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**Legal Protection of Foreign Investments under the Rules of International Law: A Comparative Study between the United Arab Emirates and Jordan**

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***Abstract***

*The research aims to compare the laws of the United Arab Emirates and Jordan and determine whether they are in compliance with international standards in order to assess the legal frameworks for safeguarding foreign investments in both nations. Additionally, it aims to determine the advantages and disadvantages of national legislation as well as how they affect the ability to draw in international investment. Additionally, it seeks to offer suggestions for improving legal protection and guaranteeing a more stable investment climate. The study is significant because it shows how effective national laws are in safeguarding foreign assets, which helps to enhance the two nations' investment-friendly legal environments. Determining the legal changes necessary to draw in foreign capital and promote economic growth is also beneficial. Furthermore, governments, decision-makers, and investors can use the information as a legal reference when creating investment policy. The methodology used in this study is the survey methodology, which relies on collecting data from a sample representing the study community using a questionnaire. The study's most significant findings are that, while Jordan's legal system still need revisions to make it more appealing to foreign investors, the United Arab Emirates offers a more stable legal environment with contemporary rules and regulations that adhere to international norms. In order to improve legal stability and promote openness in investment transactions, the study also suggested that Jordan's investment laws be updated to meet worldwide standards.*

***Keywords:*** *Foreign Investment, Legal Protection, Investment Contracts, Investment Risks, International Arbitration, Economic Legislation.*

# Introduction

Since they help to transfer knowledge, create job opportunities, and spur growth in a variety of sectors, foreign investments are essential to a nation's economic development. Establishing a legal framework that ensures the protection of foreign investments and boosts investor trust in the host nation's economic environment has become imperative due to the growing cross-border flow of capital. (Zagher, 2015)

One of the key tenets of safeguarding foreign investments is international law, which consists of a body of agreements and principles designed to treat investors fairly, shield their assets from arbitrary seizure, and establish procedures for settling investment disputes. By establishing the requirements for entering the market, protection guarantees, and investor incentives, national laws also have a significant impact on the regulation of foreign investment. (Al-Asadi, 2015)

The legal measures used by nations to safeguard foreign investments differ depending on their legislative and economic structures; some impose limits to safeguard their national interests, while others aim to draw in investors by offering legal guarantees and privileges. Therefore, it is crucial to compare various legal systems in order to determine how well they balance safeguarding investors with upholding national sovereignty. (Al-Saadi, 2020)

Since investors frequently turn to local courts or international arbitration to protect their rights in the event of a dispute with the host nation, resolving investment disputes is another crucial issue that foreign investments must deal with. As a result, examining the legal frameworks for dispute resolution aids in determining how well national and international laws safeguard investors and foster a stable investment climate. (Al-Jabouri, 2019)

In addition to boosting investor confidence, a clear and open legal framework for foreign investments helps to improve the business climate and draw in foreign money, both of which promote economic growth. (Ben Youghurta, 2020) In order to provide a more stable and safe investment environment, it is crucial to investigate the legal protection of foreign investments under the principles of international law and assess the degree to which national laws are consistent with international norms.

By examining national laws, bilateral agreements, and the degree to which domestic laws are consistent with the principles of international investment law, this study seeks to examine the legal frameworks governing foreign investments in the United Arab Emirates and Jordan. In order to create a more secure and alluring investment climate, the study also identifies the main obstacles that investors in both nations must overcome and looks into methods to strengthen legal protection.

The comparative method is used in the study to highlight the parallels and discrepancies between the legal systems of the United Arab Emirates and Jordan. This aids in assessing how well national laws protect foreign investments. It is also predicated on an examination of the international pacts to which the two nations have committed and the degree to which they have affected the investment climate in each of those nations.

Since foreign investments are one of the primary forces behind economic growth, the study's significance stems from the need to examine the legal protections that nations offer to entice investors and safeguard their assets. Economic development may suffer if foreign capital avoids local markets due to a lack of sufficient legal protection.

