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Regulation of commercial activities

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The UAE continues to play an important role in the world's energy markets, holding almost 10% of the world's proven oil reserves and the world's fifth-largest natural gas reserves. Diversification of the petroleum-based economy is leading to growth and expansion in the UAE, particularly in the two largest emirates, Abu Dhabi and Dubai, which together provide most of the UAE's income. From a legal perspective, rapid development in all economic sectors has brought the legislative and regulatory framework into sharp focus. For example, growth in the property development and construction sectors has spurred the enactment of long-awaited property laws in Abu Dhabi and Dubai. The emergence of the Dubai International Financial Centre (DIFC) as an international regional financial centre has been supported by the continued development of applicable laws and regulations. There is increasing awareness about the need for reform of the UAE Companies Law and the UAE Commercial Agencies Law to facilitate foreign investment and further align the UAE with WTO policies.

The UAE Constitution

Provisionally adopted in 1971 and permanently adopted in 1996, the UAE Constitution enshrines Abu Dhabi as the federal capital, establishes the principal federal authorities, and provides for a distribution of jurisdiction between the federal authorities and the individual emirates. While the federal authorities have exclusive legislative and executive jurisdiction in relation to various specified areas, each Emirate retains a great deal of legislative and political independence.

Although the UAE Constitution enshrines the principle that the state religion is Islam, and Islamic *Sharia* and practice is the basic foundation for the laws of the UAE, various federal laws (applicable throughout the UAE) and local laws (applicable solely in the relevant Emirate) have been enacted governing, among others, civil and commercial transactions and legal proceedings in each Emirate. Generally, in relation to any commercial law issues, initial reference should be made to any applicable federal and local laws and, if these laws do not address the issue, the applicable provisions of *Sharia* may apply.

The UAE Constitution permits each emirate to retain its own judicial system so there are federal courts and local courts in the UAE. All emirates other than Dubai and Ras Al Khaimah have brought their judicial systems into the federal judicial system. Judgments delivered in the courts of Abu Dhabi are subject to appeal to the Federal Supreme Court of Cassation based in Abu Dhabi. The Emirates of Dubai and Ras Al Khaimah have retained their own judicial systems, which are not part of the UAE federal system. There is no system of binding judicial precedent in the UAE, although decisions of the higher courts are of persuasive authority and lower courts would generally tend to follow relevant judgments issued by courts of higher authority.

Recent political changes

In January 2006, after the death of Sheikh Maktoum bin Rashid Al Maktoum, his younger brother, Sheikh Mohammed bin Rashid Al Maktoum became the Ruler of Dubai and vice-president and prime minister of the UAE. This followed another big change in November 2004, when Sheikh Khalifa bin Zayed Al Nahyan became the Ruler of Abu Dhabi and president of the UAE after the death of his father, Sheikh Zayed bin Sultan Al Nahyan.

Sheikh Mohammed had, for some time and with Sheikh Maktoum's blessing, been in charge of Dubai's direction and development. Similarly, Sheikh Khalifa had effective control of the affairs of Abu Dhabi, particularly after the decline of his father's health. Accordingly, each of the transitions has been seamless, and the pace of development previously seen in these emirates has continued.

Companies Law

The establishment and licensing of businesses in the UAE is regulated both at the federal and emirate levels. The primary law applying to commercial companies established in the UAE is Federal Law 8 of 1984, the Companies Law.

With the exception of entities established in the free zones, a limited liability company (often the most appropriate vehicle for foreign entities wishing to trade in the UAE) is, pursuant to the Companies Law, required to have a minimum of 51% UAE ownership. Also, certain activities, such as those related to the oil and gas, real estate and other various specified categories as a matter of licensing practice, require 100% UAE ownership. In 2005, GCC nationals became entitled to hold 100% ownership in most types of UAE companies, including limited liability companies.

The profits of these limited liability companies may be apportioned differently and various structures may be implemented to protect the minority rights of a foreign shareholder in a limited liability company, but the minimum UAE ownership requirement is generally seen as an impediment to foreign trade and investment in the UAE. There have been reports of a proposed amendment of the Companies Law, including a relaxation of the minimum UAE ownership requirements, for some years. Most recently, at the April 2006 meeting of the WTO, the UAE minister of economy confirmed that the Companies Law would be modified to allow enhanced foreign ownership. However, there is no clear indication as to the extent of the proposed amendments or when these might be implemented.

