of law until the Palestinian Legislative Council (PLC) convenes and decides whether to approve or reject them.¹⁵³ Because the PLC has not had an opportunity to reconvene, Presidential decrees have been considered law.

Presidential decrees in 2008 ranged from the modification of the structure of the Supreme Presidential Committee on Christian affairs to the ratification of the amendment of the third paragraph of Article 1 of the Arab Convention for Combating Terrorism.¹⁵⁴

One of the most significant legal issues that arose concerns the extension of the presidential term. In July 2008, the Fatwa & Legislation Office issued an opinion stating that the law allows for an extension of the Presidential term until 2010 instead of 2009.¹⁵⁵ Acting PLC Speaker Ahmad Bahar objected to this proposed extension and called the proposal “[a]n unacceptable legislative massacre of the Palestinian Basic Law.”¹⁵⁶ Critics of the law argue that it undermines elections within Palestine. With the internal conflicts and talks on the horizon, the interpretation of the law will become a deciding factor in any type of solution.

Finally, the Chief Justice Issa Abu Sharar has announced efforts to upgrade the Palestinian judiciary system.¹⁵⁷ As part of its efforts, the High Judiciary Council has opened a first instance court in Jericho that will aid in clearing the backlogs of legal cases that were filed at the courts’ bureaus.¹⁵⁸ In addition, the High Judiciary Council has implemented training programs for judges and has sent law school graduates to pursue further studies at Jordanian judicial institutes.¹⁵⁹ These programs will aid in expanding the ability of the Palestinian judiciary system to address the legal issues and claims that come before it.

152. *Palestinian Rivals Invited to Talks*, AL JAZEERA, Oct. 20, 2008, available at <http://english.aljazeera.net/news/middleeast/2008/10/20081020171048255908.htm>.

153. PALESTINIAN BASIC LAW, art. 43, available at <http://www.palestinianbasiclaw.org/2003-amended-basic-law>.

154. Presidential Decree No. 3 of 2008, available at <http://www.palestinianbasiclaw.org/downloads/executive-decisions-and-legislation-under-palestinian-emergency-government-updated-aug-28-2008.pdf>.

155. FATWA AND LEGISLATION OFFICE, LEGAL OPINION REGARDING THE PRESIDENTIAL TERM OF PRESIDENT ABBAS (2008), available at http://www.palestinianbasiclaw.org/downloads/legal_opinion_regarding_the_presidential_term_of_president_abbas_july_2007_by_flo_en.pdf.

156. PALESTINIAN CENTRE FOR HUMAN RIGHTS, PCHR POSITION PAPER: CONTROVERSY OVER END OF PRESIDENTIAL TERM IN OFFICE (2008), available at <http://www.pchrgaza.org/Interventions/position%20paper%20-%20President.pdf>.

157. Justice Issa Abu Sharar, Chief Justice of the Palestinian National Authority, Judicial Authority, High Judicial Council, Chief Justice’s Speech on the Occasion of the New Judicial Year, available at <http://www.courts.gov.ps/template.aspx?id=88>.

158. Palestinian National Authority, Judicial Authority, High Judicial Council, *The opening of Jericho’s First Instance court*, Sept. 7, 2008, <http://www.courts.gov.ps/template.aspx?id=90>.

159. Palestinian National Authority, Judicial Authority, High Judicial Council, *The HJC Dispatches Nine Law Graduates to the Jordanian Judicial Institute to Obtain a Diploma that Qualifies Them as Judges*, Oct. 14, 2008, <http://www.courts.gov.ps/template.aspx?id=94>.

XIV. Qatar*

With the average rate of world inflation rising to 5.5%,¹⁶⁰ and two-thirds of the world's population expected to struggle with double-digit inflation,¹⁶¹ it comes as no surprise that the most significant legal developments in Qatar in 2008 are the enactment of Law No. 4 of 2008 Concerning Property Leasing (Rent Law) and Law No. 8 of 2008 (Consumer Protection Law).

A. RENT LAW

Qatar's new Rent Law became effective on February 15, 2008.¹⁶² It is aimed at curbing exorbitant rental increases and countering inflation. The Rent Law repealed Law No. 2 of 1975 Concerning Leasing Spaces and Buildings as well as Law No. 4 of 2006 for rent control,¹⁶³ which previously capped rent increases at ten percent per annum.¹⁶⁴

The Rent Law applies to residential, commercial, and industrial properties with certain limitations.¹⁶⁵ Under the new law, all leases in existence on or before February 15, 2008, automatically extend until February 14, 2010, unless the lease stipulates a longer term or the tenant elects not to renew the lease.¹⁶⁶ On the other hand, the extension does not impact leases entered into after February 15, 2008, and rent increases are possible upon expiration of those leases.