**Review of the Theoretical Literature**

**The Concept of Foreign Investment**

This term is expressed as an economic variable that seeks to optimally exploit the capital owned by a certain party that seeks to achieve a benefit with a material return and a large profit by relying on unprecedented modern economic methods and methods. (Ben Youghurta, 2020)

**Definition of Foreign Investment**

A part of jurisprudence went to the fact that foreign investment means the movement of cash or in-kind funds and moral rights from one country to another, whether accompanied by work or without it to establish an economic project or contribute to the capital of an existing project with the aim of achieving a profit that exceeds what is expected to be obtained from the country that issued it. (Qasoul, 2019)

A part of jurisprudence defined foreign investment as directing savings to increase the economic base and thus raise the general economic level (Saleh, 2015). It is noted that this definition has confused saving and investment. Saving is the deduction of a portion of income from consumption with the intention of creating a reserve that can be used in the future, which necessitates the distinction between saving and investment, as there is no requirement for there to be an inevitable match between saving and investment. Accordingly, the concept of investment cannot be explained by linking it to saving. (Ababsha, 2021)

Some of the jurisprudence also stated that foreign investment is represented in: "The economic process that employs capital with the aim of purchasing production materials and equipment in order to achieve new capital accumulation and raise production capacity or renew and compensate for old capital." (Saleh, 2015)

It is noted that this definition limits the concept of foreign investment to the transfer of capital from the monetary form to the productive form only, which is denied by the fact that investment may be made in material, financial or moral assets in an effort to achieve specific goals, in addition to the existence of investment in a technical form rather than a monetary one, such as granting patents and licenses, or it may be in a human form, such as qualifying experts, technicians and administrators to create efficient productive elements in order to achieve an increase in production capacity in general (Mabrouk, 2014).

Among the definitions that were cited to explain the concept of foreign investment is that it is considered: “the provision of material and moral funds and performances from a natural or legal person, to contribute directly or indirectly to an existing project or one that will be established within a specific period of time (Radwan, 2009).

A part of jurisprudence also went to say that foreign investments are assets that an institution maintains to earn income through dividends, interest and rents to raise the capital of the investment institution, which resulted in the creation of what is called real estate investments (Salama, 2005).

It was also defined as a person or organization from a certain country investing its money in another country, whether through full ownership of the project or partial ownership, with the aim of achieving a return. (Al-Samarrai, 2006)

**The Legal Nature of Foreign Investment**

After differing opinions, legal scholars have reached the correct and sound legal classification of the foreign direct investment contract, stating that the foreign investment contract is a contract of a mixed nature, such that it has the characteristics of private law and public law. Accordingly, according to this legal classification of the nature of the foreign investment contract, we find that there are restrictions on the sovereignty of the state, as the state is not allowed to amend this contract by its sole will and does not have the right to impose penalties on its own, and the contracting party is protected against any changes in the tax and customs legislation of the host state. (Ababsha, 2021)

The Jordanian legislator has granted many rights to the foreign investor, which are the same rights enjoyed by the local national investor in the Kingdom, as the legislator has treated the foreign investor equally in dealing with the local investor, according to the provisions of the Jordanian Investment Law No. (30) of 2014. What concerns us in this regard is the right of the foreign direct investor to choose the judicial and legal jurisdiction under the concluded investment contract due to its connection to the subject of this article. (Jordanian Investment Law No. (30) of 2014)

Similarly, the UAE legislator regulated the provisions of foreign direct investment through Federal Decree-Law No. (91) of 2018, granting the foreign investor broad rights, including the possibility of ownership of up to 100% in some sectors according to the specified positive list. The UAE law also guaranteed the foreign investor legal protection that enhances the business environment, including the possibility of resorting to international arbitration or choosing the applicable law when settling disputes arising from the investment contract, reflecting a common approach with Jordanian law in establishing an attractive and legally protected investment environment. (Al-Saedi, 2020)

The Jordanian legislator did not define investment in general or define foreign investment in particular, but the Jordanian legislator defined the investor and the invested capital, as the Jordanian Investment Law defined in Article (2) the investor as: “The natural or legal person who invests in the Kingdom in accordance with the provisions of this law”, and the same law defined in Article (12) the invested capital - and called it foreign capital - as: “What a non-Jordanian invests in cash or in-kind funds or material or moral rights that have a financial value, including trademarks and patents”. (Jordanian Investment Law No. (30) of 2014)