Free trade zones

The UAE free trade zones, generally established by each individual emirate, are subject to separate regulation and specific local laws. The first free trade zone was the Jebel Ali Free Trade Zone, formed in 1985. Now over 15 zones within the UAE are collectively home to over 5,000 companies. Many of these free trade zones serve as re-export centres, their chief attraction being that 100% foreign ownership is permitted. However, there are restrictions in relation to the activities of free zone companies within the UAE.

One of the most recent free zones is the Dubai International Financial Centre (DIFC). Each of the free trade zone projects is innovative and ambitious, but the DIFC goes a step further and effectively creates a jurisdiction within a jurisdiction. The DIFC was officially launched on November 11 2005 and has since gained momentum, attracting many of the world's top banks and investment houses. It is intended to be an international hub for the banking, finance, securities and insurance sectors – banking services (including investment banking, corporate banking and private banking), capital markets (including equity, debt, derivatives and commodity trading), asset management and fund registration, reinsurance, Islamic finance and back-office operations are each primary sectors of focus within the DIFC. Entities established and/or operating in the DIFC are subject to an independent legal, regulatory and judicial regime, separate and distinct from that applicable outside of the free zone. The DIFC has power to enact laws and legislation applicable to those entities established and/or operating in the DIFC, which may supersede various federal and/or local laws, and has established an independent judicial system. Since 2004, about 30 laws have been introduced.

The Dubai International Financial Exchange (DIFX), within the DIFC, opened in September 2005. The first company to list securities on the DIFX was the international telecommunications business Investcom, which raised over $740 million in an IPO of global depositary shares. Kingdom Hotel Investments' first listing of ordinary shares on the DIFX took place on March 1 2006. The IPO was oversubscribed and raised $397 million. In both cases, securities were also listed on the London Stock Exchange.

Property law

One of the most welcomed recent legal developments has been the enactment of specific property laws in Abu Dhabi and Dubai. These laws apply locally within Abu Dhabi and Dubai and are not federal laws.

In 2002, the Ruler of Dubai announced that ownership of certain designated areas of Dubai was available to all nationalities. This paved the way for a boom in the real estate market in Dubai. However, although eagerly anticipated by investors, developers and other participants in the property and construction sectors, no laws or regulations reflecting permitted foreign ownership of the relevant designated areas were enacted in Dubai until 2006.

The Abu Dhabi and Dubai property laws permit the vesting of certain defined land ownership rights in foreigners in relation to designated areas. In certain cases, these rights could equate to what are commonly known as freehold rights, but in other instances these rights could be restricted to the ownership of the leasehold rights for 99 years or less. The systems for registration of these rights are under development.

Banking and finance

Recommended firms
Tier 1
Allen & Overy
Clifford Chance
Tier 2
Denton Wilde Sapte
Shearman & Sterling
Tier 3
Al Tamimi & Company
Linklaters
Norton Rose
Simmons & Simmons
Tier 4
Afridi & Angell
Al Sayegh Richards Butler
Clyde & Co
Hadef Al Dhahiri & Associates
Trowers & Hamlins
Vinson & Elkins

Allen & Overy

After another stellar year for Allen & Overy, market opinion dictates that it "definitely deserves tier one status." It has been noted that there has been a "high turnover" of associates recently, but overall there has been growth in the finance department and three partners and 17 associates handle banking matters. At the helm is the "very active" Bimal Desai. Interviewee recommendations do not come higher than those for Desai: "expert in the area", "extremely commercial" and "excellent deal executor" are just a few of the plaudits thrown his way. Most importantly, it is reported that "his clients know, respect and have time for him" and that "he is eminently sensible to deal with."

However, Desai is not the only star of the show. Peers also highlight Duncan Macnab as "a good operator", "a very sensible lawyer" and "a super guy." In addition, the market sees a rising talent at Allen & Overy. Shehzaad Sacranie is described as "a safe pair of hands" who "knows when to get the partners involved and when to work alone."