In support of the Rent Law, the Council of Ministers issued Decision No. 9, a mandatory two-year freeze on rent rates effective for all leases signed on January 1, 2005, or after unless the lease states otherwise.¹⁶⁷ Legal experts, however, cite a significant loophole that permits landlords to circumvent the rent freeze on any leases entered into after February 15, 2008.¹⁶⁸ Lease agreements entered into before January 1, 2005 are excluded from the rent freeze. Instead, the Council of Ministers has capped the percent-

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160. *The World Economy: Inflation's Back*, ECONOMIST, May 22, 2008, available at http://www.economist.com/opinion/displaystory.cfm?story_id=11409414.

161. *Inflation in Emerging Economies: An Old Enemy Rears its Head*, ECONOMIST, May 22, 2008, available at http://www.economist.com/opinion/displaystory.cfm?story_id=11402856.

162. See Law No. 4 of 2008 Concerning Property Leasing, art. 30 (Qatar).

163. *Id.* art. 31.

164. See Prince Christian Cruz, *The Pros and Cons of Rent Control*, GLOBAL PROP. GUIDE, Apr. 10, 2008, available at <http://www.globalpropertyguide.com/investment-analysis/The-pros-and-cons-of-rent-control>.

165. See Law No. 4 of 2008, *supra* note 162, art. 2 (excepting public and private state property, farmland, vacant land, land of support services (industrial services), apartment and hotel and tourist units, and residential units designated by the State or companies for employees and worker from the application of the Rent Law).

166. *Id.* art. 27.

167. The Council of Ministers Decision No. 9 of 2008 Settling Limitation, Duration and Ratios for Rental Hikes, art. 1 (Qatar).

168. David Salt & Sarah Simms, *Real Estate, Rents and Construction Issues in Qatar*, EMERGING QATAR, July 25, 2008, available at <http://clydeco.com/knowledge/articles/article-2-of-2-real-estate-rents-and-construction-issues-in-qatar.cfm>.

age of increase on rent that landlords may exercise each year to a range between five and twenty percent depending on the monthly rental rate.¹⁶⁹

The Rent Law also commissioned the establishment of Real Estate Lease Registration Offices, where landlords are required to register the lease within thirty days of signing and pay an annual registration fee of one percent of the annual rent.¹⁷⁰

Disputes between landlords and tenants will be referred to a special panel or commission that is established under the guidelines of the Rent Law.¹⁷¹ The decisions of the commission, which went into effect in October 2008,¹⁷² are expected to be implemented expeditiously and may only be overturned by the Court of Appeal.¹⁷³

B. CONSUMER PROTECTION LAW

Qatar enacted Law No. 8 of 2008 on Consumer Protection on May 15, 2008, and thereby annulled Law No. 2 of 1999 on Combating Commercial Fraud.¹⁷⁴ The Consumer Protection Law provides various rights to the public with respect to health and safety issues, to obtaining valid information about products and services, and to the right to bring claims for any violations.¹⁷⁵

The most significant provisions of the Consumer Protection Law are in relation to the consumers' rights to seek recourse against suppliers and/or manufacturers,¹⁷⁶ to the suppliers' obligations to provide refunds or replacements for defective and non-conforming goods,¹⁷⁷ to restrictions on anti-competitive practices,¹⁷⁸ and to the penalties for offenders.¹⁷⁹ The penalty for the violations of the Consumer Protection Law carries a maximum jail sentence of two years and a fine between QR 5,000 and QR 10,000 (between US\$1,375 and US\$2,750).¹⁸⁰

169. See The Council of Ministers Decision No. 9 of 2008, *supra* note 167, art. 2 (providing the cap on percentage increases for rent as follows: monthly rent of less than QR 2,000 = maximum twenty percent annual increase cap, QR 2,000 to 5,000=fifteen percent cap, QR 5001 to QR 10,000 = ten percent cap, and above QR 10,001=five percent cap).

170. See Law No. 4 of 2008, *supra* note 162, art. 20.

171. *Id.* art. 21.

172. See Sarmad Qazi, *Panel Ready to Hear Rent Dispute Cases*, GULF TIMES, Oct 13, 2008, available at http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=247619&version=1&template_id=57&parent_id=56.

