



Dear Friends and Clients,

Ramadan has started. The Euro2016 has started, too. Conflict of interest? No beer at the games before sunset, or even after? Well, you can always watch it at home and drink whatever you want as long as you don't disturb anybody. The Emirates is one of the most tolerant Islamic countries...at least the majority of the 7 Emirates are.

We mention several points on real estate in this issue, partly floating and partly on land. After living and working in this economy for over 10 years, it's always admirable to see which reasons investors find for themselves to invest their money into this part of the world.

Over supply will lead to falling prices. But the Middle East is still an investor's heaven as we can see from the significant increase on new formations: "We see positive market fundamentals for Dubai in 2016, including infrastructure investment and connectivity, offering potentially good prospects in the real estate market for well specified developments. However, despite these market fundamentals, we also expect headwinds in Dubai's real estate market in 2016, largely influenced by external factors." writes Robin Williamson, Managing Director and Real Estate Industry Leader of Deloitte.

The right of privacy has been enforced by the Penal Code and the Cybercrime Law and should set a precedent for western jurisdictions. Maybe the divorce rate will decrease if such laws would be implemented in the western countries, too. Anyway, Ramadan is also the time for sexual abstinence (at least in daytime) so there is no reason to check your partner's phone if he is home for Iftar and doesn't go out for Suhoor alone. ☺

Happy fasting to you,

Theodor Strohal

Six-month grace period to get health insurance in Dubai

While the Health Insurance Law No. 11 makes it mandatory for every Dubai resident to have health insurance by the end of June, dependents of sponsors (that includes spouses, children and domestic workers, such as maids and nannies) will not incur a fine for not having mandatory health insurance coverage, as clarified by Dr. Haidar Al Yousuf, director of health funding at DHA. Dubai residents in the dependents and domestic worker category now have been given a six-month grace period, until the end of 2016.

So far, only 40 per cent of the people in the Phase 3 category — which includes companies with 1-99 employees, individuals, dependents and domestic help — have subscribed to health insurance. This mean, nearly 60 per cent in this category have yet to get health insurance.

Checking partner's phone without consent can land you in jail

Any wife or husband who inspects each other's phone without their partner's permission may get three months in jail in addition to a fine ranging from Dh3,000 to Dh5,000. The violators can be prosecuted under Federal Penal Code No. 380 which protects the privacy and freedom of both spouses.

Furthermore, per Articles 14 and 21 of the Cybercrime Law, any person who illegally accesses your smartphone without permission could face up to three years in jail and/or a fine ranging from Dh250,000 to Dh500,000.

Both laws are applicable and punishment is decided as per the judge's discretion.

Workers' midday break rule to begin on June 15

An awareness campaign has been launched by the permanent committee for labor affairs in Dubai (PCLA) to ensure that workers and companies will adhere to the summer midday break rules in the emirate.

The rules prevent laborers from carrying out any work under direct sunlight between 12:30pm and 3:00pm throughout the three-month period from June 15 to September 15. Dh5,000 per worker with a maximum of Dh50,000 will be imposed on companies violating the rules.

UAE Commercial Companies Law: One-year extension for amendment of MOA

The UAE Cabinet recently approved a proposal by Sultan bin Saeed Al Mansouri, Minister of Economy, to extend the period for existing companies in the UAE to comply with Federal Law No. 2 of 2015 on Commercial Companies for one more year.

Companies established before the issuance of the new law under Article No. 374 were originally given from July 1, 2015 to June 30, 2016, to amend their Memorandum of Association and Articles of Association in compliance with the provisions of this law. According to Article 357, in case of late adjustment, companies will be fined Dh2,000 per day of delay calculated from the day following the expiration date of the applicable period for such purpose.

Based on the UAE Cabinet's proposal by the Minister of Economy, an additional one year has been given for the adjustment of positions, starting from July 1, 2016 and ending 30 June, 2017.

The Ministry of Economy said it has extended compliance with the new commercial companies law by one year to allow more than 220,000 firms to complete adjustments that have been delayed because of difficulties overcoming red tape.

"The new deadline is in line with government efforts to facilitate business, enhance the role of the private sector, and to achieve a smooth transition," the Ministry of Economy said.

40 Floating Seahorse signature villas launched

The Austrian real estate developer Kleindienst Group is gung-ho about sales of its Floating Seahorses, partially submerged villas situated 4km off the coast of Dubai in The World islands project. To capitalize on investor appetite, the developer recently launched 40 Signature Edition versions of these villas.

Inspired by Emirati culture and European designs, the Signature Edition of the Floating Seahorse has been developed for large families with children and those that host several guests. Each Floating Seahorse unit is essentially a boat without propulsion. It offers luxurious marine-style living across three levels - one underwater, one at sea level and an upper deck. Each Signature Edition Floating Seahorse spans 4,004 square feet across three levels and will be home to state-of-the-art technology and smart home automation.

The project is called Floating Seahorse because the residential units will have an artificial coral reef underneath that will serve as a breeding ground for seahorses. Designed, engineered and built in the UAE, 40 Signature Edition Floating Seahorses are now under production and priced at Dh12 million. The estimated completion for the first phase is October 2016. We wish Mr. Kleindienst all the best and good luck with this innovative investment opportunity!

No more 'bill shock' from Du or Etisalat

What happens if you run out of data allowance in the middle of the month without realizing it? A bill shock, for sure. It is one of mobile data customers' perpetual nightmares. If we had purchased data bundles according to expected usage and then exceed that limit, we'd end up paying through the nose for the additional data.

Recognizing this, the UAE's Telecommunications Regulatory Authority (TRA) has issued a directive ordering telecom operators Etisalat and Du to put a ceiling, or hard cap, on their respective mobile data bundles in a bid to protect consumers from unwittingly incurring disproportionately higher additional charges. The directive serves as a safety net measure to protect mobile data subscribers from what the TRA calls 'bill shock'.

Middle East sovereign investor confidence stable despite low oil prices

Middle Eastern sovereign investor confidence is stable and they continue to pursue long-term investment goals through strategic asset allocation, despite sustained low oil prices and continued market volatility, according to Invesco's Global Sovereign Asset Management.

The study, an in-depth report on the complex investment behavior of sovereign wealth funds and central banks covers 77 individual sovereign investors and reserve managers across the globe representing 66 per cent of sovereign assets and 25 per cent of foreign reserves — totaling \$8.96 trillion of assets.

This year's study shows Middle Eastern sovereign investors are confident that they are well positioned to work within in the challenging economic environment and continue to invest in global markets across various asset classes. The study showed that there is a strong preference for the US above other geographical regions and an increased appetite for real estate investment to drive allocations toward alternatives.

Middle Eastern sovereign investors' allocations to real estate have raised significantly, from 5.9 per cent in 2013 to 9.8 per cent in 2015. Global sovereign investors expect to increase global and local allocations into real estate more than any other asset class in order to meet diversification and absolute return objectives.

This all sounds good. But real estate investment – like any other in a free market – heavily depends on supply and demand.

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