



## ISLAMIC FINANCE

The core members of our Islamic finance practice are based in DLA Piper's offices in the Middle East. We also provide advice to our clients on Islamic finance matters across the world. With offices in 31 countries and relationships with law firms in business hubs worldwide, we provide legal services to meet the local and international needs of our clients.

We recognise that each of our clients is very different. Our ability to provide tailored advice to meet the business needs of each client is what distinguishes us from our competitors when advising on the legal and regulatory aspects of an Islamic finance transaction.



## INTRODUCTION

The worldwide Islamic financial services industry is thought to be worth in excess of US\$1.4 trillion and, despite current global economic uncertainty, continues to demonstrate strong signs of growth as investors (Islamic and conventional) look to tap into the alternative source of liquidity offered by *Shari'a* compliant financing structures and products.

At DLA Piper, we consider ourselves to be more than just an international law firm but also a 'stakeholder' in the Islamic finance industry. We have lawyers who are able to provide innovative solutions and we pull together our collective expertise to ensure that our clients always receive the seamless service that their businesses demand.

## COMMITMENT TO OUR CLIENTS

We provide coherent, considered and commercially sound advice to our clients on the legal and regulatory aspects of Islamic finance transactions. Our lawyers have significant experience in acting for Islamic and conventional clients involved in the Islamic finance industry (including financial institutions, corporates, funds and government entities).

DLA Piper also supports and participates in a number of key industry conferences.

## A WIDE RANGE OF EXPERTISE

We can provide expert advice on a broad range of Islamic transactions: including bilateral and syndicated Islamic financings, co-financings, project finance transactions (including complex multi-sourced financings), the financing of real estate development, asset finance, debt restructurings and debt capital markets. Our Islamic finance practice also extends to assisting our clients in relation to Islamic investment funds, private equity, *Takaful* and Islamic structured products.

The advice we provide is tailored to the business needs of our clients and is always carefully considered as well as responsive. We cover all aspects of an Islamic transaction; including guidance on any Islamic structuring issues, the drafting and negotiation of documentation and assisting our clients with the successful implementation of that transaction.

Our lawyers have worked on a number of key Islamic transactions covering many different sectors:

- banks and financial institutions
- funds and private equity
- telecommunications
- infrastructure and transportation
- real estate development, hotels and leisure
- power, water and other utilities
- oil, gas and petrochemicals

In addition, a number of our lawyers are recognised as leading experts in their respective 'fields' by independent industry journals and legal directories (including Chambers & Partners, Legal 500 and IFLR).

## FAMILIARITY WITH ISLAMIC STRUCTURES AND THE SCHOLARS

The structuring techniques which are commonly used in the Islamic finance industry are based upon the strict adherence to *Shari'a* principles. These principles are derived from a number of sources including the *Holy Qu'ran* and the *Sunnah*. The interpretation of these key principles can vary, particularly between the different schools of thought within Islamic jurisprudence.

At DLA Piper, we advise on Islamic transactions that involve a wide variety of structuring techniques (and often combinations of these), including the following: *Ijara*, *Murabaha* (including *Tawaruq*), *Mudaraba*, *Salam*, *Musharaka*, *Istisna'a*, *Wakala*, *Wa'ad*, *Sukuk* and *Takaful*.

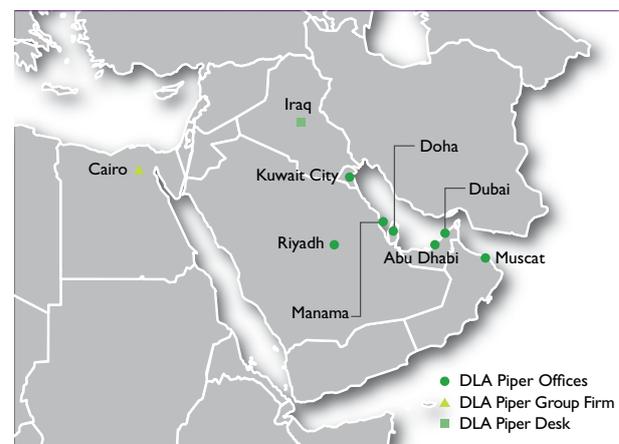
By combining a detailed working knowledge of each of the contemporary Islamic structuring techniques with a firm understanding of the relevant *Shari'a* principles (and their different interpretations), our lawyers are able to engage effectively with *Shari'a* scholars (or their co-ordinators) for our clients in order to develop legal structures and documents that are compliant but which also remain commercially viable.

## REGIONAL EXPERTISE WITH GLOBAL REACH

Our Islamic finance team combines regional and international expertise.

DLA Piper recognises the global importance and impact of Islamic financial services, and remains committed to supporting our clients globally. Our international reach and integration means that DLA Piper can handle Islamic transactions originating in all of the major financial centres; from the traditional Islamic finance hubs in the Middle East and South East Asia to London, Paris, Tokyo and New York.

