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Qatar Diplomatic Crisis - How it may impact you

On Monday 5 June 2017, Saudi Arabia, the United Arab Emirates, Bahrain and Egypt cut diplomatic ties with Qatar and moved to close off access to the Gulf country, with an embargo on air, sea or land traffic to and from Qatar.

Following the announcement:

1. **The Maldives, Mauritius, Libya, Yemen, Mauritania** and **Union of the Comoros** have followed suit and also cut ties with Qatar. Jordan downgraded its ties with Qatar while The Philippines announced that it has stopped sending migrant workers to Qatar. Although Egypt has severed ties with Qatar, it has not yet asked its citizens to leave Qatar, or for Qatari citizens to leave Egypt.
2. **Saudi Arabia** has said Qatari troops would be pulled from the coalition in the ongoing war in Yemen. In addition it has shut down Al Jazeera's office and recalled all Saudi journalists in Doha. It has also withdrawn Qatar Airlines' licence and closed its offices, and has warned its citizens from travelling to Qatar.
3. **Qatari diplomats** were given 48 hours to leave the UAE and Bahrain and have been expelled from other territories.
4. **Qatari citizens** were given 14 days' notice to leave the UAE and Saudi Arabia (the deadline being 19 June 2017), while citizens from Qatar have also been banned from passing through UAE and Saudi airports. UAE, Saudi and Bahraini airspace has been closed to air traffic from Qatar.
5. **Airline flights** have been halted by the three Gulf countries imposing the blockade, including flights to and from Qatar with Saudia, Emirates, Etihad, FlyDubai, Air Arabia and Gulf Air. Qatar Airways has in turn stopped flying to destinations in those countries. The UAE, Saudi Arabia and Bahrain have revoked the licences of Qatar Airways and ordered its offices to close. No flights bound for Qatar can travel through UAE and Saudi Arabia airspace. However, Saudi Arabia has announced that it will allow unscheduled flights from Qatar to Saudi Arabia for Muslims to perform Hajj and Umrah.
6. **Emiratis, Saudis and Bahrainis** are now banned from visiting or even transitting through Qatar by any means.
7. **Ships** travelling to or returning from Qatar are prohibited by the UAE from refuelling at Fujairah port – a facility on the edge of the Gulf used by the majority of tankers.
8. **Markets** have reacted: Oil jumped after Saudi Arabia, Egypt, the UAE and Bahrain severed their ties; Global benchmark Brent advanced 1.1 per cent to \$50.48 a barrel. US oil also climbed 1 per cent to \$48.17. Qatar's stocks **dropped** as much as 8% after the announcement.
9. The **UAE Federal Public Prosecution** stated "strict and tough action will be taken against anyone who shows sympathy or any form of favoritism towards Qatar, or against anyone who objects to the position of the UAE, whether through social media, or any other forms of communication". These actions will be

considered to threaten the interests, national unity and stability of the UAE punishable by jail and fines. Saudi Arabia has also imposed a similar action with the sanctions at five years imprisonment and a SAR 3,000,000 fine.

The situation is constantly evolving. Baker McKenzie has set up a GCC-wide task force to monitor the crisis and provide clients with updates as and when information becomes available. We have prepared this initial alert based on the questions we are being asked most frequently at the present time.

Q: Can a UAE national travel to Qatar?

A: No. UAE nationals are no longer permitted to travel (or transit through) Qatar. This restriction also applies to nationals of Saudi Arabia and Bahrain.

Q: Can UAE, Saudi Arabian and Bahraini resident visa holders travel to Qatar?

A: Yes. There are no restrictions on resident visa holders from these countries entering Qatar. However, travel will be severely disrupted. The UAE, Saudi Arabia and Bahrain have cancelled all flights to and from Qatar.

Furthermore, Saudi Arabia, UAE and Bahraini airspace is closed to Qatari nationals, Qatari resident visa holders and aircraft ultimately destined for Qatar. The only option to enter Qatar is, therefore, to fly across Iranian or Omani airspace. At present, this is causing huge disruption as a result of the volume of air traffic and the advance paperwork required to be completed by those airlines that are willing or permitted to fly over Iran or Oman. By way of example, one of our Qatari lawyers was in Jeddah when the announcement was made on Monday. His return journey to Qatar took 38 hours instead of the usual three to four hours by direct flight.

Q: Will a foreign national visiting Qatar on business face problems in returning to the UAE?

A: There is no ban on UAE residents or visitors from travelling to Qatar (save for UAE nationals). Current reports indicate that individuals should not expect to face problems at the border when returning to the UAE via Muscat or Kuwait. The situation is the same for Bahrain and Saudi Arabia resident visa holders. However, as noted above, business travelers should expect severe delays and travel disruption.

