

# The thing about ...

Recently in Dubai, ASIAN-MENA COUNSEL's Patrick Dransfield photographed Amjad Ali Khan, the co-founder and Managing Partner of Afridi & Angell and also put to him a series of questions on behalf of the *In-House Community*.

# Amjad Ali Khan

**ASIAN-MENA COUNSEL:** Amjad, you co-founded Afridi & Angell over thirty years ago, so perhaps this is a good moment for some reflection. How has the practice of law evolved in the UAE specifically and in the Middle East region generally?

**Amjad Ali Khan:** I've witnessed a phenomenal growth of legal services in the UAE since my arrival. In 1982 there were just a few law firms in Dubai and Abu Dhabi. The number of lawyers was not much higher. Today there are over 100 firms of advocates and legal consultants and over 2000 lawyers in the UAE. We are seeing an increased demand for sophisticated legal advice, especially with the rise of complexity in disputes and in corporate and financial transactions, the majority of which have a cross-border element. The majority of law firms in the UAE boast good international reputations with a track record in high-end, complex legal work. This has resulted in Dubai and Abu Dhabi joining an elite group of cities which are the leading international centres for legal services. This coupled with the UAE, and particularly Dubai, being used as a hub through which cross-border deals between Europe, Asia and Africa are routed, has attracted and continues to attract additional law firms and lawyers. A safe environment in which to live and raise a family, a business-friendly environment and a relatively sophisticated infrastructure compared to other middle eastern countries have also resulted in Dubai and Abu Dhabi becoming regional centres for legal services in the Middle East, west Asia and Africa.

**AMC:** How has the local and regional legal market in Middle East and north Africa developed and what are the challenges for local and regional legal providers?

**AAK:** Businesses in the UAE and in the MENA region have rapidly moved towards international standards for legal services. This has raised the bar for law firms in the region. However, the legal environment in the UAE and MENA region continues to face the challenge of keeping pace with regions with developed legal systems. While the UAE has been focussed in its attempts to develop its legal system, it will still take time. Having been in the UAE for as long as we have, we have a historical perspective on how policy and legal developments are likely to evolve and progress, and the pace of such progression.



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Photo: Patrick Dransfield

**AMC:** When you first arrived to set up practice, how was the in-house community? How has the in-house legal community developed? Are there special challenges facing MENA in-house counsel?

**AAK:** Blue chip companies and some government entities have always had sophisticated and well-resourced in-house legal departments. In addition to such in-house legal departments, blue chip companies have also sought the advice of multiple external law firms. This practice remains relatively unchanged for the blue chips, and if anything, they have hired more people internally in an effort to manage legal risk and put a lid on the cost of legal services. In-house counsel today are expected to deal with a broad range of issues. A number of companies have legal departments headed with a general counsel reporting directly to the chief executive. However, the traditional structure of an in-house legal advisor reporting to the head of risk or head of operations also continues to co-exist.

Many of the smaller and mid-sized companies who never used to hire in-house legal staff have in recent years realised the need for in-house legal counsel, hence we are seeing an overall increase in in-house legal counsel. We are seeing many mid-sized companies hiring in-house counsel with the expectation that they would handle a substantial part of the in-house demand for legal services. This is usually due to budgetary constraints of the employer.

Similar to the challenge faced by external legal advisors, the absence of legal commentary and reported case law is a major challenge for the newer in-house community (those that came to the UAE in the last 10 years). Notwithstanding recent efforts to record

regulations and circulars issued to implement UAE laws, complete records of regulations and circulars are difficult to come by. The nuances in interpretation and implementation of federal laws in each of the Emirates can be challenging. Finally, keeping pace with the speed with which changes in policy occur in some areas can also be challenging. Because of the challenges of a developing legal system, the capability of a company to hire quality in-house counsel is much more significant in this region than in a country with a developed legal system.

**AMC:** Following the financial crisis, Islamic finance has grown exponentially. What do you see regarding the opportunities and challenges for Islamic finance?

**AAK:** The number of new Islamic financial institutions in the market place has changed the traditional approach by corporate, SME and retail clients to meet their banking and credit requirements. In a large number of corporate financial transactions, there is now a role for an Islamic financial institution.

The challenge remains in developing a uniform set of documentation and a uniform system for determining whether a transaction is ‘Islamic’. However, this has not prevented Islamic assets growing at a much higher rate than conventional assets, or the return on capital for Islamic banks.

