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A changing legal environment

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Saudi Arabian law is based on *shariah* (Islamic law). The two main sources of Islamic law are the Qur'an (a divine revelation to the Prophet Mohammed) and the Sunnah (writings detailing the Prophet Mohammed's sayings and actions). In Islamic law there are four main schools of jurisprudence, namely: *hanbali*, *hanafi*, *shafai* and *maliki*. The Saudi Arabian courts and judicial committees generally apply the *hanbali* school. The Saudi Arabian government, from time to time, issues rules and regulations with the objective of supplementing Islamic law when the need arises. In the event of a conflict between Islamic law and government rules and regulations, Islamic law will generally prevail. Where government rules and regulations are silent, reference is made to the relevant rules under Islamic law.

Comprehensive regulations

Saudi Arabia's legal framework has developed significantly in recent years as part of a concerted effort to increase foreign investment in the country and revisit perceived legislative obstacles in this regard. In the coming year, we expect to see further significant developments in Saudi Arabia's legal environment.

The much anticipated redraft of the Companies Law is likely to be issued this year. One of the most significant changes is expected to be the settlement of the jurisdictional conflict between the Capital Market Authority and the Ministry of Commerce and Industry in relation to the offer of securities, particularly in public offerings. Further changes are anticipated to the minimum capitalization for limited liability companies, which is expected to be reduced from the current minimum requirement of SR500,000 (\$133,000) to a minimal amount.

The Saudi financial and mortgage sector is set to be revolutionized by the issue of comprehensive regulations in the course of this year. These regulations will target, amongst other areas, the Saudi real estate market and will pave the way for the growth of the country's mortgage industry. The new regulations are expected to cover issues such as instalment sales (deferred payment sales), leases, mortgages and real estate finance (including elements of project finance), and the enforcement of security. They would also offer guidelines to facilitate the easy registration of security over property and complement the existing procedures for registering and transferring title.

The Capital Market Authority will also be seeking to encourage greater investment in Saudi Arabia by issuing a raft of new regulations. The Authority has recently issued regulations and instructions concerning the trading of shares of companies listed in the Saudi stock market by investors based in the Gulf Cooperation Council. These regulations will provide greater opportunities for foreign investors to tap into the Saudi stock market. Also, towards the end of 2006, the Capital Market Authority issued the Investment Funds Regulations which clarified the regulatory requirements applying to investment funds.

From July 2007, commercial banks licensed in Saudi Arabia will need to have transferred their securities business activities to licensed subsidiaries. Accordingly, we expect there will be greater clarity in the delineation between the jurisdictions of the Saudi Arabian Monetary Agency and the Capital Market Authority.

Attracting foreign investors

We expect to see a continuation of the tremendous interest in Islamic financing in Saudi Arabia and particularly the use of *sukuks*. In response to this interest we expect to see changes in capital market regulations; in particular, the possibility of regulations that deal with the issuance of *sukuk*. These refinements should place Saudi Arabia at the forefront of the

Islamic finance industry and encourage the growth of what is already a multi-billion dollar industry in Saudi Arabia.

In late March 2007, Saudi Arabia's Supreme Economic Council issued a revised version of its "negative list" which lists those economic activities that are not permitted for foreign investors. The list of restricted activities decreases every year and the most notable change this time is the removal of the prohibition on wholesale, retail and commercial agencies or distributorships (although some restrictions may still apply). This was an extremely important move for foreign consumer product manufacturers as it will enable them to consolidate their presence in Saudi Arabia and have more control over the distribution of their products. This development is a direct result of Saudi Arabia's recent accession to the World Trade Organization.

Finally, 2007 will most likely see the issuance of revised regulations in relation to the judicial regulatory framework including the establishment of a supreme court, division of general courts into specialist circuits, and control given to the general courts over certain types of disputes that are currently assumed by various judicial committees. This might also include the transfer of jurisdiction over commercial disputes from the Grievances Board (which currently assumes jurisdiction over such disputes on a temporary basis) to the general court.

