



The law Firm of Badr Alarishi
Attorneys and Legal Consultants

Badr Alarishi Law firm

Lawyers at the service of the Business community toward the
Kingdom Vision 2030

THE KINGDOM OF SAUDI ARABIA OUTLOOK 2019

The Kingdom of Saudi Arabia (the “KSA”) is a keystone nation part of the Cooperation Council of the Arab States of the Gulf (the “GCC”). The GCC is the wealthiest and, in terms of resources, strategically most important bloc in the wider Middle East. Its member states (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates) have some of the highest GDP per capita rates in the world. Though collectively holding less than 1% of the world’s population, their large oil reserves have allowed them to wield enormous influence on the world stage.

The outlook for these nations has been favourable for so long that the recent crash in oil prices caught almost everyone by surprise, sending shockwaves through the region. In little over a year oil prices has fallen from USD 100 a barrel to around USD 30. This has brought the region’s diversification strategies into sharp focus and transformed the way international investors think about engaging with the MENA, the GCC and the KSA in particular.

Oil revenues account for around 45% of the KSA’s GDP, 90% of export earnings and 80% of the government’s budget. Therefore the Authorities in the KSA undertook a heavy diversification of its revenues by enacting new taxation laws, which in mid run shall have positive impacts on the GDP. The KSA economy is projected to expand again in 2019 with a 2% increase in GDP mainly due to a moderate recovery in oil production levels and marginally higher public spending.



This economic environment has some positive impacts for foreign direct investments. Indeed in order to attract foreign investments the KSA is undertaking a major shaping in its national laws in order to secure the foreign investors. This is leading in major reforms for various public authorities, rules, regulations and laws to facilitate the registration of new entities which shall create a new business dynamic.

Figure 1: Saudi Arabia Annual GDP growth (%)



Source: General Authority for Statistics, The World Bank, IMF

LEGAL ENVIRONMENT IN THE KINGDOM OF SAUDI ARABIA

The Kingdom of Saudi Arabia is currently going through major social and economic reforms as part of Saudi Vision 2030 and the associated National Transformation Programme. The Saudi Arabian government is introducing a number of laws and policy changes aimed at simplifying business and increasing foreign investment in the Kingdom.

Investors need a clear and defined legal framework which gives some securities to their investments. This is exactly what is happening in the KSA. The promulgations of Decrees, Rules, Regulations and improvement of Laws to abide with international standards is a pre-requisite for investments.

Badr Alarishi law firm is keeping itself and its Clients updated with the new laws from SAGIA, PIF, CMA etc..

The barriers to entering the KSA market, for a Saudi national investor, are very low. The most common options available for individuals thinking about starting new businesses in technology and innovation are sole proprietorships and Limited Liability Companies ('LLCs').

For a Saudi national (who is not a public servant) to incorporate a sole proprietorship or an LLC, all that is required is his or her Saudi national identification card, and completion of an online registration process via the Ministry of Commerce and Investment ('MOCI') website. The entire process can be completed in a single working day and will allow the local investor to begin undertaking business under the umbrella of the new business vehicle.

At this stage, because of current foreign investment regulations in Saudi Arabia, opportunities for startups as entrepreneurs are really only available to Saudi nationals and Saudi companies. This is generally because a foreign investor must provide financial statements and a proven track-record of business before being allowed to invest in the KSA market.

The government has only recently provided startup opportunities for entrepreneurs with intellectual property or an invention to invest as individuals since the beginning of 2018. Whether the economic liberalization arising out of **Kingdom Vision 2030** will eventually extend to allowing non-Saudis to establish start-ups in Saudi Arabia is difficult to say.



Foreign investment in Saudi Arabia

Where a prospective investor in Saudi Arabia is a foreign investor for the purposes of the Kingdom's foreign investment laws, it is necessary to obtain a Foreign Investment Licence from the Saudi Arabian General Investment Authority ('SAGIA') in order to establish a corporate entity. Other specific approvals may be required from other authorities, depending on the business that the entity wishes to undertake.