173. See Law No. 4 of 2008, *supra* note 162, art. 25.

174. See Law No. 8 of 2008 Concerning Consumer Protection, art. 29 (Qatar).

175. See *id.* art. 2.

176. See generally Sarah Palmer & Laura Warren, *Qatari Consumers are Now Better Protected*, CLYDE & CO., Sept. 29, 2008, available at <http://clydeco.com/knowledge/articles/qatari-consumers-are-now-better-protected.cfm>.

177. See Law No. 8 of 2008, *supra* note 174, art. 5 (stating that suppliers shall refund, replace or repair defective products).

178. *Id.* art. 10 (stating it is unlawful for suppliers to conceal or abstain from selling goods with intent to control the market price).

179. See *id.* art. 18.

180. *Id.*

XV. Saudi Arabia*

The year 2008 witnessed a number of legal reforms and reform initiatives within the Kingdom of Saudi Arabia (Kingdom).

On August 20, the Saudi Capital Market Authority approved a new law that for the first time permits foreigners (both individuals and institutions) to invest in the Saudi stock exchange through swap agreements with licensed intermediaries—a move that signifies the opening of the Middle East's largest stock market.¹⁸¹ Prior to the law, outsiders' access to the Saudi market was limited to mutual funds. The move is expected to promote an influx of foreign capital into the Kingdom.

Over the summer, the Consultative Council approved a draft mortgage law.¹⁸² The draft law deals with mortgage finance, supervision of mortgage companies, financial leasing, and mortgage registration.¹⁸³ Upon final approval by the Supreme Economic Council and the development of a regulatory scheme, the new law is expected to trigger a rapid expansion of the Saudi financial services industry, and many banks within the Kingdom are preparing to increase their mortgage operations.

A 2008 report by the United Nations Conference on Trade and Development found that ongoing economic reforms initiated by Saudi Arabia in 2000 have led to a 33 percent increase in foreign direct investment over the last year.¹⁸⁴

During 2008, a government committee consisting of the Ministries of Interior, Foreign Affairs, Justice, Labor, and Social Affairs; representatives of the government's Human Rights Committee; and the National Society for Human Rights made recommendations for the amendment of laws and regulations that discriminate against women in order to make them compatible with international human rights treaties.¹⁸⁵ Over the course of the year, the Council of Ministers emphasized the government's commitment to protect the rights of women by granting them greater access to the judicial system;¹⁸⁶ by establishing a new law that defines violence against women and child abuse and provides for the punishment of violators;¹⁸⁷ and by establishing a law against sexual harassment.¹⁸⁸ A change

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181. *Foreigners Can Now Invest in Saudi Stock Exchange*, AOL NEWS, Aug. 20, 2008, <http://www.aol.in/news-story/foreigners-can-now-invest-in-saudi-stock-exchange/2008082013089012000006/index.htm>; Daliah Merzaban, *Saudi Arabia Shares Rally as Foreigners Gain Access*, REUTERS, Aug. 23, 2008, available at <http://www.reuters.com/article/rbssFinancialServicesAndRealEstateNews/idUSLNN22184720080823>; *Saudi Move Clears Way for Outside Investment*, INT'L HERALD TRIBUNE, Aug. 21, 2008, available at <http://www.iht.com/articles/ap/2008/08/21/business/ME-Saudi-Stock-Market.php>.

182. *Saudi Arabia: Mortgage-primed*, EIU BUSINESS MIDDLE EAST, Aug. 1, 2008, available at <http://store.eiu.com/product/1800000180-sample.html>; *Mortgage Law Finally Approved*, EIU COUNTRY REPORT SELECT, July 10, 2008, at <http://news.lexis.com> (find "news and business - news most recent two years," search for "Mortgage Law Finally Approved").

183. *Saudi Arabia: Mortgage-primed*, *supra* note 182; *Mortgage Law Finally Approved*, *supra* note 182.

184. Jasim Ali, *Saudi Reforms Tell a Tale of Success in Raking in FDI*, GULF NEWS, Oct. 25, 2008, available at <http://archive.gulfnews.com/articles/08/10/26/10254413.html>.

185. Turki Al-Saheil, *Saudi Arabia Considers Amending Laws to be Compatible with Human Rights Treaties*, ASHARQ ALAWASAT, July 28, 2008, available at <http://www.aawsat.com/english/news.asp?section=3&cid=13550>.

186. Abdul Ghafour, *Cabinet Pledges Full Support for Women's Rights*, ARAB NEWS, Nov. 4, 2008, available at <http://www.arabnews.com/?page=1§ion=0&article=116029&d=4&m=11&y=2008>.