This is part of the government's larger and long-term reform of the Saudi judicial system, which will also involve the admittance and training of more judges. The revised regulations are expected to speed up the processing of lawsuits filed in the general courts and the Board of Grievances. They will hopefully also increase the capacity and sophistication of the judicial system to be able to meet the ever increasing demands placed on it, both in terms of the volume of cases and the increasing complexity of Saudi transactions.

Whichever way one looks at it, 2008 promises to be a fascinating year for everyone

with an interest in Saudi Arabia's continuing development

Capital markets

Recommended firms

Tier 1

Legal Advisors/Baker & McKenzie
Yousef & Mohammed Al-Jadaan/Clifford
Chance

Tier 2

Mohammed Al-Sheikh/White & Case

Tier 3

Abbas F Ghazzawi & Co and Hammad
Al-Mehdar & Co
Abdulaziz H Fahad/DLA Piper
Al-Rowaished Al-Assaf/Squire Sanders &
Dempsey

Tier 4

Feras Shawaf/Trowers & Hamblins
Khalid A Al-Thebity/LeBoeuf Lamb Greene
& MacRae
The Law Firm of Salah Al-Hejailan
The Law Offices of Dr Mujahid M Al-Sawwaf

Banking

Recommended firms

Tier 1

Legal Advisors/Baker & McKenzie
Yousef & Mohammed Al-Jadaan/Clifford
Chance

Tier 2

Abbas F Ghazzawi & Co and Hammad
Al-Mehdar & Co
Mohammed Al-Sheikh/White & Case
The Law Offices of Dr Mujahid M Al-Sawwaf

Tier 3

Abdulaziz H Fahad/DLA Piper
Feras Shawaf/Trowers & Hamblins
Law Office of Hassan Mahassni
The International Law Firm
The Law Firm of Salah Al-Hejailan

Tier 4

Khalid A Al-Thebity/LeBoeuf Lamb Greene
& MacRae
Mohammed Bin Saud Al-Rasheed/Baker Botts

Islamic finance is still the main talking point in the Saudi banking and finance sector, with more credit facilities being completed under *shariah*-compliant structures than ever before. The burgeoning market has been a goldmine for local firms, as the country's particularly stringent laws mean that only local lawyers can conduct Islamic finance transactions.

As a result, all eyes in the Saudi legal market this year have been on partnerships between foreign and local firms. The big news this year was the breaking of Trowers & Hamblins' alliance with Hassan Mahassni in March 2007, with Trowers linking up with Feras Shawaf and Hassan Mahassni deciding to go it alone. LeBoeuf Lamb Greene & MacRae also split with its local partner Saud M A Shawwaf and linked up with Shawwaf's former head Khalid Al-Thebity's new firm.

Saudi law states that foreign firms cannot practise without a local partner, which has led to huge interest in local practices from foreign firms. Denton Wilde Sapte moved into Riyadh in June 2007 when it linked up with Wael Abdulrahman Alissa, while Allen & Overy joined forces with Abdulaziz Al Gasim Law Firm to launch its Saudi branch in May 2007. Freshfields also continues to have a presence in the region due to its close links with Salah Al-Hejailan.

"Everyone is trying to get a piece of the pie, but setting up in Saudi Arabia is tough," said one partner. "There are integration issues, setting up issues – all these things take time."

Feras Shawaf Lawyers and Legal Advisors in cooperation with Trowers & Hamblins

Trowers & Hamblins has linked up with Feras Shawaf after dissolving its partnership with Hassan Mahassni in March 2007. Together, Feras Shawaf & Trowers has worked on some substantial transactions in the banking and capital markets sector, with Leroy Levy leading the firm on a lot number of transactions.

Feras Shawaf & Trowers was involved in several real-estate financing transactions for residential property in particular. Leroy Levy again acted for the Saudi Binladin Group on a \$160 million term loan and letter-of-credit facility to finance a residential building in Mecca. The firm also landed a role advising the Samba Financial Group on a \$95 million term loan, overdraft and letter-of-credit facility for a Saudi contracting company for the construction of a four-tower residential real-estate project in Qatar.

The firm was also involved with capital markets transactions, with one notable mandate acting for Tasheel on a \$1 billion private placement to fund various telecoms facilities in Saudi Arabia, Indonesia and India. The firm also advised Malath Insurance and Reinsurance Company on its SR300 million (\$80 million) IPO on the Saudi Arabian Stock Exchange and also represented the L'Azure Group on its IPO.