Obtaining a Foreign Investment Licence has become much easier than in previous years. With the leadership of the Council for Economic and Developmental Affairs ('CEDA'), and internal reforms within SAGIA, the processing

time has decreased to a number of days. This is a stark contrast to the six to nine months that it would have typically taken in the relatively recent past.

Significantly, the business activities that an overseas investor wishes to undertake must not be activities classified as exclusive to Saudi Arabian (or GCC) companies and nationals. This restriction could arise due to the activities being on the so-called “Negative List” (being business activities that SAGIA has specified as being exclusive to Saudis) or being otherwise identified as being restricted to Saudis in internal SAGIA policies and guidelines.

Types of entities

Companies with overseas ownership that desire to undertake services are usually incorporated as a “Branch Office” or as an LLC, and can typically be completely foreign-owned. Entities incorporated to undertake services are not permitted to conduct any advertising or trading activities.

Companies with overseas ownership that wish to undertake marketing, promotions and sales activities are generally regarded by SAGIA as ‘trading’ entities.

A trading entity would typically be an LLC (or, less typically, due to rigorous governance requirements) a Joint Stock Company, but it could not be a Branch.

It is possible to incorporate a wholly foreign-owned trading entity, although the significant investment requirements (between two and three hundred million Saudi Riyals over a five year period) mean that this is not very common in practice.

Besides a Branch Office and an LLC there are some other options available

- Temporary Commercial Registration: This type of corporate entity is similar to a Branch, but is only relevant to servicing a government contract. As such, this type of entity is not uncommon in the context of technology projects with government ministries. In order to obtain a temporary commercial registration, it is necessary to submit a signed copy of the relevant contract to SAGIA.

Secondary registrations

Once a Foreign Investment Licence has been granted by SAGIA and a Certificate of Commercial Registration has been issued from MOCI, a number of additional registrations must be completed with various governmental authorities to enable the new entity to function. These types of registrations allow an entity to pay taxes and insurance, obtain visas for expatriate workers, and register signatures at the Chamber of Commerce, etc. Each of these secondary registrations must be renewed and kept valid in order for the entity to continue to do business in Saudi Arabia. Substantial delays and inconvenience could arise if any of these licences are not maintained.

For overseas investors, the investment climate in Saudi Arabia has never been better. The social and economic reforms that underpin Saudi Vision 2030 are having a positive impact on the regulation of the business undertaking in the Kingdom of Saudi Arabia, and will assist in propelling the Kingdom into the post-oil era. As the building blocks of Saudi Vision 2030 fall into place, setting-up business in Saudi Arabia is becoming more efficient than ever before.

LEGAL MARKET IN THE KINGDOM OF SAUDI ARABIA

The legal market in the KSA has always been highly attractive for the top 50 law firms. Whilst the reputable international law firms entered the legal market through local joint ventures, partnership with Saudi Law firms, lawyers, and the accredited lawyers in the KSA reached 5'364, in other word it accounts to 1 lawyer for every 6'000 resident in the KSA. This means that the legal market is highly dynamic and that the competition for lawyers is very high.

In an open market when there is a competition this means that the services to be provided have to be up to the international standards and to the satisfaction of the Client.

Badr Alarishi law firm is highly aware of this competition in the legal field and with consciousness it is extending its legal services toward the whole Kingdom.

The Firm is rich of the experiences of its Partners and Lawyers who gained previous training and professional experiences working in the most important cities in the world and with the most prestigious law firm, organizations and companies worldwide.

The experience and professional expertise of the Team at Badr Alarishi makes it the logical choice to handle legal issues with nexus in the Kingdom of Saudi Arabia.

BADR ALARISHI LAW FIRM THE LOGICAL CHOICE TO HANDLE LEGAL ISSUES WITH NEXUS IN THE KINGDOM OF SAUDI ARABIA

Thomas Hobbes once said “*A man is a wolf to another man*” (**The Leviathan 1651**), this is why in the course of the human history, tribes, communities, societies all over the world adopted laws to preserve the social peace, named by Jean Jacque Rousseau as the social contract (**The Social Contract 1762**).