187. *Saudi Arabia Drafting New Law to Protect Women, Children*, INDO ASIAN NEWS SERVICE, Feb. 13, 2008, available at <http://www.india-forums.com/news/article.asp?id=74955>.

was also implemented to Saudi marriage laws permitting non-Saudi women and their Saudi-born children to freely enter and leave the country without permission.¹⁸⁹

Additional legal reforms within the Kingdom include a wide-ranging law to combat information technology crimes¹⁹⁰ and a major anti-piracy initiative in furtherance of Saudi Arabia's pledge to take a tougher stance on intellectual property rights violations.¹⁹¹

Finally, Saudi Arabia undertook several initiatives within the Gulf Cooperation Council in 2008. In January, a 2004 agreement to establish a pension fund for nationals was realized when each of the GCC states implemented legislation to that effect.¹⁹² Saudi Arabia now requires both employers and employees in the public and private sectors to contribute to the retirement fund. In addition, ministers from the GCC states are expected to finalize an agreement in November 2008 to establish a regional electricity grid¹⁹³ and GCC transportation ministers approved a US\$11 billion railway network that will eventually link all six countries.¹⁹⁴

XVI. Syria*

A. DAMASCUS STOCK EXCHANGE

Syria is again promising that the Damascus Stock Exchange (DSE) is set to commence trading by the end of 2008. In last year's review of Middle Eastern legal developments, it was stated that the DSE was set to open earlier this year.¹⁹⁵ The Syrian Parliament established the legal framework for the stock exchange back in 2005.¹⁹⁶ The delay is partially due to technical difficulties—Syria has had difficulty obtaining the necessary technology to launch because of U.S. sanctions which have been in place since 2004.¹⁹⁷ Nevertheless, Syria's progress on the diplomatic front may ease such efforts.¹⁹⁸ Syria is in peace talks with Israel, has received warm receptions from European Union leaders, and supports the

188. *Harassment Law in Works*, ARAB NEWS, Oct. 7, 2008, available at <http://www.arabnews.com/?page=1§ion=0&article=115178&d=7&m=10&y=2008>.

189. *Revised Law Allows Foreign-born Spouses to Travel Freely*, EIU COUNTRY REPORT SELECT, Aug. 21, 2008, at <http://news.lexis.com> (find "news and business-news most recent two years," search for "Revised Law Allows Foreign-born Spouses to Travel Freely").

190. Abdul Ghafour, *New Law to Combat Information Technology Crimes*, ARAB NEWS, Jan. 26, 2008, available at <http://www.arabnews.com/?page=1§ion=0&article=106086&d=26&m=1&y=2008>.

191. *Kingdom of Saudi Arabia Strengthens Copyright Anti Piracy Efforts in the Region*, AME INFO, Sept. 24, 2008, available at <http://www.ameinfo.com/169641.html>.

192. Jose Franco, *Gulf Countries Implement Pension Funds for Nationals*, KHALEJ TIMES, Feb. 1, 2008, available at http://www.khalejtimes.com/DisplayArticleNew.asp?section=business&xfile=data/business/2008/february/business_february28.xml.

193. *Gulf States Close to Regional Power Grid Deal*, AME INFO, Oct. 27, 2008, available at <http://www.ameinfo.com/173110.html>.

194. Richard High, *GCC Rail Network Approved*, KHL GROUP, Oct. 17, 2008, available at <http://www.khl.com/magazines/international-construction/detail/item28254/>.

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195. Scott Maravilla, *Middle East*, 42 INT'L LAW. 1047, 1073 (Summer 2008).

196. OXFORD BUSINESS GROUP, SYRIA:MAYBE THIS TIME FOR DSE, available at <http://www.naharnet.com/domino/tn/NewsDesk.nsf/0/1C623295F3BA8E8BC22574A90037FF19?OpenDocument>.

197. *Id.*

198. *Id.*

formation of a national unity in Lebanon.¹⁹⁹ Recently, the stock exchanges in Jordan and Dubai have signaled a willingness to assist in setting up the DSE.²⁰⁰ Syrian Air is set to be among the first to list on the DSE when it opens.²⁰¹

There is strong demand for a functioning stock exchange. Investors desire an alternative to real estate and bank deposits for their capital.²⁰² Pre-regulation of over-the-counter initial public offerings have been popular.²⁰³ Only forty-six percent of Syria's family-owned, privately-held companies, however, have undergone the necessary reforms to list on the DSE.²⁰⁴

The Syrian Commission for Financial Markets and Securities (SCFMS) has established much of the regulatory framework for the DSE.²⁰⁵ The SCFMS has set forth licensing regulations and the practices for financial intermediaries.²⁰⁶ It has already issued licenses to six foreign-owned financial intermediaries.²⁰⁷ The SCFMS announced on June 17, 2008, that all financial intermediaries would have to be majority-owned by Syrian individuals or companies.²⁰⁸ The SCFMS has also published its listing requirements for companies for comment but has yet to adopt a final rule.²⁰⁹