Law Office of Hassan Mahassni

The Law Office of Hassan Mahassni is without a foreign partner after splitting with Trowers & Hamblins in March 2007, but this has yet to impact on its strong mandate-winning abilities.

The firm was more active in the project finance sector, although one highlight on the bank lending side this year was winning a role representing the Saudi Binladin Group on a \$1 billion Islamic financing facility for the expansion of the Mosque of the Prophet, which was closed in February 2007. This was done while the firm was still in partnership with Trowers; however, the market credited Hassan Mahassni for the transaction as it was done under Saudi Arabian law.

Legal Advisors in association with Baker & McKenzie

Legal Advisors and Baker & McKenzie have held firm at the top of the rankings table with yet another outstanding year. The firm works very closely with its satellite office in Bahrain to provide legal services to Riyadh and the industrial companies in eastern Saudi Arabia. The firm is widely praised by clients and peers as one of the top-two firms in the country for banking and finance deals.

"We use them on repeated mandates and recommend them on deals," said one client. "They are our first choice along with Clifford Chance."

The firm was involved with a number of Islamic financing structures this year, with one highlight acting for the banks on an Islamic financing facility for Mobily, a telecoms company. The SR10.7 billion facility comprised term, working capital and financial support facilities and related inter-creditor arrangements.

Legal Advisors and Baker & McKenzie was very active in the surging market for *sukuk* (Islamic bond) offerings. Its most notable work was for Sabic on its SR3 billion *sukuk*, which was Saudi Arabia's first since the new capital markets law was introduced.

The firm is well known for its debt capital markets expertise, proven when it won a role advising the Samba Financial Group on a \$1.6 billion euro medium-term note (EMTN) programme, as well as the subsequent issue of a \$500 million first tranche of floating-rate notes. The firm also acted for the Arab National Bank in the establishment of its \$850 million MTN programme in October 2006.

Legal Advisors and Baker & McKenzie's equity capital markets team was also very active. Karim Nassar led the firm on its stand-out mandate – acting for the Al Babbain Power & Telecommunications Company on

its SR324 million initial public offering (IPO) on the Saudi Stock Exchange. Nassar was joined by George Sayen when the firm acted on the IPOs of SABB Takaful Company and Assurances Saudi Fransi Company, which raised SR35 million and SR31 million respectively.

On the financial regulatory side, Legal Advisors and Baker & McKenzie assisted the founding shareholders of Jadwa Investment Company, Saudi Swiss Securities, Banque Saudi Fransi and Swicorp to obtain a licence from the Capital Market Authority and also provided advice on the incorporation of their respective companies.

Leading lawyers

Karim Nassar
George Sayen
Ian Siddell
John Xefos

Mohammed Al-Sheikh in association with White & Case

Al-Sheikh and White & Case had another strong year in the banking and capital markets category, retaining its tier two status in both rankings tables. Mohammad Al-Sheikh's stature is growing in the market, with competitors noting that he is becoming a force to be reckoned with. "He needs a couple of years to become outstanding, but he's getting there," said one rival.

The firm's strong Islamic financing talents were on full display this year when it acted for Mobily on the \$2.87 billion financing of its mobile phone networks in Saudi Arabia, which is the largest syndicated Islamic financing to date. The firm was again mandated by Mobily to act on a \$1.9 billion Islamic *murabaha* (deferred sale) bridge financing granted by the Samba Financial Group.

Al-Sheikh and White & Case also advised Mall of Arabia, a subsidiary of Al-Hokair Group, as borrower for its SR350 million *ijarah* (capital leasing) financing from the Saudi British Bank. The firm also advised Kuwait Finance House on the financing of two aircraft to Air Asia under a *mudarabah ijarah* (sponsorship of a capital leasing) structure, and continues to advise the International Finance Corporation on a \$37 million *istisna'a ijarah* finance structure (where the risk is shared between an institution and a constructor) for the funding of medical equipment for two Saudi-German hospitals.