Banking has been a strong focus for Allen & Overy over the past 12 months, and in a busy year three transactions stood out over the rest. Firstly, Desai advised Gulf International Bank and Standard Chartered Bank on a $750 million syndicated loan facility for First Gulf Bank. In October 2005, he represented Abu Dhabi Commercial Bank in a debut syndicated loan it received for $1 billion. Finally, Ian Ingram-Johnson settled into the department as partner by acting for HSBC in a $230 million term loan to Dubai International Capital for the acquisition of Doncasters in April 2006. Allen & Overy is clearly benefiting from a market that is "getting stronger, developing and becoming more complex." Throw in the fact that there is "added regulation in the UAE now" and it is easy to see why law firms of A&O's standing are so busy.

In capital markets, most of the firm's impressive work is of a confidential nature. However, it can be reported that in April 2006 it advised the joint global coordinators and bookrunners on the $397 million Kingdom Hotel Investments initial public offering (IPO), while on the Islamic finance side it represented Emirates Airlines on its $500 million *sukuk* issue in June 2005.

Project finance work has seen Allen & Overy work for the monoline insurer and lenders in relation to the $132 million restructuring of the Ajman waste water project in March 2006, which was the first monoline-wrapped financing in the region. The firm also advised conventional and Islamic lenders in December 2005 with regard to the $1.5 billion Sohar aluminium project.

Leading lawyers	Key contact partners
Bimal Desai	Bimal Desai
Duncan Macnab	Ian Ingram-Johnson
	Duncan Macnab

Clifford Chance

With the addition of finance and projects specialist Peter Avery from the Tokyo office in July 2006, Clifford Chance completed 12 months of growth in the UAE. There are now six partners and 36 associates at the firm's Dubai hub, which makes it one of the largest law firms in the region. Most importantly, the quality of work undertaken by Clifford Chance is as high as ever, and the majority of commentators agree that it "deserves to be in tier one."

Both of these facts fly in the face of some disappointing losses this year. At the end of 2005, associate Scott Campbell left to become a partner at Linklaters. At a similar time, Ewan Cameron made the same move, but an immediate counter-measure came in the form of drafting in Simon Clinton to head the corporate and equity securities practice, which seems to have quelled negative opinion in the market. Indeed competitors still see the firm as a tier-one powerhouse. Another reason for the firm's lofty position in the face of adversity is that it retains the services of other top lawyers. In particular, peers highlight Robin Abraham as "very commercial and pragmatic ... he is the type of lawyer that clients want."

Furthermore, it is unavoidable to note the impressive roster of finance deals the firm has worked on over the past year. In the first half of 2006, Clifford Chance has already advised Commercial Bank of Qatar on the $150 million financing of an office tower in Qatar and represented MTC on the £1.5 billion financing for the acquisition of Vee Networks in Nigeria. However, the highest-profile instruction came from the Dubai Ports & Customs Free Zone Authority, which selected the firm for advice on the syndicated $6.5 billion acquisition financing of P&O.

In capital markets, Clifford Chance operates a strict confidentiality code on the equity side, although it can be reported that it has been involved on two IPOs on the Dubai International Financial Exchange and eight in Saudi Arabia. Of the latter, the firm advised Samba Financial Group as lead underwriter on the $300 million IPO of Saudi Research and Marketing Group in May 2006. In the debt markets, there is less secrecy and two transactions especially stand out. In January 2006, Clifford Chance worked on a £3.5 billion *sukuk* for Dubai Ports World, and two months later it counselled Emirates Bank on a $3.5 billion MTN programme.

The project finance arm of Clifford Chance has also shown its muscle this year, advising ABN Amro on the $5 billion financing of a petrochemical plant in Saudi Arabia and representing the Saudi Water & Electricity Company on the $2.5 billion financing of a similar project. At the time of writing, the firm was acting for a bank syndicate in relation to the $1.1 billion Atlantic Hotel and Resort development on The Palm, Jumeirah.