Whilst an effort has been made to develop rules and regulations in connection with the provision of Islamic financial products and certain organisations have established non-binding guidance on Shari’a compliance of Islamic financial products, there is still no

generally accepted set of binding rules and regulations relating to Islamic financial products. In practice, Islamic financial institutions will still seek guidance from their internal Shari'a supervisory board; this can be problematic when arranging syndicate financing amongst Islamic banks/financial institutions, as there may be differences of opinion between the Shari'a boards on the application of Shari'a principles to the financing structure.

In the short-term, cash rich Islamic banks and financial institutions have been successful in expanding their market share in the Cooperation Council for the Arab States of the Gulf (GCC). However, the medium-to-long term prospects of the Islamic finance industry, both in the GCC and internationally, will hinge on, amongst other things, its ability to implement cross-border recognition of Islamic finance products (including legal/tax status and actions on liquidation), reach a consensus on market standards applicable to Islamic finance products/documentation and secure sufficiently qualified professionals. Whilst certain countries like Malaysia and the UAE have taken steps to address these issues at the domestic level, there is still limited cross-border agreement on how to address these challenges.

**AMC: What keeps you up at night?**

**AAK:** It is very important for a firm like Afridi & Angell to attract and retain the best lawyers. We are a mid-sized high quality firm. Our lawyers are our only asset.

As a legal practitioner, my concern is the inability in the region to distinguish between civil and criminal matters.

**AMC: In what ways does Afridi & Angell attempt to provide an integrated service for clients and how do you link up with other law firms, both regionally and internationally? How well do you think the firm succeeds and what are the challenges peculiar to the region?**

**AAK:** Afridi & Angell is the exclusive member firm in the UAE for Lex Mundi – the world's leading network of independent law firms. Lex Mundi has 160 member firms in over 100 countries, and 600 member firm offices. As part of the Lex Mundi global network, we can provide our clients with preferred access to more than 21,000 lawyers around the world – all from a single point of contact in our firm. Individually, each Lex Mundi member firm is a leader in its local market. Collectively, Lex Mundi firms provide global legal resources with unmatched depth and breadth. Working with other Lex Mundi firms, we are able to seamlessly handle our clients' most challenging cross-border transactions and disputes.

**AMC: How should a new major client engage with Afridi & Angell to ensure the best results?**

**AAK:** Lawyers must understand the client's business, its future prospects and direction. Good legal advice is based on two-way communication. Our clients share with us their business model, risk appetite, future plans and business strategies. We are then able to provide quality legal services.

It is also incumbent upon us as legal advisors to share best practices and industry-specific information that may impact a

client's business. It is important to build a relationship with clients to ensure an open and constant flow of communication.

**AMC: What advice would you give a young person interested in a career in the legal arena?**

**AAK:** There was a time when young lawyers were expected to keep their head down, punch in his or her billable hours and make partner in six or seven years. While talent, commitment, hard work and perseverance continue to be critical factors in a young person's success as a lawyer, it is equally important that a lawyer demonstrates an interest in building the firm and a willingness, if necessary, to redefine his practice and change his specialisation. Productive networking, client development, social grace and the ability to cultivate interpersonal relationships are as important as core legal competence.

**AMC: What is your hinterland (i.e. what are your interests outside of the firm)? How do you control your time so that you can pursue them?**

**AAK:** I am involved with a number of educational institutions and health providers in the UAE and Pakistan. It has not always been easy to give time to these institutions, but I have been able to do so in the last 10 years.

Amjad Ali Khan is a co-founder and the managing partner of Afridi & Angell. He heads the firm's banking and financial services practice and advises on both conventional and Shari'a compliant transactions. He also has considerable experience advising private equity firms on cross border acquisitions and disinvestments. He represents the firm's international and local clients including banks and leading multinationals as well as private equity firms, in banking, financial, and corporate transactions.

Khan regularly advises banks and private equity firms on acquisition financing, structured financing, dual tranche transactions involving conventional, and Islamic financing, and has been involved in launching various banking products and services in the UAE. He has also been involved in several project finance transactions and in the setting up of industrial projects in the UAE. In addition to banking and finance, he also advise clients in the sale and acquisition of businesses, in particular in the leisure and entertainment industry.

Khan has co-authored numerous works including the UAE chapters of *The Banking Regulation Review* and *The Private Wealth & Private Client Review*. He is also the co-author of the UAE chapter of *Shareholders' Rights Global Guide*.

He is a member of the New York State and the Punjab Bar. He obtained an LL.M. from University of California, Berkeley, and an LL.B. from Punjab University Law College, Lahore, Pakistan.