The firm was also involved in the issue of *sukuks*, acting for a consortium of banks on Dar Al-Arkan's \$600 million *sukuk* issuance. The *sukuk* is based on an *ijara* structure and was the first issued into the international capital markets by a Saudi corporate entity.

One innovative transaction saw the firm advise Unicorn Investment Bank and Standard Bank on the true-sale securitization of a \$23 million *sukuk* issued by the Kingdom Installment Company, which was the first true-sale securitization in the Gulf Cooperation Council area.

Al-Sheikh and White & Case's equity capital markets work was also notable, with the firm acting on the IPOs of such companies as the government-backed Inmaa Bank, Kingdom Holding Company, Dar Al-Arkan Real Estate Development Company and the Rabigh Refining and Petrochemical Company. The firm also acted on the restructuring and subsequent IPO of Al-Hokair in September 2006.

"I'm absolutely very happy with Mohammad Al-Jadaan," said one client. "I have absolutely no issues at all."

Leading lawyers

Mohammad Al-Jadaan

The Alliance of Abbas F Ghazzawi & Co and Hammad & Al Mehdar & Co

The Alliance has moved up a tier in both the banking and capital markets rankings this year after numerous recommendations from peers and clients. The firm gets a number of its mandates by acting as local counsel for international firms such as Milbank Tweed Hadley & McCloy and Norton Rose. Heading up the practice is Ali Abedi, who is praised by peers for his skill with domestic Saudi work.

"He's very good with banking and finance projects," said one rival of Abedi. "He is the Alliance; we always see him."

Adli Hammad and Ali Abedi led The Alliance on some significant Islamic finance facilities this year. The firm advised a Saudi Arabian company as lead arrangers on the issue of a \$250 million real-estate *sukuk* to be listed in the UK alongside an exempt offering in Saudi Arabia.

The firm acted for BNP Paribas on a syndicated *murabaha* facility, which followed the bank's participation in a \$100 million syndicated facility from the Islamic Development Bank. In addition, The Alliance acted for the mandated lead arranger on a *musharakah* financing (partnership finance) for the lease financing of motor vehicles.

The Alliance was active on the straight bank lending side, with Abedi acting for the lenders on a \$267 million loan to Saudi Arabian Airlines in connection with the restructuring of the airline prior to its privatization.

Equity capital markets work is another strength of The Alliance. The firm acted on

the IPO of a Saudi pharmaceutical and healthcare company, advised on the public offering of 49% of a Saudi real-estate and hotel company and guided another company on the IPO of 30% of its share capital.

On the regulatory side, the firm advised Credit Suisse on its Saudi banking activities and also guided Bear Stearns International, Morgan Stanley and the Bank of America on issues relating to Saudi capital markets law.

Leading lawyers

Ali Abedi

Yousef & Mohammed Al-Jadaan in cooperation with Clifford Chance

Al-Jadaan & Clifford Chance holds its position in the top tier after a fantastic year which saw the firm act on a range of deals in the capital markets and bank lending sectors. The firm is well regarded by clients for its mix of local knowledge and international capacity.

"They are very professional people in both the local and international markets," said one client. "We are very satisfied."

Abdulaziz Al-Abduljabbar worked on a number of Islamic financing facilities this year, winning one notable role acting for a consortium of banks on a \$1 billion facility for the expansion of the Prophet Mohammed Mosque in Medina. The firm also has a role continuously advising a consortium of banks led by ABC Islamic Bank on Islamic financing facilities for the construction of the Abraj Al Bait shopping complex.

Al-Jadaan & Clifford Chance acted on a number of *sukuk* offerings this year, with its most notable role seeing name partner Mohammad Al-Jadaan act for HSBC as the arranger for Saudi Electric Company's SR5 billion *sukuk* issue – the largest by a Saudi entity to date. The firm also acted for HSBC on Sabc's SR3 billion *sukuk*, which was the first in Saudi Arabia under the new capital markets regulations.

The firm's straight debt capital markets work is also well regarded by the market. Mohammad Al-Jadaan led the firm when it advised the banks on two significant EMTN programmes; Arab National Bank's \$850 million programme and a \$1.6 billion programme for the Samba Financial Group.