Leading lawyer	Key contact partners
Robin Abraham	Robin Abraham
	Peter Avery
	Malcolm Turner

Denton Wilde Sapte

There have been some major changes in the personnel at Denton Wilde Sapte over the past 12 months; in particular, the market has pinpointed the departure of partner Mary Allan's relocation to the firm's Muscat office as a significant move. There has been an influx of new associates, as well as partner Owain Jones from the London office, but for the time being the firm seems to be in a period of transition.

That said, Denton Wilde Sapte is still well respected for its "great Islamic finance work." The "very good" Rahail Ali is singled out for special mention as he "is a very driven Islamic finance lawyer." This was shown in March 2006 when, alongside Rustum Shah, he advised a large syndicate of high-profile banks on an $850 million *murabaha* financing for Kuwait Finance House. One month later, the same pairing confirmed their expertise by advising another syndicate on a $1 billion Islamic financing for the Civil Aviation Department.

Denton Wilde Sapte has also been active in debt capital markets. For example, in June 2005 it represented the Dubai Islamic Bank, HSBC and Standard Chartered Bank as underwriters on Emirates Airlines' inaugural $550 million *sukuk*, and acted for Barclays Capital and Dubai Islamic Bank as lead arrangers of the Ports Customs & Free Zones Corporation's $3.5 billion *sukuk*, the world's largest *sukuk* to date and one of the largest convertible offerings ever offered globally.

At the time of writing, Denton Wilde Sapte was heavily involved in two large project financings. First, it was advising a Kerzner International and Istithmar PJSC joint-venture with regard to a $1.5 billion financing for the Palm Island project. And secondly, the firm was providing advice to the General Holding Company as sponsors of the $620 million Emirates integrated steel project. In work that has completed in the last 12 months, meanwhile, Denton Wilde Sapte acted for the sponsors in the $655 million Sohar fertilizer project, and for the sponsors and the project company in the $100 million Ajman waste water project.

Leading lawyer	Key contact partners
Rahail Ali	Rahail Ali
	Richard de Belder
	Neil Cuthbert
	Owain Jones

Shearman & Sterling

Shearman & Sterling's banking and finance operation is headed by the "commendable" Philip Dundas, who is ably supported by the "very sensible" Tim Pick and a further four associates at the Abu Dhabi office. This operation is "getting a great reputation for doing excellent, quality work," especially with regard to oil and gas-sector project financings.

Indeed, the firm has been playing to its forté well this year. In April 2006 it completed its advice to Dolphin Energy in relation to the bridge II financing for the construction of a gas development and transportation project from Abu Dhabi to Qatar. The financing was for $3.45 billion and consisted of Islamic and conventional loan facilities. Another highlight saw Shearman & Sterling represent the Mubadala Development Company in relation to the development of a waste water plant in Fujairah. At the time of writing it was also continuing its work for Egyptian LNG, and sponsors the BG Group, Petronas, EGPC and EGAS, on the train 2 phase in the construction of an LNG liquefaction plant in Idku, Egypt. This phase of the project is valued at $900 million, and incorporates the development of substantial gas reserves in the West Delta Marine Concession area.

The firm is present in conventional bank lending work too, and two mandates from the past 12 months stand out. In October 2005 it acted for the International Petroleum Investment Company on a €590 million general corporate financing, and counselled the Mubadala Development Company on a similar facility that was worth $500 million in April 2006.

Leading lawyers	**Key contact partners**
Philip Dundas	Philip Dundas
Tim Pick	Tim Pick

Al Tamimi & Company

Al Tamimi & Company was founded in 1989, has offices in Dubai, Abu Dhabi and Sharjah, and is the largest independent law firm in the UAE. The banking and finance team is headed by Husam Hourani and consists of two partners and five associates. It covers a broad spectrum of banking advice which covers, bank lending, securitizations, derivatives, structured finance, project finance, Islamic finance, asset finance and regulatory work.

Much of the work undertaken by the firm is confidential, but parts of its impressive client list can be revealed. Included on it are the likes of HSBC, Credit Suisse, Standard Chartered Bank, Lloyds TSB, Barclays, Sarasin and EFG Bank. In capital markets, the firm is advising a petroleum and gas company on its primary listing on the Dubai International Financial Exchange, guiding a pharmaceutical company through its secondary listing, acting for the joint sponsors and global coordinators in the listing of a major regional TV company, and advising a financial services provider on its upcoming IPO.