Since ancient times, Laws have been set to preserve this social peace, going from the Ten Commandments, the Hammurabi Code, the French Napoleon Code to the Sharia Law, the rule of Law shall prevail and preserve the rights of the people.

Over centuries, judges and lawyers have done their utmost best to apply the rule of Law with integrity, equity, fairness and due care, preserving the rights for a fair trial, a due process and a right for a legal representation.

If in the history of the legal field in the Kingdom of Saudi Arabia, the Law firm of Badr Alarishi (the “Firm”) is quite a new actor, founded in 2012 by Mr. Badr Alarishi. After he has obtained a high legal education in London, he completed successful trainings with some reputable law firms and multinational companies in London and Jeddah, he came back to found this Firm. What differentiates Badr Alarishi law firm from other legal practices in Jeddah is its aim of becoming a pioneer in the legal field in the Kingdom of Saudi Arabia, this by practicing law as an Art.

Mr. Badr Alarishi believes that successful lawyers shall at all-time keep their professional ethics and values; they shall be driven by the principles of justice and fairness.

Mr. Badr Alarishi is confident that what makes the lawyers successful is their capabilities to listen, analyze, research and write.

Knowing that Clients entrust the Firm to defend their interests/rights (either as Plaintiffs, Defendants or in a Business Transaction), the Firm is fully aware that the above cumulative qualities allow the best defense of the Clients’ interests.

The Firm is a go to firm that can handle with professionalism and ethics any legal issue that has a nexus with the legal system of the Kingdom of Saudi Arabia. **In fact, being a multidisciplinary boutique law firm based in the city of Jeddah with strong internal professional principles, it brings together talented legal practitioners who master the Legal corpus of the Kingdom of Saudi Arabia (I) it is in fact a bridge between the economic actors in the Kingdom and the rest of the world thus facilitating the Foreign Direct Investors in the Kingdom towards the proper implementation of the Kingdom Vision 2030 (II).**

I. A pioneer local law firm that practices the law as an Art

The Law firm of Badr Alarishi stands apart when it comes to the practice of Law in the city of Jeddah. If its Partners and the Team “*swear as lawyers, to perform their duties with dignity, conscience, independence, probity and humanity*”. **The Firm endeavors to always practice the law for the sole satisfaction of its Client (A), in advising them and defending their rights/interests in all circumstance s under the applicable Laws in the Kingdom of Saudi Arabia (B).**

A/ Badr Alarishi and the Art of practicing the Law

If Badr Alarishi law firm is the go to firm, it is because the Firm practices Law as an Art, with passion, dedication and strength. **Ethics, Principles and Values being at the core of the “raison d’ etre” of the Firm (1) the Firm pulls its strength in its diversified legal background of its lawyers (2).**

1/ When professional ethics is not negotiable for Mr. Badr Alarishi

As a representative of clients, the Firm performs various functions.

It acts as an advisor, providing clients with an informed understanding of their legal rights and obligations and explains their practical implications.

It acts as an advocate where the Team asserts the clients’ positions under the rules of the adversary system.

It acts as a negotiator seeking an advantageous result to the client consisting of the requirements of transparent dealing with others.

It acts as an evaluator by examining the clients’ legal affairs and reporting them to the client or the others.

In addition to these representational functions, the Firm may serve as a third-part neutral, a nonrepresentational role helping the parties to resolve a dispute or other matter (thus it acts as a Mediator and Arbitrator).

At all time, the Firm provides competent representation to the Clients. For Mr. Alarishi, competent representation requires the legal knowledge, skills, thoroughness and the reasonable and necessary preparation for the representation.

Mr. Badr Alarishi always reminds the Team to act with reasonable diligence, duty of care and promptness while representing a Client. It is important for Mr. Badr Alarishi to rapidly inform the Client of any decision or circumstance with respect to the case. It is essential to reasonably consult with the Client, to keep him reasonably informed about the status of the matter, to promptly comply with reasonable requests for information and to consult with him about any relevant information, situation that can have an impact on the matter or the merit of the case.

