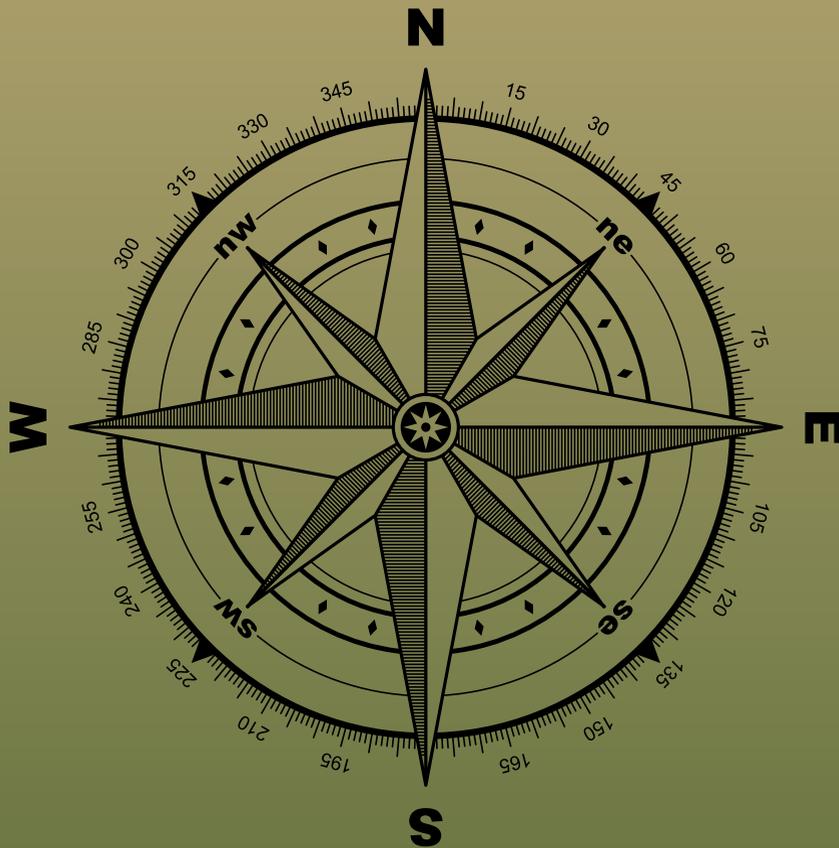




Centre for Trade and Investment Law

Investment Law **compass** Investment and the WANA Region



navigating through
GLOBAL INVESTMENT FRAMEWORK

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APPROACH FROM THE MIDDLE EAST IN ATTRACTING INVESTMENTS

1. Saudi Arabia - New Investment Law & Capital Market Liberalisation

Saudi Arabia enacted the Investment Law, 2024, replacing the Foreign Investment Law of 2000. The law introduces a unified investment regime applicable to both domestic and foreign investors, shifts from a licensing system to simple registration, and statutorily guarantees non-discrimination, protection against expropriation, free repatriation of capital and profits, and access to arbitration and mediation.

Saudi Arabia replaced its older 2000 foreign investment regime with a new Investment Law in August 2024, effective from early 2025, which now applies uniformly to both domestic and foreign investors rather than treating foreign investment as a separate class. This competitive neutrality is a significant modernization.

The law abolishes the requirement for foreign investors to obtain separate foreign investment licenses. Instead, investors simply register with the Ministry of Investment, cutting red tape and reducing procedural hurdles. A central National Investor Register has been established to capture all investor registrations, enabling a single registry approach across sectors and activities – simplifying compliance.

The definition of “foreign investor” has been expanded to include natural persons as well as legal entities, broadening participation beyond corporate entities. The law also codifies legal protections such as fair and equitable treatment, safeguards against expropriation with compensation, and full repatriation rights for capital, profits, and liquidation proceeds. The statute explicitly allows arbitration and mediation between investors and the government, offering a more flexible and investor-friendly dispute settlement mechanism.

Starting Feb 1, 2026, Saudi Arabia's Capital Market Authority abolished the old Qualified Foreign Investor (QFI) regime, allowing all foreign investors (institutional and individuals) to invest directly in the Main Tadawul equity market without special qualifications, dramatically broadening access. This reform abolished equity swap arrangements for synthetic exposure and allows direct ownership with full shareholder rights – thus improving market liquidity, transparency, and governance.

While market access is liberalised, certain limits remain (e.g., a 49% aggregate foreign cap per listed company and a typical 10% cap per single investor, with strategic exceptions subject to regulatory conditions).

2. United Arab Emirates – FDI & Corporate Regulation Reforms

The UAE's investment framework is anchored in Federal Decree-Law No. 19 of 2018 on Foreign Direct Investment, read with amendments to the Commercial Companies Law. Together, these laws permit 100% foreign ownership in a wide range of sectors, subject to limited strategic exclusions, and operate through positive and strategic activity lists, balancing openness with regulatory oversight.

Expanded 100% Foreign Ownership: The UAE has gradually removed mandatory local ownership requirements across many sectors,

enabling 100% foreign ownership in many onshore businesses beyond traditional free zones, subject to applicable positive lists published by economic authorities.