Leading lawyer	**Key contact partner**
Husam Hourani	Husam Hourani

Linklaters

According to one peer, "Linklaters will definitely be a tier one firm in the future." The firm is a new addition to the *IFLR1000* rankings this year, but it will be pleased to see that it is already sparking such a reaction from competitors. The Dubai office has only been open since February 2006, but market opinion has propelled the firm into tier three. Indeed, commentators describe the "expanding team" as one that "bids aggressively for work," and marvel at the fact that it is "already on the approved list of all the banks."

Jonathan Inman leads a talented group of lawyers that comprises four partners and seven associates. Inman has led by example and since the office opening has been involved in the financing of a major new petrochemicals plant in Saudi Arabia, a bid for a new power and water project in Oman and has advised the Saudi government on the expansion of its railway network. However, Inman is not the only star at the firm. Former Clifford Chance partner Ewan Cameron is described as "a very decent, straight and practical" lawyer by peers. In addition, respected London lawyer Tim Ross joined the team in March 2006.

Since February 2006 Linklaters has also been instructed by UBS to advise on groundbreaking derivatives work, and by Citibank to advise on a *shariah*-compliant hedge fund transaction. It has also received several major petrochemicals and infrastructure project financing mandates, and has advised financial institutions from several countries around the world on UAE regulatory issues. In the equity markets, meanwhile, it was involved in a $600 million private placement in relation to a regional satellite company and a $200 million regional private placement of a supply chain management group.

Leading lawyers	**Key contact partners**
Ewan Cameron	Ewan Cameron
Jonathan Inman	Jonathan Inman
	Tim Ross
	Luma Saqqaf

Norton Rose

After its inaugural year in the UAE, the market has noticed that "Norton Rose has been much more active" and as a result has been "much more prominent." There may only be one partner and five associates in the banking and finance department, but commentators have still recognized the "fantastic work" the team has been doing. In particular, head of the department Nadim Khan is singled out for further praise for his role in some "sizeable transactions."

One of the biggest clients for Norton Rose this year has been Etisalat, which selected the firm for three large mandates. First, the firm advised the client on a $3 billion revolving credit facility, before acting on the $3 billion medium-term financing of its Saudi joint-venture, Mobily. Finally, Norton Rose represented Etisalat on the financing of the $2.6 billion acquisition of shares in the Pakistan Telecommunications Company.

The firm is becoming renowned for its expertise in Islamic finance, and over the last 12 months, it has been extremely active in this arena. For example, it advised on the highly innovative Islamic structures that were used in the $134 million *sukuk* financing for the Bahrain financial harbour project and the export credit agency (ECA)-backed Islamic equipment financing for SabaFon. Most impressively, Norton Rose counselled the Islamic arrangers and participant banks on the Islamic tranche of the $1.01 billion multi-sourced financing of the Bahrain Petroleum Company's low sulphur diesel production project. The team also acted on the Qatargas II LNG project, advising the Islamic facility participants on this multi-billion dollar financing which incorporated commercial, Islamic and ECA facilities.

In addition to those mentioned above, two project financings stand out from the long list of transactions the firm has completed this year. First, Norton Rose advised Marubeni, JGC, Itochu and Acwa Power as sponsors of the $1.3 billion combined water, steam and power plant at the Rabigh refinery in August 2005. The firm also advised the banks involved in the $1 billion project to develop a polypropylene plant and a propane dehydrogenation plant in Jubail.

Norton Rose has also being showing its expertise in capital markets by breaking ground in certain areas. For example, it was heavily involved in the Al Baraka Banking Group IPO, unique for being the first IPO to be dual-listed on the Dubai International Financial Exchange and the Bahrain Stock Exchange.

Leading lawyer	**Key contact partner**
Nadim Khan	Nadim Khan

Other notable firms

Clyde & Co is a new addition to the banking and finance rankings this year. There are two partners and one associate dedicated to work in the area, and they are beginning to make an impact on the market. Highlights this year have seen the firm advise an upstream oil company on lease and property documents associated with a private finance scheme with a capital value of $2.3 billion, and represent a US and a European hedge fund on a number of regulatory issues relating to the establishment of a regional office in Dubai. In addition, Abhi Jalan acted for an issuer in the oil and gas services sector from the sub-continent regarding its proposed $50 million offering and listing of global depositary receipts on the Dubai International Financial Exchange.