B. ANTI-HUMAN TRAFFICKING DRAFT LAW

Due to increased problems in human trafficking in Syria, particularly with regard to Iraqi women, the Parliament has enacted a draft law.²¹⁰ The draft law has been submitted to the Prime Minister, and it is hoped will be enacted by Presidential decree shortly thereafter.²¹¹ The law increases the punishment for trafficking to seven years in prison and a fine of US\$20,000.²¹² Currently, there is no separation under Syrian law between prostitution and forced prostitution (i.e. human trafficking).²¹³ Without this crucial distinction, women unwillingly forced into the sex trade can find themselves in prison with terms ranging from three months to three years and a fine of US\$115.²¹⁴ The draft law is intended to correct this deficiency in Syrian law.²¹⁵

199. *Id.*

200. *Id.*

201. *Id.*

202. *Damascus Stock Exchange Gets Ready For Syria's New Era*, BUS. INTELLIGENCE - MIDDLE EAST, Aug. 12, 2008, available at <http://www.bi-me.com/main.php?id=23468&t=1&c=26&cg=2&mset=1031>.

203. *Id.*

204. *Id.*

205. *Id.*

206. *Id.*

207. *Id.*

208. *Damascus Stock Exchange Gets Ready*, *supra* note 202.

209. *Id.*

210. SYRIA: *New Draft Law Targets Sex Traffickers*, IRIN, Mar. 17, 2008, <http://www.irinnews.org/Report.aspx?ReportId=77311>.

211. *Id.*

212. *Id.*

213. *Id.*

214. *Id.*

215. *Id.*

XVII. Turkey*

The ongoing political tensions between the ruling and mildly Islamic Justice and Development Party (known by its Turkish initials AKP) and the military and secular opposition continue to test Turkey's democracy and the legal reforms of recent years. Following last year's election when the AKP increased its majority in parliament, the struggle moved to the courthouse. While these court battles complicated Turkey's bid for accession to the European Union and undermined its economic growth,²¹⁶ more significantly, by wielding the legal system as a weapon in a political feud, both sides risked weakening the rule of law.

The legal battle began with the approval in February 2008 of the AKP's constitutional amendment allowing women to wear Islamic headscarves at universities. The amendment was opposed by members of the military and the secular opposition groups in parliament who asked the Constitutional Court to invalidate the amendment.²¹⁷ Prior to the Court's ruling, the country's top prosecutor petitioned the Court to disband the AKP for promoting "anti-secular activities."²¹⁸ The indictment accused the AKP of using democracy to force Sharia law on the country and violating the Political Parties Act and the constitution, citing as evidence the constitutional amendment allowing headscarves.²¹⁹ In a first for a ruling party, the Court agreed to hear the case by a unanimous vote of the eleven judges.²²⁰ The Court then announced its decision annulling the headscarf amendment because it would violate the secular nature of universities, despite questions concerning whether it had the constitutional authority to overturn an amendment.²²¹

The battle ostensibly continued when, on the same day the prosecutor was arguing his case for banning the AKP, the government arrested twenty-four people with another fifty implicated, including former military officers, secularist academicians, and journalists, for plotting to overthrow the government.²²² In the 2,455-page indictment, the defendants were accused of belonging to an organization known as Ergenekon, a shadowy nationalist

* Bobbie S. Neal, an attorney in Washington, D.C., prepared the report on developments in Turkey.
 216. See *Turkey's Constitutional Court Decides to Hear AKP Case*, HURRIYET, Mar. 31, 2008, available at <http://www.hurriyet.com.tr/english/turkey/8585399.asp?gid=231&sz=98946>; Vincent Boland, *Turkish Court Case Worries EU*, FINANCIAL TIMES, June 30, 2008, available at <http://www.ft.com/cms/s/0/65d81b72-4637-11dd-9009-0000779fd2ac.html>; Vincent Boland, *Arrests in Turkish Coup Probe*, FINANCIAL TIMES, July 1, 2008, available at <http://www.ft.com/cms/s/0/32e93d80-4769-11dd-93ca-000077b7658.html>.

217. *Turkey Ends Student Headscarf Ban*, BBC NEWS, Feb. 22, 2008, available at <http://news.bbc.co.uk/2/hi/europe/7259694>. The Constitutional Court is Turkey's highest court.