In contrast, the UAE legislator defined the foreign investor and foreign capital under the text of Article (1) of the Federal Decree-Law, which states: “Foreign investor: a natural or legal person who does not hold the nationality of the State and invests in the State in accordance with the provisions of this Decree-Law”, “Foreign capital: everything that can be valued in the currency of the State, or in any convertible currency according to market prices, and everything that is considered foreign capital according to the provisions of this Decree-Law”. (Article (1) of Federal Decree-Law No. (91) of 2018)

Accordingly, it is clear that the Jordanian and Emirati legislators have adopted similar definitions of the foreign investor and foreign capital, but the UAE law was more detailed with regard to the inclusion of foreign capital in convertible currencies according to market prices, while the Jordanian law focused on the monetary and in-kind aspects and the financial and moral rights of the foreign investor.

**Types of Foreign Investment**

Foreign investment is considered one of the basic factors that enter into the development of institutions, as well as the general economy of any institution or country, but the type of these investments differs according to the standard used in classifying them (there is a division of investment in terms of the period it takes, which is either short-term investments or long-term investments, and there is a division of investment based on the person in charge of it into private or public investment). (Othman, 2009)

**Foreign Direct Investment**

Foreign Direct Investment is defined as the establishment of projects fully owned by foreign investors or ownership of shares by them, which enables them to control the management of these projects, or gives them the right to participate in management. Foreign investors also undertake this type of investment by creating branches of the original companies, subsidiaries, or joint companies (Othman, 2009). Some define foreign direct investment as: “The investment that takes place in the form of companies or projects established in the host countries of the investment, based on bilateral or multilateral agreements, or under the national laws of the host country, or the World Trade Organization. Accordingly, foreign direct investment occurs when an investor residing in a country (his home country) owns production in another country (the host country) with the intention of managing it” (Noureddine, 2005).

The Organization for Economic Co-operation and Development defined it as a long-term investment that includes a permanent interest and control of an entity resident in one economy (represented by the headquartered company) over a project established in another economy (Halbousi, 2014). The International Monetary Fund stipulated that foreign investment be considered direct when the investor owns 10% or more of the shares of the joint-stock company, or the equivalent of this percentage in the non-joint-stock company (Baadash, 2006).

In order to complete the statement of this type of investment, it was necessary to state its most important forms in the following branches, which are divided into three in which foreign direct investment is carried out, namely:

**Private Foreign Direct Investment**

Private foreign direct investment is embodied in the primary products sector in developing countries, especially in the raw materials extraction sector. This investment has achieved huge profits as a result of depleting the natural resources of developing countries at the lowest prices. This form of foreign direct investment is also considered the most preferred by the foreign investor; This is because the foreign investor enjoys complete freedom in management and marketing, and he also has the right to establish branches for production and marketing in other places, which makes developing countries hesitant to accept this type of foreign direct investment; This is for fear of economic dependency resulting from the control of foreign companies over local markets, which leads to monopoly. (Al-Zain, 2009)

**Joint Projects (Bilateral Investments)**

Bilateral investment is based on the participation of developing countries with foreign investors in economic projects established on their territories, i.e. it is a mixture of local and foreign capital. This type of investment is characterized by reducing the financial burdens borne by the national economy to the extent that the local investor obtains as a result of his participation in the investment project. (Al-Zain, 2009)

**Multinational Companies**

The definitions that dealt with the concept of multinational companies have varied and differed (Al-Sayegh, 2005), and perhaps the most prominent definitions that were cited to explain its concept is the following definition: "A multinational company is a company headquartered in the mother country, and has multiple economic activities in the fields of trade, industry and finance, and operations distributed over more than one country, whether through private projects or subsidiary companies, and often merges with companies from other countries, and plays a role in the global flow of foreign direct investment in a large group of countries (Abdul Aziz, 2011).