Hadef Al Dhahiri & Associates has had another solid year. There are over 50 lawyers across large offices in Dubai and Abu Dhabi, and Sadiq Jafar and Alan Rodgers have led the banking and finance department through a fruitful period. Over the past 12 months, the firm has advised Etisalat on guarantees underpinning its investments in Pakistan Telecom, and completed representation to the borrower's consortium in the $2.5 billion debt financing of the Taweelah B IWPP. In another major project financing, Hadef Al Dhahiri acted for the sponsors in the $1.35 billion debt to finance the Fujairah IWPP in the Qidfa Emirate of Fujairah. Other clients of the firm this year have included Thames Water, the National Bank of Abu Dhabi, Ericsson, Lloyds TSB, Gulf Energy Maritime, Fortis, Bank of Montreal and Gulf International Bank.

Trowers & Hamlins' project finance operation is still buoyant after last year's advice to Etihad Etisalat in the award of the GSM/3G licence in Saudi Arabia. It has been heavily involved in many large mandates, such as winning a mandate to advise long-term client Borealis on its $3 billion joint-venture with the Abu Dhabi National Oil Company, the Borouge petrochemicals project, and advising a bidding consortium in the Abu Dhabi IWPP programme.

Vinson & Elkins can count on the Emirates Securities & Commodities Authority and Standard Bank as regular banking clients, but it is in capital markets when the firm has done most of its work this year. For example, it represented Merrill Lynch and BSEC-Bemo Securitization SAL in connection with the $165.67 million Eact Cameron *sukuk* offering, and advised the Liquidity Management Centre on various multi-million dollar restructurings. Project finance has been successful for Vinson & Elkins too, and at the time of writing the firm was handling a number of mandates, such as advising AES Oasis on its bid for the IWPP in Oman, acting for Mubadala on the construction of a $6 billion aluminium smelter project in Abu Dhabi, and advising the developer of a deep-water offshore natural gas field and related cross-country gas pipeline project in India.

Corporate and commercial

Recommended firms
Tier 1
Allen & Overy
Clifford Chance
Tier 2
Denton Wilde Sapte
Norton Rose
Simmons & Simmons
Trowers & Hamlins
Tier 3
Al Sayegh Richards Butler
Al Tamimi & Company
Clyde & Co
Hadef Al Dhahiri & Associates
Linklaters
Shearman & Sterling
Vinson & Elkins

Allen & Overy

Once again, Allen & Overy's corporate practice has earned a place in the top tier of the *IFLR1000* rankings, an achievement the market mostly puts down to the firm's strength in depth. The "well known" Simon Roderick is seen to "secure difficult clients and keep them," while Khalid Garousha "has good local knowledge" and "handles his transactions nicely." Duncan Macnab also comes in for praise, and is seen to play an important role in the corporate division. He is described as "pragmatic and practical" and, crucially, can "execute deals in areas where the law is opaque or simply absent." As the market welcomes the successful promotion of the region as a legitimate corporate hub, business is booming, and Allen & Overy is well-placed to pick up the lion's share of work available.

Unfortunately, the majority of the firm's impressive work this year remained confidential at press time. That said, one outstanding transaction can be mentioned – Allen & Overy represented the government of Pakistan in relation to its $2.6 billion sale of 26% of the shares in the Pakistan Telecommunications Company to Etisalat.

Other clients of the firm include Abraaj Capital, the Dubai Investment Group, HSBC Private Equity Middle East, the Mubadala Development Company and the National Investor.

Leading lawyers	**Key contact partners**
Khalid Garousha	Khalid Garousha
Duncan Macnab	Duncan Macnab
Simon Roderick	Simon Roderick

Clifford Chance

Clifford Chance also retains its position at the top of the table, but, like its rival Allen & Overy, operates a strict confidentiality approach to most of its transactions. This is particularly the case with regard to the firm's well-respected private equity department, which has been extremely busy over the past 12 months.