Q: Will a Qatari national who has worked in the UAE for five years and has family based there need to leave?

A: Yes. Qatari nationals either residing in, or visiting the UAE must leave by 19 June 2017. The situation is the same for Qatari nationals residing in, or visiting, Saudi Arabia and Bahrain.

Q: I am British national resident in Qatar and frequently travel to the UAE on business. I usually obtain a visit visa stamp on entry in the UAE. Will I face problems at UAE immigration by virtue of the fact that I have a Qatari residency in my passport?

A: The Emirates News Agency reported today, 7 June, that non-UAE nationals holders of a Qatari residence visa will not be granted a visit visa stamp on entry to the UAE, although the official statement of the UAE Ministry of Foreign Affairs (MOFA) does not refer to any bans on non-UAE nationals holding Qatari residence visa. The situation is constantly evolving and business travelers holding a Qatari residence visa should confirm with the airlines before heading to the UAE. The task force has not heard anything from the Saudi authorities to this effect.

Q: I am a British national resident in the UAE but also have a Qatari residence visa in my passport as I hold a regional role and regularly work in Qatar. Will the fact that I hold a valid Qatari residence visa cause me problems vis a vis the UAE authorities? Do I need to cancel my Qatari residence visa?

A: Current reports indicate that the UAE authorities will not issue on-entry visit visas to non-UAE national holders of Qatari residence visas. However, it is unlikely that the authorities will interpret this more widely and deny entry to UAE residence visa holders who also hold a valid Qatari residence visa. We are monitoring this issue closely. There are no developments in this respect from the Saudi authorities.

Q: How do these actions affect employers of Qatari nationals in the UAE, Bahrain and Saudi Arabia?

A: Qatari national employees in the UAE, Bahrain and Saudi Arabia will be required to leave by 19 June 2017. Employers should seek advice immediately in relation to matters such as termination payments and work permits.

Q: I am a business owner and have attested a number of official documents by the Qatari Ministry of Foreign Affairs. The official documents will be used in the UAE and I need to attest them by the UAE Embassy in Qatar. Now that the diplomatic mission has been withdrawn, how can I attest the official documents? Would the UAE MOFA accept an attestation by the Kuwaiti or Omani Embassy in Qatar?

A: There are a number of diplomatic cooperation treaties authorizing another diplomatic mission to undertake consular services on its behalf. For instance, there is a treaty between the UAE and Kuwait to that effect, subject to the issuance of a special authorization. To date, the UAE, Saudi Arabia and Bahrain have not accredited any

other diplomatic mission to conduct attestation services or other consular services; however, we have been informed by the Saudi MOFA that this will likely be the Kuwaiti embassy in Qatar. UAE businesses should expect that Qatari documents will not be attested by the UAE MOFA. We continue to monitor the situation closely.

Q: I am involved in a transaction with a Qatari investor. How will I be affected?

A: In the short term, there are likely to be complications in concluding transactions involving Qatari parties and assets, although there are currently no restrictions on investment between Qatar and the countries imposing the blockade. Investors should expect that authorities may be unwilling to complete dealings involving Qatari parties, at least in the short term - until internal clearance and guidance are sought.

Q: We understand that products cannot be shipped directly from the UAE, Bahrain or Saudi Arabia to Qatar. However, can products be shipped indirectly to Qatar from UAE, Saudi Arabia or Bahrain (for example be routed through Oman for onward shipment to Qatar)?

A: There is no express prohibition on this arrangement. However, the situation is currently unclear and being monitored by the task force.

Q: Are financial dealings part of the embargo? Can corporates and individuals send and receive money to/from Qatar?

A: The situation is under review. Present reports indicate that Saudi and Emirati banks have been told not to deal with Qatari banks in Qatari riyals. The UAE Central Bank stated today that "it will continue to closely monitor the situation and any developments, taking any necessary steps to maintain stability." We are expecting the UAE Central Bank to issue guidelines to local banks this week. It is anticipated that similar guidelines from Saudi Arabia and Bahrain will follow. The task force contacted the Saudi Arabian Monetary Agency who refused to officially comment on the press reports or provide any further information in this regard.

At this stage, it is unknown how long the embargo will last, how exactly the embargo will be implemented and whether there will be any further restrictions imposed. Our priority is to ensure that our clients are kept up to date with developments, and to help them adapt to the current situation to ensure their business operations continue to run as smoothly as possible.

This client alert is not meant to constitute legal advice, and as the situation is constantly evolving, specific advice should be sought from relevant professionals. Should you have any queries, please contact one of our lawyers below.

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