

LEGAL BUSINESS

Dubai: the new frontier for Canadian business lawyers

By John Jaffey
Toronto

Thirty years ago, Canadian lawyers discovered Hong Kong as a rich source of business. More than a decade later, their focus shifted to a newly capitalistic Moscow. The next stop was China's expanding economy, with many legal junkets to Beijing and Shanghai. And the newest discovery in the global search for legal opportunities would appear to be Dubai, the second-largest of seven principalities making up the United Arab Emirates. (Abu Dhabi is the largest principality in the confederation.)

A city of about 1.6 million people, Dubai is one of the world's fastest-growing cities. And – a bonus for some – English is the language of commerce, and the English common law is the foundation of the legal system, says Mark McMackin of Toronto's Ricketts Harris LLP. "It's not the same, but it's familiar."

He's bursting with enthusiasm about Dubai: "I call it the New Manhattan. From a development lawyer's standpoint, the city is phenomenal. They're using the best of the best. A tremendous amount of pride goes into everything, at least from a construction point of view. They're building an airport the size of Heathrow or O'Hare. It's really refreshing to see a mini-UN going on there. There might even be enough Canadians there to field 900 hockey players. Yes, they play hockey there. I toured the new Emirates Mall; it

has a full-size ski hill in it."

McMackin told *The Lawyers Weekly* he has been travelling to Dubai over the past few years because several of his clients are involved in construction project management and architectural work there. One of these clients just completed his work for the

properties to condominiums and signature villas." He referred to the Palm Developments as "the creation of lagoon cities that stretch out into the gulf, one of which is the size of the City of Paris. The construction of the world's largest man-made islands off the coast of the City of Dubai creates an inter-

within the next year and a half, 75,000 condominium units will be purchased within the confines of the City itself."

The opportunities in Dubai are not relegated to real estate. McMackin also noted, "From a business point of view, the City of Dubai is becoming the centre of

lack of American involvement." He says there are less stringent rules than in Saudi Arabia. Drinking alcohol is allowed, but street drugs are verboten. "It's a safe place to work. There wasn't one murder there last year. Dubai is civil, in the sense that if you do something against the law, you're going home quickly. People realize it's a privilege to be there, so they are cautious not to do anything bad."

However, when you do business there, you must have a national as a nominee shareholder. He said, "We had a national who basically went around and made the introductions with the government people. There's always that liaison." On the positive side, the former 50-per-cent rule has been abolished, and now expats can own land.

Finally, Dubai is a tax haven. McMackin says, "There are tax free zones for companies. They set up their own campuses. You have the automotive sector, the precious metals sector, the banking sector and so on. Amid these pockets of economic free zones, you have massive developments to house people. The plans for future development are staggering."



(Architectural Rendering) The Business Bay is a current project well under construction with the Burj (tallest building in the world 850m) serving as the focal point. Photo courtesy of Mark McMackin

construction of what will be the world's tallest building, the "Burj," estimated at completion to be in excess of 850 metres high.

"The booming Dubai real estate market, in such a cosmopolitan city, is making Dubai one of the most desirable real estate hubs in the world," says McMackin. "Also, there is a wide range of real estate to choose from, with the most lavish commercial tower and hotel

esting environment for those of us in development real estate.

"The amazing aspect of this and many of the other ongoing developments in Dubai is how staggering the plans for this City are from a development point of view. I have been informed by the Commerce and Tourism Departments that 25% of the world's cranes are within the City of Dubai. It is also expected that

commerce for the Middle East. This is due to the exceedingly safe and tax free living environment. Therefore there is a tremendous impetus and movement of capital from Europe to invest in this City.

"Coupled with the positive investment environment and copious amounts of money to be utilized in developing this City, it would appear that the extraordinary becomes possible."

McMackin advises that the Dubai Government "is exceedingly positive and welcoming when it comes to dealing with Canadians. There tends to be a strong British and Canadian presence within the City and a general



Mark McMackin



(Rendering) The Palm Jumeira, Palm Deira: palm islands with hotels and condominium villas and "The World", a creation of islands in the gulf representing each of the countries of the world. Photo courtesy of Mark McMackin

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