Naturally, the department is still riding high after May 2005's representation of Mobile Telecommunications Company in relation to its £3.4 billion acquisition of Celtel, a telecommunications operator in 13 African countries. This led to a flurry of mandates for Clifford Chance, and of those that can be reported, two stand out. In the first, in June and July 2006, the firm advised Saudi Oger on a £200 million investment by Deutsche Bank in a consortium holding a 55% interest in Turk Telecom. And in the second, at the time of writing Simon Clinton, Mike Taylor and James McCarthy were acting for NBK Capital as lead manager of the National Industries Group's offer of 20% of its petroleum investment vehicle to NIG's shareholders.

Key contact partner
Simon Clinton

Denton Wilde Sapte

Denton Wilde Sapte has set itself exceedingly high standards of corporate practice over recent years. However, the general feeling of the market is that this year the firm has not quite hit the heights it has been accustomed to. One commentator noted that "the people that got Denton Wilde Sapte to tier one have now left" and that "the firm is in a rebuilding stage". Indeed, since October 2005, the firm has brought six new associates into the fold. It has also welcomed Phil Reynolds as a partner from Al Tamimi & Company in Qatar. Denton Wilde Sapte will be hoping that these new additions will bed into the firm quickly to restart a drive back up to tier one.

The firm has still managed to win a number of notable instructions over the past 12 months, however. For example, Denton Wilde Sapte advised ONGC Videsh on its $2 billion bid for First Calgary Petroleums, and acted for the Dubai Islamic Bank in its capacity as the lead manager of a consortium formed to acquire and develop parts of the Dubai waterfront, valued at $1.9 billion.

Other highlights saw the firm advise Emirates in connection with two significant share acquisitions in the UAE, and act for NPC International in several projects, including a joint-venture with Ras Al Khaimah Petroleum for the acquisition of two petrochemical plants, one in Iran and the other in Ras Al Khaimah.

Key contact partners
Tom Deegan
Rod Kirwan
Phil Reynolds

Norton Rose

Norton Rose "has a very good corporate law practice" and has "good people on the ground" which is why it has retained its tier two ranking this year. Another reason for the consolidation of its position is the fact that it has been heavily recruiting. In the summer of 2005 Norton Rose hired five associates, and appointed former Clifford Chance senior associate Tahir Ahmed as a partner. As a result, head of department Graeme Muir leads three partners and eight associates in the firm's corporate and commercial operation. Out of these, interviewees singled out Zubair Mir as being "particularly excellent."

This year, the firm advised the Dubai Islamic Bank and Dubai World on the launch of a $5 billion family of sector-specific private equity funds. It also counselled Abraaj Capital on its $2 billion Islamic Infrastructure and Growth Capital Fund (IGCF) with Deutsche Bank and Ithmaar Bank, and Graeme Muir has also been leading from the front by representing Axa in relation to its acquisition of Norwich Union's insurance business in the Middle East.

Another highlight saw Norton Rose act for Abraaj Capital again, this time on its $55.1 million acquisition of 80% of the issued share capital of JorAmCo from the Jordanian government. It has also been regularly working on a number smaller mandates for the Dubai Financial Services Authority, and has been providing regular advice to clients on aspects of the DIFC Companies law.

Leading lawyers
Zubair Mir
Graeme Muir

Key contact partner
Graeme Muir

Trowers & Hamlins

Trowers & Hamlins has six partners and 15 associates spread across offices in Abu Dhabi and Dubai. The market noted the relocation of Edward Rose, who was well respected in the region and was described as a "very clear, fair" lawyer that had "a good understanding of the issues." Rose left to rejoin the firm's London office in May 2006. It remains to be seen how replacement Andrew Rae will fair, but early signs are promising. Naturally, such important personnel changes are disrupting, but Rae will be eying a tier one ranking over the coming year and will undoubtedly work closely with Nick White, head of the firm's Dubai office, to achieve this. Rae is familiar with the region as he has moved from the firm's Omani practice.