218. *Turkish PM: Move to Close Ruling Party a Step against National Will*, INT'L HERALD TRIBUNE, Mar. 15, 2008, available at <http://www.ihf.com/articles/ap/2008/03/15/europe/EU-GEN-Turkey-Secularism.php>.

219. *Id.*; Ersin Kalaycioglu, *Lawfare in Turkey: Ergenekon Versus the AKP*, BITTERLEMONS-INTERNATIONAL.ORG, July 17, 2008, <http://www.bitterlemons-international.org/inside.php?id=965>; Dorian Jones, *Turkey's Top Court Decides Islamic Headscarves Cannot be Worn at Universities*, VOICE OF AMERICA, June 5, 2008 <http://www.voanews.com/english/archive/2008-06/2008-06-05-voa47.cfm?CFID=65460613&CFTOKEN=85430733>. See also CONSTITUTION OF THE REPUBLIC OF TURKEY, available at <http://www.byegm.gov.tr/mevzuat/anayasa/anayasa-ing.htm> (last visited February 18, 2009).

220. *Turkey's Constitutional Court*, *supra* note 216. The political parties previously banned by the Court were not in power at the time. Ernesto Londono, *Turkey's Rulers Survive Secularist Challenge*, WASH. POST, July 31, 2008, available at <http://www.washingtonpost.com/wp-dyn/content/article/2008/07/30/AR2008073001309.html>.

221. Jones, *supra* note 219; Kalaycioglu, *supra* note 219.

222. Boland, *Arrests in Turkish Coup Probe*, *supra* note 216.

group believed to be responsible for planning acts of violence to prompt the military to launch a coup to defend the secular state.²²³ Despite claims by the government that the Ergenekon trial was a necessary legal step against a criminal element, the investigation gave the appearance of being a political response.²²⁴

Subsequently, the AKP narrowly escaped disbandment by the Constitutional Court; seven votes of the eleven judges were needed to ban the party, six voted in favor.²²⁵ Ten, however, agreed that the AKP had undermined secularism and cut half of the party's state funding for one year.²²⁶ The judges found that while the AKP had violated secular principles and caused social divisions by promoting religious education and attempting to allow headscarves at universities, the party had not promoted violence.²²⁷

Although the Court reprimanded the AKP for pushing a particular political agenda, by not banning the AKP, the decision may represent an acknowledgment of the limits of using courts to enable political change. With the Ergenekon trial beginning in October and expecting to last months, if not years, however, that optimism may be premature.

XVIII. United Arab Emirates*

A. REAL ESTATE

The Emirate of Dubai, in which the real estate market is considered a critical aspect of the economy,²²⁸ has enacted notable real estate legislation. The Dubai Mortgage Law (Mortgage Law) came into effect on October 31, 2008, to regulate the creation, perfection, and enforcement of a mortgage over real estate and off-plan properties in Dubai.²²⁹ Recordation of a mortgage with the Dubai Land Department is required under the Mortgage Law for any mortgage to be effective regardless of whether the relevant parties have agreed otherwise.²³⁰ The Mortgage Law also requires any mortgagee to be a bank or financial institution licensed by the UAE Central Bank to conduct real estate finance in the UAE.²³¹

223. Sabrina Tavernise & Sebnem Arsu, *86 on Trial in Turkish Coup Case*, N.Y. TIMES, Oct. 20, 2008, available at http://www.nytimes.com/2008/10/21/world/europe/21turkey.html?_r=1&hp&oref=slogin.

224. *Id.*; Boland, *supra* note 216; *Arrests in Turkish Coup Probe*, *supra* note 216.

225. Londono, *supra* note 220.

226. *Id.*

227. *PM 'Undermined' Turkey Secularism*, BBC NEWS, Oct. 24, 2008, available at <http://news.bbc.co.uk/2/hi/europe/7688069.stm>.

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228. See generally, Tony Maalouli, *Implications of the Dubai Property Law*, INTERNATIONAL LAW OFFICE, Jan. 18, 2008, <http://www.internationallawoffice.com/Newsletters/Detail.aspx?g=0ba422e8-ffd7-4452-88f2-7dbe6f397e00>.