In the Middle East, we have highly experienced lawyers based in Abu Dhabi, Cairo, Doha, Dubai, Jeddah, Kuwait City, Manama, Muscat and Riyadh, collectively covering a broad range of sectors and Islamic finance disciplines. These lawyers work closely with our colleagues around the world (including our European, Asia Pacific and US offices).



## GUIDANCE THROUGH A CHANGING REGULATORY LANDSCAPE

As a global legal services provider, we are always conscious when advising on Islamic transactions of the need to comply with the laws and regulations of the relevant jurisdiction(s) – particularly when balanced against the potentially competing demands of *Shari'a* compliance. In our experience, this has been particularly important when working on Islamic transactions in jurisdictions where tax and regulatory changes have been recently introduced (i.e. with the specific aim of encouraging the growth of Islamic finance).

At DLA Piper, we believe that an active dialogue between all of the interested parties – including central banks and other regulators – is critical in these kind of circumstances in order to achieve a harmonised approach on key issues (and the best way of successfully implementing an Islamic transaction against the backdrop of an evolving legal and regulatory landscape).

Our regulatory experts understand the issues that the Basel III standards and FATCA present for our clients in the Islamic financial services sector. We are able to deliver practical advice to our financial institution clients on how the proposed implementation of Basel III and FATCA will affect the way in which they do business.

## OUR ISLAMIC FINANCE EXPERIENCE

The lawyers within our global Islamic Finance practice have experience, including:

- advising a US defence contractor (with GCC shareholders) in relation to a US\$42,500,000 commodity *murabaha* financing facility.
- advising Etihad (as lessee) in relation to the *ijara* (lease) financing of 2 Boeing 777-300ER aircraft with funding being provided by First Gulf Bank and other regional financiers.
- advising Emirates Islamic Bank and Khaleeji Commercial Bank in relation to a US\$25 million secured *murabaha* facility for a large Saudi borrower.
- advising a significant US real estate investor on a platform for *Shari'a*-compliant investments into US commercial real estate, with part of that funding being provided by Islamic investors in the GCC (each investment will be sized in the US\$20 million to US\$50 million range).
- advising Bawabat Al Shamal Real Estate Company WLL (BASREC) in connection with the financing of its QAR 6 billion Doha Festival City Project, such financing was provided on a co-financed basis with an Islamic facility and a commercial facility.
- advising Blenheim Capital in connection with the structuring and documentation of certain Islamic financing facilities from QIB (UK).
- advising Lafarge Cement in connection with the US\$300 million *Shari'a* compliant financing for the construction of a cement plant in Saudi Arabia by Al-Safwa Cement Company (the other sponsor being Khayyat Group).
- advising A'ayan Leasing and Investment Company KSCC in relation to its US\$1.3 billion *Shari'a* compliant restructuring of debt.
- advising HSBC in Qatar on the conversion of certain conventional facilities into Islamic facilities.
- advising Sukoon International Company on various aspects, including Islamic financing, of a mixed-use development project in Jeddah, Saudi Arabia.
- advising the sponsor in connection with the *Shari'a* compliant financing of a hospital project in Abu Dhabi, UAE.
- advising Boubyan Bank in connection with various *Murabaha*-based financing facilities.
- advising Abyaar Real Estate Development Company KSCC in connection with the issue of US\$200 million of convertible *sukuk*.
- advising BNP Paribas, as Senior Joint Lead Manager, in connection with the establishment of a US\$100 million *Sukuk Al-Musharaka* by United Real Estate Company SAK.
- advising on the structuring, implementation and all associated documentation of a *Shari'a* complaint hedge fund established in the Cayman Islands by Al-Rou'yah for Leasing and Investment Company KSCC.
- advising a major insurance company in structuring and documenting global *Shari'a* compliant insurance products (*Takaful*).
- advising Al-Aman Investment Company KSCC on the sale of their majority stake in a leading Kuwaiti *Re-Takaful* company to a regional investment bank.
- advising a major Dubai-based financial institution on the development of Islamic treasury, liquidity and risk management products.
- advising the financiers in connection with the Islamic tranches of the project financing of a US\$7.5 billion aluminium smelter plant, casthouse, rolling mill and related infrastructure that will be located at Ras Az Zawr in Saudi Arabia, to be developed by Ma'aden Aluminium Company and Ma'aden Rolling Company (joint-ventures between the Saudi Arabian Mining Company (Ma'aden) and Alcoa Inc.).
- advising the financiers in connection with the multi-sourced financing of an aluminium mine and refinery project in Saudi Arabia.
- advising the mandated lead arrangers on the Islamic financing for various hotel developments in Makkah, Saudi Arabia.
- advising Standard Chartered Bank in relation to the structuring and execution of innovative bilateral collateralised *Murabaha* financing structures for its regional financial institution clients.
- advising Kuwait Finance House (Malaysia) Berhad as lead manager in relation to the issue of US\$100 million two year benchmark *Sukuk Al-Ijara* certificates, guaranteed by Nomura Holdings Inc.

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