The Dubai operation has had an active year in the M&A arena. It acted as local counsel to T&F Informa in relation to its $1.4 billion acquisition of IIR Holdings, and represented the Al Jomaih Group in its purchase of 35% of Simtix, as part of which Simtix became the sole shareholder of Apexion International, a Jordanian software manufacturer. White, meanwhile, led advice to Mach ApS, the majority shareholder in Mach FZ, in relation to a share purchase by Mach Sarl, a financial clearing house in Luxembourg, which resulted in the creation of a new entity. White subsequently handled Mach ApS' share purchase of Finclear, the winding-up of Finclear, and the merger of its services with Mach FZ.

In Abu Dhabi, the team has also been involved in various confidential corporate restructurings. Other clients of the office include Emirates Telecommunications Corporation, Borealis and the Emirates CMS Power Company.

Key contact partners
Andrew Rae
Nick White

Other notable firms

Clyde & Co has always been more renowned for its corporate practice in the UAE, and this is why, despite many comings and goings, there are 26 lawyers in the department. From a long list of respectable transactions, the firm has advised an offshore fund in relation to a $190 million acquisition of retail space in a free zone development, and acted on behalf of an offshore support vessel operator in relation to an acquisition of a specialist vessel provider for $150 million. Other highlights have seen the firm act for a ship investment company in the acquisition of eight vessels, and represent a European group regarding an industrial joint venture in Abu Dhabi, which involved negotiating suitable joint venture arrangements, providing for a substantial equity injection, and the construction of a new factory.

Another traditionally solid corporate and commercial firm is **Hadef Al Dhahiri & Associates**, which has again been visible on a number of high-profile transactions this year. For example, it advised the Islamic Arabic Insurance Company on the acquisition of the Takaful & Retakaful International Investment Company, acted for the Abu Dhabi Investment Company when it acquired 51% of the Al Wathba Company for Central Services from the Abu Dhabi Power Corporation, and represented the International Petroleum Company in relation to the sale of its 48% stake in Pak-Arab Fertilizers. Hadef Al Dhahiri also counselled the International Petroleum Investment Company in relation to its $125 million acquisition of a 50% stake in Agrolinz Melamine International, a multinational petrochemical company.

Linklaters completes an impressive year by appearing for the first time on the corporate and commercial rankings in addition to its banking and finance debut. Ewan Cameron heads the team, that also contains fellow partner Scott Campbell and six associates. The most impressive work from the firm has been in the telecommunications sector. For example, it advised the purchasing consortium on the completion of Saudi Oger/Telecom Italia's $6.55 billion acquisition of a 55% stake in Turk Telecom. In April 2006 the firm was extremely busy advising Tecom on two matters: first, its acquisition of a stake in Maltacom and then on its $2.5 billion acquisition of a 35% stake in Tunisia Telecom. Other M&A and private equity work has seen the firm advise clients such as DP World, Istithmar, Dubai International Capital and UBS. It is easy to see why peers can see that "Linklaters is doing fantastically well", and that although most agree that "the firm needs time to get up and running", the consensus is that "it will undoubtedly be tier one soon" – praise indeed for such a fledging operation.

Shearman & Sterling's corporate practice has been involved in three deals that particularly caught the eye this year. In October 2005 it represented the International Petroleum Investment Company on its acquisition of an additional 40% stake in Borealis from Statoil. The payment for this was made up of €920 million cash and €80 million cash by way of dividend. In April 2006, it then advised Abu Dhabi National Oil Company on the sale of a 28% interest in the Upper Zakum Oilfields. Finally, at the time of writing, it was acting for the government of Kazakhstan in relation to the acquisition of a participating interest in the production sharing agreement relating to the North Caspian Sea exploration and production programme.

Rounding out tier three, **Vinson & Elkins** has also been prevalent in three deals worthy of mention. In October 2005 it counselled Dubai International Capital on its $1 billion acquisition of an equity stake in DaimlerChrysler. This was followed in July 2006 by the advice it gave to Unicorn Investment Bank in relation to the structuring, documentation and formation of Unicorn Global Private Equity Fund I, a $150 million investment fund registered in Bahrain. Finally, at press time the firm was advising Mubadah in relation to its acquisition of shares in Hadjret en Nouss, an Algerian power project.