**Indirect Foreign Investment (Conservative Investment)**

This type of investment refers to those investments in which the investor obtains a capital return, without having control over the project, and as a result of these investments, the skills, technical expertise and modern technology accompanying the capital are not transferred, as is the case with direct foreign investment. (Mabrouk, 2014)

In the context of explaining the concept of this type of investment, we find that the Iraqi legislator has defined indirect investment as: "A group of investments in stocks and bonds" (Al-Jabouri, 219)

Commenting on the above, it can be said that indirect foreign investment is the type of investment that is limited to the transfer of cash, such that this investment does not result in the establishment or ownership of companies, establishments or commercial establishments in a country, but rather the money is invested in granting loans that give fixed returns in the form of interest or in purchasing shares in a company or speculating on the purchase of shares or bonds and other securities, and accordingly, indirect foreign investments take one of the following two forms: (Taher, 2013)

**First**: Loans provided by individuals, private entities or foreign companies.

**Second**: Subscription to shares and bonds issued by the host country for investment or its public bodies.

**Foreign Investor Rights**

In order to attract foreign investment, countries must provide an appropriate legal and legislative environment that gives investors the confidence and security they need to invest their capital in various projects. As a result, many governments have implemented legal reforms that protect investors' rights and improve the stability of financial markets. Foreign investment is one of the main pillars that contribute to strengthening the global economy because it creates opportunities for economic growth, increases the productive capacity of host countries, and aids in the development of infrastructure and technology transfer, all of which raise the level of economic and social development. (Al-Hassan, 2021)

Clear legal frameworks that shield foreign investors from dangers that could impact their interests, such nationalization or arbitrary confiscation, have become essential in light of the swift economic advances. The amount of foreign direct investment has increased as a result of international agreements that have helped establish standards for the protection of these rights. (Abdul Majeed, 2020)

By creating laws and guidelines that require host nations to create an equitable investment environment, international economic organizations play a significant role in regulating international investment relations. Foreign investment opportunities have become safer and more stable as a result of the growth of international trade and investment legislation. (Williams, 2022)

Despite the many benefits that foreign investment brings, it faces challenges related to legal and regulatory procedures, in addition to political and economic factors that may affect the investment climate. Therefore, providing a clear and stable legal environment remains a major factor in attracting foreign investors and achieving sustainable development. (Smith, 2021)

**The Right of a Foreign Investor to Own Real Estate**

One of the most important rights a foreign investor looks for when making an investment in any nation is the right to own real estate, which allows him to build projects and profit from real estate for residential, commercial, or industrial uses. Different countries have different laws governing this right. Some nations have rigorous requirements, including requiring prior approvals or limiting the locations in which foreigners can buy property, while other nations permit foreign investors to purchase real estate without any limitations. (Al-Zamel, 2020)

Many nations have amended their laws to make it easier for foreigners to acquire real estate while still giving them the legal protections they need to safeguard their rights, in response to global trends toward luring in foreign investment. Since they guarantee equitable treatment for foreign investors and reduce the risks of nationalization or arbitrary expropriation, international investment agreements play a significant role in advancing this right. (Smith, 2021)

**The Right to Dispose of the Investment Project**

One of a foreign investor's fundamental rights is the ability to dispose of the investment project, which includes the freedom to manage the project, transfer ownership, sell its assets, or alter its operations in compliance with the laws and regulations of the host nation. To improve the investment climate and promote the flow of foreign capital, many nations work to provide a flexible legislative framework that permits the investor to exercise this right without unjustified limitations. (Al-Abed, 2021)

To protect the nation's economic interests, this power may be limited in some nations by needing previous government permissions before selling the project or transferring control to a foreign entity. In order to boost investor confidence and stabilize the economic environment, several international accords on investment protection also give foreign investors legal safeguards against any capricious actions that would restrict their ability to sell their projects. (Johnson, 2022)

**Financial Transfers**

International agreements strengthen this right by requiring host countries to refrain from imposing unwarranted restrictions on remittances, except in cases where the public interest demands it, such as fighting money laundering or maintaining monetary stability. One of the fundamental rights guaranteed by the legal systems of foreign investors is the freedom of financial transfers, which includes the transfer of capital, profits, returns, and proceeds from liquidating investments outside the host country. Most countries are eager to provide legal guarantees that protect this right in order to attract foreign investments and boost confidence in the investment climate. (Al-Saadi, 2020)

However, in times of economic crisis or foreign exchange market volatility, certain nations may temporarily ban remittances, which could influence investors' choices of where to make their investments. In order to maintain a balance between the rights of foreign investors and the economic interests of host nations, international financial institutions like the World Bank and the International Monetary Fund are crucial in establishing the rules and regulations that regulate this right. (Williams, 2022)