Al-Jadaan & Clifford Chance's equity capital markets work is not to be underestimated either. The firm acted for the issuer on a number of IPOs this year, with the most prominent being Saudi Kanyan's pending SR6.75 billion offering. The firm also acted for AAPC and Sipchem on their IPOs, which raised SR664 million and SR2.5 billion respectively.

The firm performed some innovative work in the equity capital markets field when it advised investment managers The Capital Group and BSF on the SR202 million IPO of the Saudi Vitrified Clay Pipeline Company, which was the first to be conducted through a bookbuilding process.

Al-Jadaan & Clifford Chance was also active on the financial regulatory side. The firm was particularly strong in advising on real estate investment regulations, counting KFH, Limitless and a UK property firm as clients. The firm also advised Deutsche Bank on the licensing requirements of its establishment of a Saudi branch.

Leading lawyers

Mohammed Al-Jadaan

Other notable firms

David Wells at Dr Mujahid M Al-Sawwaf attracted unanimous praise from the market for his outstanding work in the banking field. "He's been around a long time, knows the environment and is involved in a lot of deals," said one rival partner.

Freshfields Bruckhaus Deringer is formally based in Dubai but has been active in Saudi Arabia in recent years, forming a strong relationship with The Law Firm of Salah Al-Hejailan. While the relationship has not yet been cemented as a formal partnership, market consensus is that this move may not be too far off.

Freshfields was particularly active on equity capital markets transactions. The firm acted on the IPOs of a real-estate company and an oil company joint venture on the Saudi Arabia Stock Exchange and also on a rights issue from a multinational company.

The firm guided Samba Bank on the securitization of auto receivables, and on the regulatory side advised the Capital Markets Authority in relation to the drafting of upcoming regulations.

Mergers and acquisitions

Recommended firms

Tier 1

Legal Advisors/Baker & McKenzie
Mohammed Al-Sheikh/White & Case
Yousef & Mohammed Al-Jadaan/Clifford Chance

Tier 2

Abbas F Ghazzawi & Co and Hammad Al-Mehdar & Co
The Law Offices of Dr Mujahid M Al-Sawwaf

Tier 3

Abdulaziz H Fahad/DLA Piper
Feras Shawaf/Trowers & Hamblins
Law Office of Hassan Mahassni
The International Law Firm
The Law Firm of Salah Al-Hejailan

Saudi M&A is starting to show some signs of life, with activity starting to develop in the real estate, petrochemical and telecoms sectors. But in real terms the M&A industry is dwarfed by the financing sector, with many companies turning to the capital markets rather than costly and regulation-heavy sale M&A procedures.

"Prices are too inflated now and it's way too expensive to do a deal," said one commentator. "There is no real private-equity industry in Saudi due to tight government restrictions, and companies can do much better selling on the market than they can via an M&A transaction."

Legal Advisors in association with Baker & McKenzie

Legal Advisors and Baker & McKenzie has held its place in the top tier after another strong performance in the market and a raft of positive peer and client recommendations. George Sayen leads the firm's corporate group and received praise from peers for his excellent work in the Saudi market.

"He's a brilliant lawyer," said one rival. "He speaks and reads Arabic, is practical, client-friendly and competitors find him easy to deal and work with."

George Sayen led the firm when it acted for Mitsubishi on its acquisition of a 20% stake in AJIL. The firm also acted for the Al-Marai Company on the acquisition of Western Bakeries and International Baking Services and represented the Saudi Telecoms Company on its acquisition of an internet service provider.

Leading lawyers

Karim Nassar
George Sayen

Mohammed Al-Sheikh in association with White & Case

Mohammed Al-Sheikh and White & Case recorded another strong year in the M&A scene and was feted by peers for its roles on a series of joint ventures and privatizations.

One of the firm's highlighted activities for the year was winning a role acting for Dubai Investments on the acquisition of Saudi American Glass. The firm also exploited its close relationship with GIB when it acted on the financial institution's acquisition of a minority interest in a Saudi steel manufacturing company.

Elsewhere, Al-Sheikh and White & Case continues to act for Sete Technical Services on the corporate restructuring of its business in Saudi Arabia.