Finally, for Mr. Badr Alarishi, it is essential to properly explain the matter to allow the Client to make informed decisions regarding the representation. All information exchanged are kept confidential.

If Mr. Badr Alarishi practices the profession of lawyer with passion and dedication, he is always driven by his personal conscience and the approbation of professional peers. This is why in his day to day legal work, he strives to attain the highest level of skill, to improve the law and the legal profession and to exemplify the legal profession’s ideals of public service, in the city of Jeddah.

When we say that the Firm practices the Law as an Art, it is because of the importance given to the professional responsibilities as mentioned herein above and also because of the high level of legal education of the Partners and the rest of the Team as well as their extended dedicated

legal professional experiences prior to joining the Firm.

2/ when the diversity of the legal education of the Partners and the legal Team is an added value

Legal ethics, values and principles combined with strong legal education allows the Firm to perform the profession of lawyer as an Art.

Badr Alarishi Law firm regroups talented lawyers who completed their legal educations in the Islamic law, civil law and common law. In fact the lawyers have studied law in the most prestigious law schools in the Kingdom of Saudi Arabia, in Egypt, Sudan, France, United Kingdom and United States of America, allowing the Firm to advise Clients on legal procedures and laws in various legal systems. This diversity of legal educations allows the Firm to be a unique Law firm in the City of Jeddah to provide professional advises on comparative laws.

Such diversity of legal backgrounds is an added value for the Firm when it comes to advice on cross borders transactions, Foreign Direct Investments or oversea personal legal matters.

Nonetheless, on top of practicing the legal profession with ethics, having lawyers with various legal backgrounds is what makes the Firm unique in the Kingdom of Saudi Arabia with its ability of mastering the applicable Sharia Law, Royal Decrees, Laws, various Governmental Rules and Regulations enacted in the Kingdom of Saudi Arabia.

B/ The Law firm of Badr Alarishi proven capability of mastering the Legal Corpus of the Kingdom of Saudi Arabia.

Badr Alarishi Law firm is frequently involved in complex trials and appellate litigations as well as major business transactions under the legal system of the Kingdom of Saudi Arabia. **The Firm lawyers are very proactive with civil criminal commercial administrative and ad'hoc tribunal procedures (1), very knowledgeable on the applicable Saudi laws (2) and can advise for the registration of legal entities and/or business transactions in the Kingdom.**

1/ A good law firm is a firm that knows the legal process of a case

For Mr. Badr Alarishi a successful lawyer is the one who masters the legal process. Either for litigation, the registration of a legal entity, or for negotiation of contracts, a legal process must be followed. Mastering the legal process will always keep the Client satisfied and a step ahead. Because time is money and the Client entrusted the Firm, there is no time to be wasted in the process. At Badr Alarishi Law firm, the Lawyers are proactive in all Courts of First Instance (civil, criminal, commercial), Courts of Appeal and Supreme Courts, as well as with Administrative Courts, Arbitral Tribunals and various Administrative offices. Finally, Mr Badr Alarishi masters the Law of Judiciary (Royal Decree # M/78 dated 1st October 2007).

2/ A good law firm is a firm that masters the applicable law

Badr Alarishi law firm is the best law firm in Jeddah because despite its ability to master the

legal process by representing both Plaintiffs and Defendants in trials and appeals through the Kingdom, the legal corpus of the Kingdom has no secret for its lawyers.

The Firm can advise individuals/corporations on the applicable Saudi law in court or in a transaction.

The Saudi system of government is based on and regulated by the principles of Sharia law, which refers to the body of moral, religious, social and legal precepts found in the Holy Quran, the teachings of the prophet Mohammad (PBUH) (the Sunnah) and the various interpretations given to these teachings by Islamic scholars over centuries.

