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# UAE is the Least Corrupt Nation in MENA, says Transparency International

**ABU DHABI** - The UAE has been ranked as the region's 1st and the world's 21st cleanest country, scoring 71 out of 100, in the 2017 Corruption Perceptions Index, by Berlin-based Transparency International.

The index, which gives an overview of the perceived levels of public sector corruption on a scale of 0 (highly corrupt) to 100 (very clean), indicated that the UAE ranked higher than in previous years.

These results, the index stated, were due to «good and efficient management of public finances, improved public procurement and better access to public services and infrastructure.»

The UAE has a zero-tolerance policy for corruption and has taken many steps towards tackling the subject via comprehensive legislative provisions that include the UAE Penal Code, or Federal Law No. 03 of 1987. Various ministries and government departments have also published several codes of conduct to ensure probity in their organizations, reflecting the UAE government's commitment to corporate governance, transparency and accountability.

The UAE is a signatory to the United Nations Convention against Corruption, adopted by the UN General Assembly in 2003 and the Arab Anti-corruption Convention, adopted by the League of Arab States in 2010.

New Zealand, Denmark, and Finland topped the list of 180 countries, scoring 89, 88 and 85 respectively.

*Source: Emirates News Agency (WAM)*





## OCCI Board Cuts Fees on SME Members

**MUSCAT** - The Board of Directors of Oman Chamber of Commerce and Industry (OCCI) held a meeting chaired by Qais bin Mohammed Al Yousef, Chairman of the Board.

The Board decided to reduce the burden on its members from small and medium-sized enterprises (SMEs) by cutting the OCCI fees for the third and fourth class members by 10 percent for one year and for the third and fourth degree holders of 'Riyada' cards by 20 percent for one year.

The Board also approved the formation of a technical team to study the issue of exempting the unpaid members of OCCI. The team is headed by Rashid bin A'mer Al Meslahi, Deputy Chairman of the Board of Directors for Administrative and Financial Affairs, Hussain bin Hatheith Al Bathari, Head of OCCI Board in Governorate of Dhofar, Hamad bin said Al Rabkhi, Head of OCCI Board in the Governorate of A'Dakhiliyah, Ali bin Salim Al Hajri, Head of OCCI Board in the Governorate of North A'Sharqiyah, Ali bin Hamdan Al Ajmi, Member of the Board of Directors and Abdul Adhim bin Abbas Al Bahrani, Chief Executive Officer of OCCI . The Board adopted the provisional committees' system at the Head Office and the branches in the governorates. It took the decision to name some of the members of the board of directors to head some of these committees. Rashid bin A'mer Al Meslahi, was named Head of Health Sector Committee, Ali bin Salim Al Hajri, Head of Tourism Committee, Ahmed bin Abdul Karim Al Hooti, Head of Committee for Economic Affairs, Research and Studies, Ali bin Hamdan Al Ajmi, Head of Committee on Services and Information Technology, Zahir bin Mohammed Al Kabi, Head of Mining Committee, and Hussain bin Hatheith Al Bathari, as Head of Industry Committee.

In order to expand the circle of participation for businessmen and those interested in economic affairs, the Board gave them the opportunity to nominate for chairing the remaining provisional committees through certain procedures that will be announced, taking into account the expertise and competence of the candidate.

**Source: Times of Oman**

# New Rules for Sending Money Abroad from Oman

**MUSCAT:** Exchange houses in Oman have adopted new rules to safeguard both themselves and customers against money laundering. In a new move, customers will now have to declare the source of their funds while remitting or changing money, if the amount is more than their earnings.

“According to the guidelines issued by the Central Bank of Oman with regard to the Anti-Money Laundering Law, transactions of over OMR400 have to undergo Enhanced Due Diligence,” Syed Faraz Ahmed, General Manager at Oman United Exchange, said.

The system, Enhanced Due Diligence, has been specifically designed to deal with high-risk or high net worth customers and large transactions.

