



## Law and Regulatory Changes – The Opportunity

March 2010

*“Clyde & Co has a globally recognised insurance practice and is one of few firms in the UAE to have a distinct insurance emphasis” – **Legal 500, 2009***

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The Takaful  
Regulations  
Article 19

“Such [Insurance subscription] policy shall be prepared by the company for submission to those wishing to subscribe in the subscribers' account for any type or branch of the Takaful Insurance and the following shall be considered when the policy is prepared:

- a) The policy shall be independent from the Takaful Insurance policy.
- b) The policy shall include the bases and rules regulating the Takaful relation between the subscriber and the company including the legal nature of such relation....”

## Wasa v Lexington

“In my view, the present case is materially different from both *Vesta* and *Catatumbo*. The reinsurance has a clear English law meaning. There was here no identifiable legal dictionary (formal or informal), still less a Pennsylvanian legal dictionary, which can be derived from the interaction or operation of the terms of the insurance and reinsurance and which could lead to any different interpretation of the reinsurance wording...[T]he reinsurance is an independent contract, with its own terms which fall to be construed under English law, and I see no basis for interpreting it as covering any liability which might subsequently be held to arise under the insurance in any State whose law might, after disputes had arisen under it and other separate insurance, be applied by reference to factors extraneous to the particular insurance to which alone the reinsurance related. It follows that there is no basis for construing the two contracts as back-to-back in the present situation.”

*Wasa International Insurance Co and AGF Insurance Ltd v Lexington Insurance Co* [2009] 2 Lloyds Law Reports 508 at 522 per Lord Mance.

Investment Dar v  
Blom Developments

“Mr Reed for Blom pointed out... this defence is a lawyer’s construct and the court should approach it with appropriate scepticism for that reason, especially as the Sharia committee apparently approved of this transaction. I agree that the court should approach the matter with some circumspection, but that does not take anything away from what is essentially a simple point, albeit one difficult to apply, namely, that where one finds, as one does in this master wakala contract, a device to enable what would at least to some eyes appear to be the payment of interest under another guise, that is at least an indirect practice of a non-Sharia compliant activity. “

- **Abu Dhabi**  
Tel: +971 2 644 6633  
Fax: +971 2 644 2422  
Email: mero@clydeco.ae
- **Bangalore\***  
Tel: +91 (0) 80 4016 0000  
Fax: +91 (0) 80 4016 0001  
Email: bangalore@almtlegal.com
- **Belgrade\***  
Tel: +381 11 303 8822  
Fax: +381 11 303 8309  
Email: clyde@clydeco.rs
- **Caracas**  
Tel: +58 212 2785 7118  
Fax: +58 212 285 5098  
Email: clyde.co@canty.net
- **Dar es Salaam\***  
Tel: +255 (0) 753 451 345  
Fax: +255 (0) 222 103 004  
Email: info@akolaw.com
- **Doha**  
Tel: +974 496 7434  
Fax: +974 496 7412  
Email: mero@clydeco.com.qa
- **Dubai**  
Tel: +971 4 331 1102  
Fax: +971 4 311 9920  
Email: mero@clydeco.ae
- **Guildford**  
Tel: +44 (0)1483 555 555  
Fax: +44 (0)1483 567 330  
Email: info@clydeco.com
- **Hong Kong**  
Tel: +852 2878 8600  
Fax: +852 2522 5907  
Email: clyde@clyde.com.hk
- **London**  
Tel: +44 (0)20 7623 1244  
Fax: +44 (0)20 7623 5427  
Email: info@clydeco.com
- **Moscow**  
Tel: +7 495 601 9006  
Fax: +7 495 601 9005  
Email: clyde.co@mail.ru
- **Mumbai\***  
Tel: +91 (0) 22 4001 0000  
Fax: +91 (0) 22 4001 0001  
Email: mumbai@almtlegal.com
- **Nantes**  
Tel: +33 (0)2 40 47 00 71  
Fax: +33 (0)2 40 35 84 82  
Email: nantes.office@clydeco.fr
- **New Jersey**  
Tel: +1 908 277 4100  
Fax: +1 908 277 4110  
Email: info@clydeco.us
- **New York**  
Tel: +1 212 710 3900  
Fax: +1 212 710 3959  
Email: info@clydeco.us
- **Paris**  
Tel: +33 (0)1 44 43 88 88  
Fax: +33 (0)1 44 43 88 77  
Email: paris.office@clydeco.fr
- **Piraeus**  
Tel: +30 210 417 0001  
Fax: +30 210 417 0002  
Email: info@clyde.gr
- **Riyadh\***  
Tel: +966 1 279 5212  
Fax: +966 1 279 5101  
Email: enquiry@albosailawoffice.com
- **Rio de Janeiro**  
Tel: +55 21 2217 7700  
Fax: +55 21 2217 7729  
Email: enquiries@beaumont.com.br
- **San Francisco**  
Tel: +1 415 365 9800  
Fax: +1 415 365 9801  
Email: info@clydeco.us
- **Shanghai**  
Tel: +86 21 5877 5128  
Fax: +86 21 5877 9128  
Email: clyde@clydeco.com.cn
- **Singapore**  
Tel: +65 6544 6500  
Fax: +65 6544 6501  
Email: post@clyde.com.sg
- **St Petersburg\***  
Tel: +7 812 232 2297  
Fax: +7 812 233 8109  
Email: mp@musinandpartners.ru

\*Associated office

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