Leading lawyers

Mohammed Al-Sheikh

Yousef & Mohammed Al-Jadaan in cooperation with Clifford Chance

Al-Jadaan & Clifford Chance was active in the M&A scene this year, with local partner Mohammed Al-Jadaan taking the lead on the majority of the transactions.

One of the firm's standout transactions was acting for Sabc on its SR5.25 billion (\$1.4 billion) acquisition of a controlling stake in the Saudi Kanyan petrochemical project in May 2006. Another significant role saw the firm represent Morgan Stanley on its acquisition of a stake in TCG, while at the time of press the practice was acting on an international investment bank's acquisition of a stake in a licensed securities firm.

Leading lawyers

Mohammed Al-Jadaan

The Alliance of Abbas F Ghazzawi & Co and Hammad & Al Mehdar & Co

The Alliance continued its solid work in domestic Saudi Arabian work by acting on a number of acquisitions in the healthcare and banking industries.

Andreas Haberbeck led a team which advised a health care company on its takeover of a rival company. Haberbeck also guided the company on a separate purchase of part of the assets of a different international healthcare organization.

The Alliance also provided Saudi advice to a consortium of banks in regards to its hostile takeover of an international bank. In addition, the firm advised a Gulf-based bank on the Saudi aspects of its merger with another bank in the region.

Leading lawyers

Andreas Haberbeck

Project finance**Recommended firms****Tier 1**Legal Advisors/Baker & McKenzie
Yousef & Mohammed Al-Jadaan/Clifford
Chance**Tier 2**Mohammed Al-Sheikh/White & Case
Abbas F Ghazzawi & Co and Hammad
Al-Mehdar & Co**Tier 3**Feras Shawaf/Trowers & Hamblins
Law Office of Hassan Mahassni**Tier 4**The Law Firm of Salah Al-Hejailan
The Law Offices of Dr Mujahid M Al-Sawwaf

The project finance sector in Saudi Arabia has been running hot this year on the back of the construction of a series of independent water and power production (IWPP) and petrochemical plants. The financing deals are getting bigger every year, with more and more projects requiring funding of more than \$1 billion.

"A \$100 million deal was good in 2003; now the standard is \$1 billion," said one partner.

Like the banking sector, the funding for these projects is increasingly coming from a mix of conventional and Islamic financing facilities. This began with last year's financing of the Rabigh oil refinery and was continued this year with the Yanubu and Al-Waha petrochemical projects. With world oil prices continuing to surge, interest in the sector is set to continue rising.

"Each year when the price of oil is over \$50 a barrel, the region gets two more years of prosperity," said one partner. "So as long as the price stays strong, the industry will remain sound."

Legal Advisors in association with Baker & McKenzie

Ian Siddell heads up Legal Advisors and Baker & McKenzie's project finance sector and is backed up by the well regarded Julie Alexander. The firm has held its position in the top tier after recording a strong year advising on Islamic and western financing structures for a number of projects in Saudi Arabia.

One of the firm's highlight roles was acting for Sabic on the \$3.5 billion secured financing for the Yanbu National Petrochemical

Company project. The facility comprised an \$847 million *istisna'a ijara* Islamic financing facility (where the risk is shared between the institution and constructor) and a mix of conventional western funding structures.

Julie Alexander led the firm when it was mandated by the banks on *murabaha* (deferred sale) facilities worth \$292 million and SR142 million (\$37.9 million) for the development of Advanced Polypropylene Company's production plant in May 2007.

The firm was involved in a number of mandates at the time of writing. Legal Advisors and Baker & McKenzie was acting for the Methanol Chemical Company on \$266 million and SR200 million *murabaha* financing facilities for the expansion of its petrochemical plant, and was also representing the banks on a \$400 million *murabaha* facility for National Industrial Gases Company's expansion in Jubail and Yanbu.

Leading lawyersJulie Alexander
Ian Siddell**Yousef & Mohammed Al-Jadaan in cooperation with Clifford Chance**

Al-Jadaan and Clifford Chance has followed on from its work on last year's Rabigh oil refinery financing to land roles on a number of significant transactions. The firm tended to act for the borrowers, with one standout role representing the Al-Waha Petrochemical Company on a \$1 billion facility for the financing of a petrochemical project. The financing consisted of a combination of an *ijara* (capital leasing) facility, equity from shareholders and funding from Saudi government agencies.