*Source: Times of Oman*





# A Look into Foreign Investment in Lebanon

By Aline Matta

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**This article is intended for general information purposes only and does not constitute a legal advice.**

Ever since globalization has dawned on the world, more and more companies are aiming to expand their reach through investing in corporations based in other countries, a concept that has been known as foreign investment. Such investments can be made by individuals, however, most endeavors are pursued by companies and corporations with extensive resources. These companies might engage in opening new manufacturing and production plants in different countries due to cheaper production, labor and/or lower taxes. In this regard, one can distinguish between two types of foreign investments: Direct and Indirect. Direct investments encompass making physical investments such as purchasing factories and other equipment outside of the home country, while indirect investments involve purchasing positions or stakes in companies on a foreign stock exchange. Nevertheless, it is important to note that direct investments are the most favorable between the two types as they are long-term ventures that help boost the foreign country's economy. Following this further and narrowing it down to Lebanon, one must point that this country has been always able to attract immense foreign direct investments, while providing various advantages to the investors.

Lebanon has been conventionally open to foreign direct investment (FDI). The FDI inflow increased by 9% in 2016 reaching a value of 2.56 USD billion, despite the fact that the neighboring countries witnessed a 2% slump. Countries like Turkey, Saudi Arabia, and the United Arab Emirates are said to account for the lion's share of FDI stock in the region, however, were hit hard by a withdrawal of foreign investors amidst

weak oil prices, fiscal restructuring and political uncertainty, during that year. However, it was Lebanon's strong FDI inflow that boosted overall foreign investments flow in the region, the thing that strengthened the confidence of investors in the Lebanese economy. Furthermore, when accounting for a country's size and GDP relative to FDI inflows, Lebanon stands out as the top performer in the region with FDI inflows accounting for 4.94% of GDP, making it the fifth largest FDI recipient in West Asia (according to the 2016 World Investment Report published by the UNCTAD).

Having covered Lebanon's FDI dominance in the region, now it's time to look at the reasons that account for the appeal that this little country has over foreign investors. Throughout the years, Lebanon has continuously provided many advantages that have encouraged foreign companies to invest in the country. These advantages include a free-market economy, the absence of controls on the movement of capital and foreign exchange, limited restrictions on investors, and a well-developed banking system with strong financial soundness indicators.

First, Lebanon is characterized by a free-market economy, which means that it allows for competition in the absence of coercive impositions or restrictions regarding economic activity.

Second, there are no restrictions on the movement of capital, capital gains, remittances, dividends, or the inflow and outflow of funds. Moreover, the Investment Development Authority of Lebanon (IDAL) was established in 1994 in the aim of providing a framework for regulating investment activities in the country, while promoting it as a key investment destination. IDAL has also successfully launched the «investors matching service» program that aims at facilitating the creation of partnerships between local and foreign firms, in the form of capital holdings, acquisitions, joint ventures or others.

Third, the Lebanese government has created a pleasant medium for foreign investors by granting them the same incentives as the local ones. For instance, it has imposed no requirements on foreign investors regarding their source of financing, amount of local content, geographic location, import substitution, export growth, technology transfer, and offset requirements. Moreover, foreign private entities have been given the right to establish and acquire business enterprises, and engage in all kinds of remunerative activities.

Finally, despite the economic challenges that have been facing Lebanon and the region, the Lebanese banking sector has managed to remain intact while acting as a pivotal pillar to the country's economy. Characterized by high liquidity and solid capital capability, the Lebanese banking sector sustains the economy through simultaneously funding the public deficit and the private sector. Actually, the proliferation of the banking sector can be mainly attributed to the utter size of this sector, with assets in excess of 360 percent of Lebanon's GDP, and the fundamental customer deposits (local and foreign), which acts as the main source of funding and account for around 82 percent of total liabilities.

To wrap things up, foreign direct investment is an important economic indicator that gives us a sneak peek into the health of the economy. In general, such investments are beneficial to the economies of developing countries and to Lebanon in particular. Furthermore, given the free market economy, the FDI friendly regulations and the sound banking system, Lebanon offers an adequate platform for foreign investors.

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