**Tax and Customs Exemptions**

Exemptions from taxes and customs are significant incentives that nations offer to international investors in an effort to draw capital and boost economic activity. These exemptions include lowering or doing away with profit-related taxes, avoiding customs charges on the import of machinery and raw materials, and offering particular tax breaks for initiatives that support economic growth. The requirements to receive these rights are outlined in national laws and investment agreements; these requirements are frequently connected to the magnitude of the investment or the sectors that are being targeted. (Al-Karmi, 2022)

Notwithstanding the advantages these incentives offer, some nations may place restrictions on their use, such as time limits or requirements to meet a particular percentage of local output or employment. To make sure that these exemptions are not applied in a way that undermines fair competition or tax avoidance, some international accords also regulate them. (Smith, 2021)

**Research Methodology**

Using a primary data source, this study aims to investigate the goals associated with the legal protection of foreign investments under international law. As part of the comparative analytical research methodology employed in this work, the pertinent international agreements and legal documents from the Hashemite Kingdom of Jordan and the United Arab Emirates were examined. This analysis's goals were to assess how well the national laws of both nations adhere to international norms for safeguarding foreign investments and look into any possible effects these laws might have on those investors. To strengthen the theoretical framework based on ideas of international law and investment, a literature review was also incorporated into the study. In addition to highlighting the challenges that investors may encounter in both legal systems and the sufficiency of these laws in offering the necessary legal protection for foreign investments, this approach enables a thorough analysis of the relationship between national and international legal rules for the protection of foreign investments.

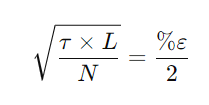
**Research Design and Data Collection**

The concepts in this research were measured through different assertions (variables)

derived from previous studies. These statements were evaluated using a 5-point Likert scale, where (1 = strongly disagree; 2 = disagree; 3 = neutral; 4 = agree; 5 = strongly agree).

**Measuring Legal Compliance and Ensuring Protection of Foreign Investments**

In this context, "the role of UAE and Jordanian legislation regarding foreign investment" refers to the actions taken by nations to guarantee adherence to legal standards and improve the protection of foreign investments. This calls for establishing a stable investment climate that complies with the strictest legal and international guidelines, as well as making sure that investment agreements and legislation protect foreign investors' rights and shield them from financial and legal dangers. The purpose of this study is to evaluate how much the national legal system, the level of trust in the protection of foreign investments, and the procedures for resolving investment disputes all contribute to the creation of a secure and long-lasting investment environment in the United Arab Emirates and Jordan.

The sample size used in the study was determined through the following equation:

* N represents the sample size.
* %ε is the margin of error allowed in estimating the sample size, expressed as a percentage.
* L represents the number of elements that do **not** have the characteristics of the population (i.e., elements that do not match the population's features).
* τ\tauτ represents the number of elements that **do** have the characteristics of the population.

The researcher distributed 50 questionnaires directly to the sample members by hand. 47 valid questionnaires were retrieved with a response rate of 95%. The following table shows the distributed and retrieved questionnaires.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Study sample | Distributed forms | Correct forms | | |
| Number | Response rate | Percentage of total |
| 1. Foreign Investors in the UAE and Jordan  2. International Law and Investment Experts  3. Representatives of foreign companies operating in both countries | 10 20 20 | 8 20 19 | 80% 100% 95% | 19% 42% 39% |
| Total | 50 | 47 | 94% | 100% |

Table (1) Lists of Questionnaires Distributed and Returned According to the Sample

**Data Collection Methods**

The researcher relied on the questionnaire list method to collect data to achieve the field study objective and test the study hypotheses. The questionnaire list included a set of inquiries that included many phrases that reflect the objective of the study. The five-dimensional Likert scale was used to design the questionnaire list by giving a relative weight to the answers to each phrase ranging from one to five degrees. The list was divided into three groups as follows:

**Group 1**: Six statements in this group discuss the legal issues that both the UAE and Jordan face when it comes to protecting foreign investments, including variations in the legal systems, administrative roadblocks, and the difficulties of putting international accords into practice.