Another significant role saw the firm act for the Water and Electricity Company on its \$1.83 billion financing for its Shuqaiq IWPP plant, which was again financed by a combination of conventional and Islamic financing.

At the time of press, the firm was acting on two notable transactions; The Advanced Polypropylene Company's \$411 million project financing of a propane dehydrogenation plant and a polypropylene plant in Jubail, Saudi Arabia; and the project sponsors of a \$565 million conventional debt financing facility for the development and financing of an acetyl plant.

Leading lawyers

Mohammed Al-Jadaan

Mohammed Al-Sheikh in association with White & Case

Mohammed Al-Sheikh and White & Case's reputation as a strong project finance practice was boosted last year by its involvement in the Rabigh refinery financing and allowed it to win some notable project finance mandates this year.

The firm managed to snare a role advising the Dar Al-Arkan Real Estate Development Company on a SR1.35 billion *murabaha* financing of the Al-Qasar real-estate project, one of the largest Islamic financings of real-estate in Saudi Arabia. The firm also represented the Government of Jordan on the introduction of a private-sector participation programme in regards to the expansion and rehabilitation of the Queen Alia International Airport in Amman, Jordan.

Other clients the firm has advised include BNP Paribas, Gulf International Bank and Deutsche Bank.

Leading lawyers

Mohammed Al-Sheikh

The Alliance of Abbas F Ghazzawi & Co and Hammad & Al Mehdar & Co

The Alliance recorded another typically solid year, advising on the Saudi Arabian aspects of a number of project financing deals for borrowers and lenders alike.

The Alliance had a strong focus on advising on the financing of energy facilities. The firm advised Marafiq in connection with Citibank and Samba Bank's \$2.5 billion financing of an IWPP plant in Jubail. The Alliance, together with Allen & Overy, also guided the lenders on the \$2 billion Shuqaiq IWPP plant in January 2007.

At time of writing the firm was advising the Chevron Phillips Chemical Company on the \$3 billion financing of an ethylene cracker and polyethylene and polypropylene plants in Jubail.

Leading lawyers

Ali Abedi

Feras Shawaf Lawyers and Legal Advisors in cooperation with Trowers & Hamblins

Feras Shawaf and Trowers & Hamblins have started their new partnership well with a solid year on the project finance front. Before its split with Hassan Mahassni, Trowers & Hamblins was involved in advising ACWA Power Projects on the financing of the \$1.9 billion Shuqaiq IWPP and the \$2.4 billion Shuaibah IWPP.

The new partnership has been busy since it began in March 2007. The firm acted for the Saudi Binladin Group on the \$300 million restructuring of the the King Abdulaziz International Airport in Jeddah.

Feras Sharaf and Trowers & Hamlins also represented Riyadh Bank on a phosphochemical project and guided Injaz Projects on the development and financing of a formaldehyde plant in Jubail.

Law Office of Hassan Mahassni

Hassan Mahassni has shown it can land significant deals without a foreign linkup, having a very solid year on the project finance front.

The firm won roles on the financing of a number of IWPP plants while in partnership with Trowers & Hamlins, with the highlight acting for ACWA Power Projects in on the \$2 billion Shuqaiq II IWPP, which was Saudi Arabia's second water and power project. The firm also acted for ACWA on the financing of the \$250 million Shuaibah III IWPP plant.

Since the split, Hassan Mahassni has been active in the petrochemical industry, advising the banks on the financing of the \$400 million National Petrochemical Industrial Company project – a propylene and polypropylene manufacturing complex in Yanbu, Saudi Arabia. At the time of writing, the firm was acting for the lenders on the financing of the \$266 million Tusdeer Container Terminal Project at the Jeddah Islamic Port.

Leading lawyers

Basel Barakat
Hassan Mahassni

Other notable firms

Freshfields Bruckhaus Deringer was again active in the project finance sector, representing Mitsubishi as part of a consortium bidding to construct the Shuqaiq IWPP and representing Riyadh Bank on the proposed financing of a cement facility, as well as various power projects.