229. Law No. 14 of 2008 Concerning Security Mortgage in the Emirate of Dubai, Dubai Official Gazette No. 334, (August 31, 2008), available at [http://www.dubailand.gov.ae/Id_website/\(A\(lHfXCfZ8yQEkaAAAZDkwMTdIY2IrOWIwOC00MTIyLTgyYtAtNmEzMmM0MGE5Y2E0ys2i-aOUu-7FT0Xu9tY8jsn2fQc1\)S\(avlulaap53qnqvaj2veys155\)\)/enLAW/No14_2008.pdf](http://www.dubailand.gov.ae/Id_website/(A(lHfXCfZ8yQEkaAAAZDkwMTdIY2IrOWIwOC00MTIyLTgyYtAtNmEzMmM0MGE5Y2E0ys2i-aOUu-7FT0Xu9tY8jsn2fQc1)S(avlulaap53qnqvaj2veys155))/enLAW/No14_2008.pdf).

230. *Id.* art. 7.

231. *Id.* art. 4.

Dubai also enacted the Preliminary Real Estate Register Law (Register Law), which came into effect on August 31, 2008, to regulate the registration of properties offered for sale in the market prior to construction works (i.e. off-plan properties).²³² The Register Law provides that rights over off-plan properties, including ownership or mortgage rights, will not be valid unless such rights are recorded by real estate developers in the preliminary register maintained by the Land Department in Dubai.²³³

Furthermore, the first Tenants and Landlords Law of 2007 (T&L Law) in Dubai came into effect on March 1, 2008.²³⁴ The T&L Law regulates the relationship between landlords and tenants and generally protects tenants against rising rents in Dubai. The Law requires tenancy agreements to be registered with the competent authority in Dubai²³⁵ and provides that rental prices cannot be increased and the rent terms cannot be modified within two years from the date of the first tenancy agreement.²³⁶ This Law has also been supplemented with Decree No. 27 of 2007, which came into effect on January 31, 2008, and capped any increase in the annual rental price at no more than 5 percent of the annual rental value.²³⁷

B. ARBITRATION

Dubai International Financial Center (DIFC), a financial free zone in Dubai,²³⁸ has announced the establishment of the DIFC-LCIA, in collaboration with the London Court of International Arbitration (LCIA), as a dispute resolution center in the DIFC.²³⁹ This is expected to enrich and empower the arbitration platform of the DIFC by utilizing the expertise and reputation of the LCIA.²⁴⁰

In addition, the DIFC Arbitration Law of 2004 was replaced with the Arbitration Law of 2008 (Arbitration Law).²⁴¹ The new Arbitration Law is expected to improve the arbitration platform in the DIFC because it enables any party outside the DIFC or UAE to

232. Law No. 13 of 2008 Concerning Regulation of Preliminary Real Estate Register in the Emirate of Dubai, Dubai Official Gazette No. 334, (Aug. 31, 2008), available at [http://www.dubailand.gov.ae/ld_website/\(A\)MjFp3p0yQEkAAAAMDkxNWM4MTMtNWY5YS00ZGFhLTliNmItNDdmY2U3M2MyNjNl_Xkdl-J6tWSLFCNmJOkhp7XJe9k1\)S\(smkofr45q44zmd55vzymzu55\)\)/en/LAW/No13_2008.pdf](http://www.dubailand.gov.ae/ld_website/(A)MjFp3p0yQEkAAAAMDkxNWM4MTMtNWY5YS00ZGFhLTliNmItNDdmY2U3M2MyNjNl_Xkdl-J6tWSLFCNmJOkhp7XJe9k1)S(smkofr45q44zmd55vzymzu55))/en/LAW/No13_2008.pdf).

233. *Id.* arts. 3, 8.

234. Law No. 26 of 2007 Concerning Relationship between Landlords and Tenants in the Emirate of Dubai, Dubai Official Gazette No. 326, (Dec. 31, 2007), available at <http://www.dubairealestatepropertyinvestments.com/dubai-property-laws.php>.

235. *Id.* art. 4.

236. *Id.* art. 9.

237. Decree No. 27 of 2007 Concerning Real Estate Rental in the Emirate of Dubai, Dubai Official Gazette No. 327 (Jan. 31, 2008), available at <http://www.dubairealestatepropertyinvestments.com/dubai-property-laws.php>.

238. See generally *Dubai International Financial Centre*, ABOUT DIFC, http://www.difc.ae/about_difc/index.html (last visited Feb. 18, 2009).

239. See *Launch of the DIFC LCIA Arbitration Centre*, AME INFO, Feb. 17, 2008, available at <http://www.ameinfo.com/147193.html> (last visited Feb. 18, 2009).