**Group 2**: Five statements in this category highlight the elements that improve the legal protection of foreign investments, including the presence of bilateral agreements to safeguard investments, the stability of the legal system, and the accessibility of efficient dispute resolution procedures.

**Group 3:** The nine statements in this group address the role of the court in protecting the rights of foreign investors, the influence of national and international laws on promoting foreign investment, and the degree to which UAE and Jordanian laws are consistent with international norms.

**Data Processing and Analysis Methods**

To achieve the research objectives, the following statistical methods were used in addition to the above-mentioned Likert method:

1- Calculating the reliability and validity coefficient (Alpha, Cronbach).

2- Descriptive statistics for data (arithmetic mean and standard deviation).

3- Inferential statistics (Chisquare test).

The researcher used the statistical analysis program for social sciences (17.Spssv) and the statistical analysis program (16.Minitapv) to analyze the data collected by the survey forms to select the research hypotheses.

**Testing thhe Validity and Reliability of the Questionnaire List**

This is done through the (Alpha Cronbach's) scale to measure the validity, stability and internal consistency of the questionnaire list statements, in order to know the extent of reliability in the study sample's responses to the questionnaire list questions, and thus to the three study hypotheses and the extent of the possibility of generalizing its results to the study community. As follows:

|  |  |  |  |
| --- | --- | --- | --- |
| Study assumptions | Number of statements | Reliability coefficient | Validity coefficient |
| 1. There are no statistically significant differences between the opinions of the study sample on the legal challenges facing the protection of foreign investments in the UAE and Jordan according to international legal rules. | 6 | 0.923 | 0.964 |
| 2. There are no statistically significant differences between the opinions of the study sample on the extent to which supporting factors such as investment protection agreements and the stability of the legal environment affect the promotion of foreign investment protection in both countries. | 5 | 0.952 | 0.970 |
| 3. There are no statistically significant differences between the opinions of the study sample on the role of national and international legislation in promoting the rights of foreign investors and ensuring compliance with international legal standards in the UAE and Jordan. | 9 | 0.867 | 0.896 |
| Toltal | 20 | 0.985 | 0.989 |

Table No. (2) Results of the Validity And Reliability Test for the Three Study Hypotheses

It is clear from the previous table that the reliability coefficient of the questionnaire items ranges between (0.867 - 0.952), which in turn reflects the validity coefficient, which ranges between (0.896 - 0.982), meaning that the alpha value for all hypotheses is greater than (0.5), which indicates the validity of the questionnaire items and that they cover the important points under study and the possibility of generalizing the sample results to the study community.

**Analysis of Study Results and Testing Hypotheses**

By using descriptive statistics methods (arithmetic mean and standard deviation) and arranging the relative importance of the research sample responses and using inferential statistics through the (Ka) test to determine the validity of the research hypotheses as follows:

**Testing the First Hypothesis**

There are no statistically significant differences between the opinions of the study sample on the legal challenges facing the protection of foreign investments in the UAE and Jordan according to international legal rules.

By measuring the opinion of the study sample categories regarding the statements of the first hypothesis, the arithmetic mean and standard deviation were calculated, and a test was conducted for the statements of the first hypothesis, and the results were as shown in the following table:

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Study sample response | | | | | Descriptive statistics | | Degree of approval | Ka2 test | | C:\Users\LENOVO\Desktop\11.png |
| Totally agree | Agree | Neutral | Disagree | Strongly disagree | Arithmetic mean | Standard deviation | Ka2 value | Significance level |
| 1 | 22 | 14 | 3 | 8 | 2 | 3.6 | 0.92 | Agree | 40.1 | 0.181 | 4 |
| 46% | 31% | 5% | 17% | 1% |
| 2 | 17 | 18 | 5 | 3 | 4 | 3.8 | 1.07 | Agree | 30.2 | 0.121 | 2 |
| 35% | 40% | 10% | 7% | 8% |
| 3 | 15 | 15 | 9 | 4 | 4 | 4 | 0.75 | Agree | 35.2 | 0.121 | 1 |
| 32% | 31% | 18% | 8% | 8% |
| 4 | 20 | 11 | 8 | 5 | 3 | 3.4 | 0.82 | Agree | 28.1 | 0.152 | 6 |
| 41% | 25% | 17% | 10% | 7%3 |
| 5 | 16 | 6 | 13 | 8 | 4 | 3.5 | 0.80 | Agree | 21.5 | 0.123 | 5 |
| 35% | 13% | 28% | 16% | 8% |
| 6 | 19 | 12 | 5 | 8 | 3 | 3.7 | 1.4 | Agree | 18.1 | 0.145 | 3 |
| 41% | 28% | 10% | 19% | 5% |
| Overall average | | | | | | 3.7 | 0.96 | Agree | - | - | - |