The primacy of Sharia was formally reflected in the Kingdom's Basic Law of Government which was enacted by Royal Decree # A/90 dated 1st March 1992. Indeed, Article 7 of the Basic Law of Government provides that "the powers to rule the Kingdom of Saudi Arabia emanate from the Book of God and the Sunna of his Messenger, both of which prevail over this and all other laws of the state". Likewise, Article 23 of the Basic law of Government stipulates that "*the state shall protect the Islamic faith and shall cater to the application of Sharia*".

An essential point shall be flagged, knowing, the judgments rendered by Saudi courts do not establish binding precedents and the principle of stare decisions is not recognized in the Kingdom. Consequently, there is no guarantee that a matter that has been adjudicated in a certain matter by a given court will be adjudicated in the same way by the same or another court as judges will decide the case based on their own interpretation of Sharia. Article 48 of the Basic Law of Government obliges the courts to "... *apply the rules of*

Sharia in the cases that are brought before them, in accordance with the precepts contained in the Quran and the Sunnah, and regulations decreed by the ruler which do not contradict the Quran and the Sunnah...". Since Sharia does not cater to all aspects of human activities and in order to keep up with modern life developments and requirements, the Saudi government has enacted various regulations (often based on best international practice) dealing with such matters as mutual insurance, banking, foreign investment, capital markets, companies' formation and governance, commercial agencies and franchising, leasing etc..

The Saudi legal corpus is quickly increasing and evolving to adapt with the Kingdom Vision 2030. Therefore new rules/regulations are enacted, and regulation bodies are created such as; the Saudi Arabian Monetary Authority (aka SAMA) (created back in 1952), the Saudi Arabia General Investment Authority (aka SAGIA) (created by the Council of Ministers Resolution # 2 dated 9th April 2000), the Capital Market Authority (aka CMA) (created by the Royal Decree # M/30 dated 1st August 2003), the Public Investment Fund (aka PIF) (created by the Royal Decree # M/24 1971).

All those regulatory bodies, have their specific rules and regulations. Therefore what makes the Firm a stand apart law firm is that despite its capability of mastering the particular rules, and laws of the government bodies, it also masters the applicable Saudi Commercial Law (XXXXX), Corporate Law (XXXXX), Agency Law (XXXXX) Distribution Law (XXXXX), Labour Law (XXXXX) and Taxation Law (XXXXX).

Badr Alarishi law firm is the go to firm because of its way of practicing law as an Art with ethics and principles, the strong legal backgrounds of

its Partners and affiliated lawyers and its deep knowledge of the Saudi legal process and applicable laws.

Furthermore, it is essential to mention that the Firm is a multidisciplinary law firm that can successfully handle an inheritance case, a labour issue and still handle the negotiation of a multibillion riyal cross border commercial transaction. In fact the Firm represents various Foreign Direct Investors in the Kingdom of Saudi Arabia, and major Saudi individuals / corporations who have commercial / financial interests beyond the borders of the Kingdom of Saudi Arabia.

II. A multidisciplinary law firm rendering legal services on various legal matters in the Kingdom and beyond its borders

The Kingdom of Saudi Arabia is a major economic actor on the global market, part of the G20, the Kingdom signed various bilateral Treaties with many nations in the World. The Kingdom is actively part of various regional and international organizations (i.e OPEC, GCC, Arab League, Islamic International Organization, United Nations, World Bank, International Monetary Fund, etc.). Therefore various international laws directly/indirectly impact the day to day business activities in the Kingdom.

Almost all nationalities are represented in the Kingdom, this implicates multiple relations between the citizen in the Kingdom and their home countries.

If the Law firm of Badr Alarishi is an expert on the applicable laws in the Kingdom of Saudi Arabia, it advises on the United States and United Kingdom laws, European Union and French Laws as well, allowing **the Firm to**

handle cross border legal issues (A), at the same time and in order to maintain its position in the legal market in the Kingdom of Saudi Arabia as a leading law firm in the city of Jeddah, the Firm sets up various strategic alliances with top renown and reputable law firms in the most strategic financial cities in the World (B).