240. *Id.*

241. Dubai International Financial Centre, Enacted Laws, Arbitration Law of 2008, (Sept. 1, 2008), http://www.difc.ae/laws_regulations/laws/enacted_laws.html.

choose the DIFC as a seat for arbitration.²⁴² A draft UAE federal arbitration law is expected to be passed in 2008, which intends to introduce a more robust legal framework for arbitration in the UAE.²⁴³

C. DIFC LEGAL DEVELOPMENT

Entities incorporated in the DIFC have been permitted, pursuant to Cabinet Resolution No. 28 of 2007, to establish subsidiaries and branches and to own companies in the UAE outside the DIFC. DIFC entities may further be treated as national companies if they meet the requirements set out by the applicable laws.²⁴⁴ Previously, entities incorporated in the DIFC did not receive national treatment even if such entity was wholly owned by UAE nationals.

XIX. Western Sahara*

The ice underneath the three-decade old desert conflict is thawing, and both sides are threatening to take up arms again. Opposing parties have accused one another of illegal military maneuvers and human rights abuses.²⁴⁵ Key legal issues focus on whether the Security Council should pressure the parties to engage in substantive discussions. The decision rests between the UN using its Chapter VII powers or continuing to work within Resolutions 1754 and 1783.²⁴⁶ A look at the political developments of this past year highlights the continued stagnation of the conflict.

The U.N. Mission for the Referendum in Western Sahara (MINURSO) is no closer to “a just, lasting and mutually acceptable political solution, which would provide for the self-determination of the people of Western Sahara.”²⁴⁷ In an effort to achieve a “more intensive and substantive phase of negotiation,”²⁴⁸ Morocco and the Polisario Front independence party met twice in 2008, but little progress was made.²⁴⁹ Morocco rejected any proposal listing independence as an option and the Polisario refused to discuss autonomy

242. See generally Isaac John, *Dubai Enacts DIFC Arbitration Law*, KHALEEJ TIMES, Sept. 2, 2008, available at http://www.khaleejtimes.com/DisplayArticleNew.asp?col=§ion=business&xfile=data/business/2008/September/business_September47.xml.

243. See *Draft Arbitration Law Ready*, KHALEEJ TIMES, Feb. 3, 2008, available at http://www.khaleejtimes.com/DisplayArticleNew.asp?section=theuae&xfile=data/theuae/2008/february/theuae_february74.xml.

244. Cabinet Resolution No. 28 of 2007 On the Implementing Regulations of Federal Law No. 8 of 2004 Concerning Finance Free Zones, Dubai Official Gazette No. 469, (Aug. 30, 2007), available at http://www.difc.ae/laws_regulations/laws/enacted_laws.html (last visited Feb. 18, 2009).

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245. The Secretary-General, *Report of the Secretary-General on the Situation Concerning Western Sahara*, ¶¶ 4-7, U.N. Doc. S/2008/251 (Apr. 14, 2008), available at <http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/Western%20Sahara%20S2008251.pdf>.

246. See S.C. Res. 1754, U.N. Doc. S/RES/1754 (Apr. 30, 2007), available at <http://daccessdds.un.org/doc/UNDOC/GEN/N07/325/21/PDF/N0732521.pdf?OpenElement>. See also S.C. Res. 1783, U.N. Doc. S/RES/1783 (Oct. 31, 2007), available at <http://daccessdds.un.org/doc/UNDOC/GEN/N07/574/60/PDF/N0757460.pdf?OpenElement>.

247. The Secretary-General, *Report of the Secretary-General on the Status and Progress of the Negotiations on Western Sahara*, ¶ 1, U.N. Doc. S/2008/45 (Jan. 25, 2008), available at <http://www.unhcr.org/refworld/publisher,UNSC,,ESH,47a037422,0.html>.

248. *Id.* ¶ 7.

249. *Id.*

as the sole option.²⁵⁰ Tensions continued to escalate and human rights remained outside the scope of MINURSO.²⁵¹

The Russian Federation's threat of a technical veto secured the refusal to expand the MINURSO mandate.²⁵² In Resolution 1813, the Security Council extended the mandate until April 30, 2009.²⁵³

250. See Security Council Report–Western Sahara Historical Chronology, <http://www.securitycouncilreport.org/site/pp.aspx?c=glKWLeMTIsG&b=2833181&printmode=1> (last visited Feb. 18, 2009).

251. See *Report of the Secretary-General on the Situation Concerning Western Sahara*, *supra* note 245, ¶¶ 49–53, 70–72.

252. See *Security Council Extends Western Sahara Mission until 30 April 2009, Unanimously Adopting Resolution 1813 (2008)*, RELIEFWEB, Apr. 30, 2008, <http://www.reliefweb.int/rw/RWB.NSF/db900SID/EGUA-7E8LLD?OpenDocument>.

253. S.C. Res. 1813, ¶ 9, U.N. Doc. S/RES/1813 (Apr. 30, 2008).