Table No. (3) Responses of the Study Sample Regarding the Statements of the First Hypothesis

It is clear from Table No. (3) that the degree of approval for all the statements of the first hypothesis is (agree), which means that all the statements of the first hypothesis are acceptable from the point of view of the study sample members, and that the first statement (there are significant differences in the legislative framework for protecting foreign investments between the UAE and Jordan) has been approved in the first degree, and that the general average of responses to the first hypothesis reached (3.7) with a standard deviation of (0.96) and that the value of the significance level of the Kiesmer test for all the statements of the first hypothesis is greater than the significance level (0.05), which indicates that there are no statistically significant differences between the opinions of the study sample members regarding the statements of the first hypothesis, and this indicates the validity of the first hypothesis of the study.

**Testing the Second Hypothesis**

**There are no statistically significant differences between the opinions of the study sample on the extent to which supporting factors such as investment protection agreements and the stability of the legal environment affect the promotion of foreign investment protection in both countries.**

By measuring the opinion of the study sample categories regarding the statements of the second hypothesis, the arithmetic mean and standard deviation were calculated, and a test was conducted for the statements of the second hypothesis, and the results were as shown in the following table:

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Study sample response | | | | | Descriptive statistics | | Degree of approval | Ka2 test | | C:\Users\LENOVO\Desktop\11.png |
| Totally agree | Agree | Neutral | Disagree | Strongly disagree | Arithmetic mean | Standard deviation | Ka2 value | Significance level |
| 1 | 18 | 20 | 3 | 5 | 1 | 4 | 1.21 | Agree | 12.6 | 0.142 | 2 |
| 37% | 42% | 7% | 12% | 2% |
| 2 | 16 | 15 | 6 | 9 | 2 | 3.9 | 1.20 | Agree | 11.7 | 0.240 | 3 |
| 33% | 31% | 12% | 19% | 4% |
| 3 | 16 | 20 | 5 | 2 | 5 | 4.1 | 1.11 | Agree | 19.2 | 0.240 | 1 |
| 33% | 41% | 11% | 4% | 11% |
| 4 | 5 | 8 | 9 | 15 | 10 | 2.8 | 0.97 | disagree | 17.1 | 0.191 | 5 |
| 12% | 17% | 19% | 31% | 21% |
| 5 | 21 | 14 | 5 | 3 | 4 | 3.7 | 1.31 | Agree | 29.2 | 0.182 | 4 |
| 44% | 31% | 11% | 5% | 9% |
| Overall average | | | | | | 3.8 | 1.61 | Agree | - | - | - |

Table No. (4) Responses of the Study Sample Regarding the Statements of the Second Hypothesis

It is clear from Table No. (4) that the degree of agreement on the statements of the second hypothesis was all (agree) except for the fourth statement (there are no factors supporting the development of legal protection for foreign investments in the Emirates or Jordan) and that the third statement (the availability of effective mechanisms for resolving legal disputes related to investment enhances confidence in the protection of foreign investments) came in first place in terms of agreement and that the general average of the statements of the second hypothesis was (3.8) and the standard deviation was (1.61) and that the value of the significance level for each statement of the statements of the second hypothesis was greater than the significance level (0.05), which proves the validity of the second hypothesis of the study.