The UAE Cabinet maintains a Strategic Impact Activities list, where ownership or licensing conditions may differ; this provides targeted regulatory controls while still enabling broad investor participation. The Ministry of Investment (est. 2023) centralises FDI facilitation, offering a unified gateway to support inbound investment, align strategy, and provide investor services. Recent UAE corporate law reforms have introduced “corporate citizenship” status for UAE companies, giving firms incorporated in the UAE a legal identity similar to national entities, enhancing credibility and attractiveness to international investors.

3. Qatar – Foreign Investment Law Enhancements

Qatar's principal investment statute, Law No. 1 of 2019, allows full foreign ownership in most sectors, removes mandatory local partnership requirements, and guarantees free transfer of funds, protection against expropriation with compensation, and access to international arbitration. Recent amendments focus on further simplifying approval procedures. Qatar's Foreign Investment Law (Law No. 1 of 2019) allows full foreign ownership in many sectors without the

need for a local partner, replacing earlier restrictions that required majority local ownership.

The law guarantees unrestricted transfer of investment returns, capital, and sale proceeds abroad in any exchangeable currency, providing strong repatriation assurances. Investors have rights to transfer investment ownership, and disputes can be resolved through local or international arbitration commissions, fostering legal flexibility. Qatar's regulatory environment includes free zones (e.g., QFZ) and the Qatar Financial Centre (QFC), both offering 100% ownership, tax incentives, and streamlined procedures, with QFC disputes adjudicated under common law.

The Qatar Cabinet has recently approved sweeping reforms to the foreign investment framework aimed at further incentivising non-Qatari capital, though detailed provisions are pending publication.

Innovative Features Across Middle East Investment Laws

1.Unified treatment of domestic and foreign investors: Moving from bifurcated regimes to equal, non-discriminatory legal frameworks.

2.Elimination of licensing for registration: Replacing heavy licences with fast registration systems.

3.Direct capital market access: Abolishing qualification regimes and broadening investor eligibility.

4.Comprehensive investor rights: Clear repatriation, protection from expropriation, and recognised dispute resolution.

5.Flexible ownership structures: Enabling 100% foreign ownership in many jurisdictions and sectors.

6.Modern investment authorities: Central bodies like UAE's Ministry of Investment dedicated to facilitating FDI.



SOURCE: KNN NEWS & KNOWLEDGE

India, Oman ink trade deal with investment cooperation pact

SUJAYA SANJAY

In December 2025, India and Oman signed a Comprehensive Economic Partnership Agreement (CEPA) liberalizing trade flows between both countries. The CEPA marks a significant milestone in the bilateral relationship between both countries, which has registered a steady growth momentum over the past 8 years. In addition to the significant trade liberalisation, the CEPA also contains an investment cooperation component, reflecting the strong investment flows between both countries and particularly, Oman's long-term interest in India's market.

Trade between India and Oman goes back at least 5000 years, with goods being shipped between Lothal (modern-day Gujarat) and Oman as far back as 3200 BC. Incidentally, on 29 December, the Indian Navy undertook a landmark voyage from Porbandar in Gujarat to Muscat, Oman on an engineless wooden ship, 'Kaundinya',

built using stitching techniques from over 2000 years ago. The Kaundinya reached the shores of Muscat on 14 January 2026, is a tribute to ancient India's maritime traditions as well as to the longstanding trade ties between India and Oman.

Chapter 12 of the CEPA, titled "Cooperation", pertains (in particular) to economic, trade and technical cooperation in a range of sectors identified by both Parties—agriculture, livestock and fisheries; mining and minerals; pharmaceuticals; digital trade and e-commerce; space technology; tourism; logistics; defence manufacturing; and innovation and scientific research. The commitments undertaken by both Parties are non-binding and on a best-efforts basis, with dispute settlement being specifically excluded from application to the chapter.

The chapter is comprehensive in its description of the nature of cooperation between the States parties in each of the identified sectors. In addition to sharing of best practices and facilitating exchange programmes and workshops, also identifies targeted areas in each domain where Parties can leverage their respective strengths for mutual benefit. A common strand that runs through the various sectors of cooperation is the mutual need to build resilient supply chains, reflecting the Parties' tacit acknowledgment of geopolitical realities following the COVID-19 pandemic and conflict in the Ukraine. The 'Innovation' clause is particularly detailed, with emphasis on marquee sectors like artificial intelligence and renewable energy and identifying the need to build expertise and capacity through scientific enquiry and research.

To achieve the objectives outlined by this chapter, both Parties have agreed to establish a 'Committee on Cooperation' to review its operation, monitor progress and make suitable recommendations, among other things.

Endnotes

[1] Neeraj Kumar, 'India-Oman Trade and Investment Ties Deepen Amid Strong Economic Momentum', DD News (18 December 2025), available at <https://ddnews.gov.in/en/india-oman-trade-and-investment-ties-deepen-amid-strong-economic-momentum/>

[2] 'Oman History: Explore the ancient Omani trading routes', Times of Oman (18 January 2017), available at <https://timesofoman.com/article/25988>

[3] ANI 'Indian Sailing Vessel 'Kaundinya' built using 2000-year-old technique enters Omani waters on historic voyage', ET Infra (12 January 2026), available at <https://infra.economictimes.indiatimes.com/news/ports-shipping/historic-voyage-of-indian-sailing-vessel-kaundinya-to-oman-using-ancient-technique/126481022>

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