A/ A Saudi Law firm with deep knowledge on the Common and Civil Laws

Badr Alarishi law firm represents various international firms which want to do business in the Kingdom and in parallel it represents the interests of influential Saudi entrepreneurs and Saudi companies in their quest of business opportunities around the world. Badr Alarishi had advised and continues to advise Saudi individuals on investments in Washington and New York (USA), London (UK), Paris (FR), Milano (It), Athens (GR), Beirut (RL), Cairo (EG), Dubai (UAE), Mumbai (india), Singapor, Beijin (China).

Mr. Badr Studied Law in London UK and practiced law in the city of London for a couple of years, that makes him very familiar and at ease to advise his clients on the application of the Common Law. His associates have studied in United States, France, Egypt, and Sudan and can provide legal consultancies on any legal matter subject to those jurisdictions. The Firm is constantly following the evolution of the European Union Decrees, Laws, that are applied in the internal jurisdiction of its member states, this in order to be up to date when it comes to advising a Saudi entity/individual willing to do business in Europe.

This expertise in comparative law is an added value to the Clients of the Firm and allows the Firm to be the first national law firm to render such legal services, making it the go to law firm to handle legal issues with nexus outside of the Kingdom. This is why Badr Alarishi can represent and handle the legal interests of prominent Saudi companies and businessmen abroad. The Firm had managed various legal matters overseas from will and real estate issues, mergers/acquisitions, registration of companies, bankruptcies, agency contracts, distribution agreements, sale and purchase agreements.

B/ Badr Alarishi strategic international legal network

When needed and on a case by case, the Firm will use the services of its cooperating law firms based overseas.

If States have practiced international cooperation since well before Thucydides discussed diplomacy, treaties and alliances over two thousand years ago, Mr. Badr Alarishi, as a pragmatic lawyer and a strong believer of H.R.E the Crown Prince Mohamed BinSalmen AlSaudi Kingdom Vision 2030 (where Saudi public/private entities and nationals will invest abroad and where Foreign Direct Investors will come to the Kingdom) took the necessary steps to secure the services of some of the reputable, ethical, professional lawyers across the world. Therefore the Clients of the law firm of Badr Alarishi will at all times receive the best and utmost professional legal services either in the Kingdom of Saudi Arabia or abroad.

For Mr. Badr Alarishi, being a good lawyer is not an easy job, it is a dynamic and perpetual profession where you have to be at your best all the time, keep your ethic very high, maintain a very high professional standard and be surrounded by the best lawyer in all legal cases, this for the Client to feel special and at stake when they walk in the Firm each and every time.

BADR ALARISHI LAW FIRM IN NUMBERS

The Firm has three Partners, three Saudi Associates, 4 legal consultants educated under the US, UK, French, Egyptian laws, 1 paralegal, 3 Saudi trainee lawyers, 2 general staffs.

Since inception of its activities in Jeddah, the Firm has grown considerably. The overall revenue of the Firm was multiplied by 3 in less than 4 years. Its net profit increases every year by > 10%. More than fifty percent is reinvested in the Firm in hiring qualified lawyers and expending the Firm activities.

Litigation cases account to 60% of the revenue, when consultancy represents 25% with an annual growth of 3 points.

The Firm running cost is divided between the staff costs (70%) and the office related costs (30%).

The Firm is catching with its business objective 2018 set up during the Firm annual board meeting in January 2018.

THE FIRM VISION FOR 2020

Badr Alarishi is a keystone law firm in Jeddah, handling major court cases before the jurisdiction in Jeddah. Its mid run objective is to open an Office in the Capital city Riyadh and to handle major international clients and cross boarder investments (from/to the KSA).

The Firm shall in short term dedicate a reasonable part of its activities for Pro Bono cases.

The Firm is going under various negotiation for strategic alliance with major law firms in Far East and European Union in order to be able to

properly represent the interests of Saudi citizen/companies who are expending their interests beyond the Kingdom boarder and to be able to immediately assists people/companies from abroad who are looking for doing business in the Kingdom of Saudi Arabia.

Badr Alarishi Law firm is positive about the Kingdom Vision 2030.