**Testing the Third Hypothesis**

**There are no statistically significant differences between the opinions of the study sample on the role of national and international legislation in promoting the rights of foreign investors and ensuring compliance with international legal standards in the UAE and Jordan.**

The study sample's response to the statements of the third hypothesis was as shown in the following Table No. 5:

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Study sample response | | | | | Descriptive statistics | | Degree of approval | Ka2 test | | C:\Users\LENOVO\Desktop\11.png |
| Totally agree | Agree | Neutral | Disagree | Strongly disagree | Arithmetic mean | Standard deviation | Ka2 value | Significance level |
| 1 | 17 | 12 | 6 | 8 | 4 | 3.6 | 1.31 | agree | 52.1 | 0.64 | 6 |
| 35% | 25% | 12% | 19% | 8% |
| 2 | 20 | 17 | 5 | 2 | 3 | 3.9 | 1.41 | agree | 64.1 | 0.17 | 3 |
| 41% | 38% | 11% | 4% | 6% |
| 3 | 20 | 17 | 4 | 3 | 3 | 3.4 | 1.21 | agree | 19.7 | 0.65 | 8 |
| 44% | 35% | 8% | 6% | 6% |
| 4 | 17 | 15 | 4 | 6 | 5 | 3.5 | 1.11 | agree | 71.2 | 0.98 | 7 |
| 38% | 33% | 6% | 12% | 11% |
| 5 | 18 | 15 | 6 | 4 | 4 | 4.1 | 1.21 | agree | 40.1 | 0.101 | 1 |
| 38% | 31% | 12% | 11% | 8% |
| 6 | 23 | 14 | 2 | 7 | 1 | 3.8 | 1.51 | agree | 27.2 | 0.24 | 4 |
| 48% | 31% | 4% | 15% | 2% |
| 7 | 20 | 15 | 5 | 4 | 3 | 3.7 | 1.41 | agree | 24.4 | 0.28 | 5 |
| 41% | 32% | 11% | 8% | 6% |
| 8 | 2 | 7 | 14 | 14 | 10 | 2.7 | 1.20 | disagree | 12.1 | 0.29 | 9 |
| 4% | 17% | 29% | 29% | 21% |
| 9 | 22 | 15 | 4 | 4 | 2 | 4 | 1.01 | Agree | 23.8 | 0.14 | 2 |
| 46% | 33% | 8% | 8% | 4% |
| Overall average | | | | | | 3.6 | 1.41 | Agree | - | - | - |

Table No. (5) Responses of the Study Sample to the Statements Of The Third Hypothesis

It is clear from Table No. (5) that the degree of agreement on all the statements of the third hypothesis is acceptable, except for the eighth statement (UAE and Jordanian legislation does not contribute in any way to improving the rights of foreign investors), and that the fifth statement (national legislation in the UAE and Jordan encourages foreign investors to make long-term investment decisions) came in first place in terms of agreement, and that the general average of the statements of the third hypothesis reached (3.6) with a standard deviation of (1.41), and that the value of the significance level for each statement of the third hypothesis is greater than the significance level (0.05), and accordingly there are no statistically significant differences between the opinions of the study sample regarding the statements of the third hypothesis, which proves the validity of this hypothesis.

**Theoretical Implications**

The study's theoretical ramifications derive from the significance of creating a strong legal framework that improves foreign investment protection in compliance with international law, while accounting for the distinctions between the legal systems of the United Arab Emirates and Jordan. The theory of international investment law offers a theoretical foundation for comprehending the degree to which national and international legal regulations impact the stability of foreign investments, given their pivotal significance in economic development.

First, Since the results show that the legal environment for investment may be impacted by local legislation's ambiguity or inconsistency with international accords, the first hypothesis draws attention to the legal difficulties facing the protection of foreign investments in both nations. In order to guarantee a stable investment climate marked by justice and transparency, it is imperative that national laws and international regulations be better aligned.

The study demonstrated that international agreements are essential in giving foreign investors legal guarantees. This supports the second hypothesis, which examines the degree to which auxiliary elements like investment protection agreements and the stability of the legal environment impact the improvement of foreign investment protection. However, the degree to which host nations are dedicated to carrying out their obligations under these agreements will determine their success. To guarantee compliance and sustainability in the investment legal environment, regulatory procedures must be developed.

The third hypothesis highlights how national and international laws help protect foreign investors' rights and guarantee adherence to global legal norms. According to the report, foreign investors' choices of investment destination may be influenced by the differences in national laws between the United Arab Emirates and Jordan. Therefore, one of the most important steps in creating a more secure and alluring investment environment for foreign capital is strengthening the legal convergence between national systems and international norms.

Given the aforementioned, this study affirms that in order to create a more alluring and sustainable investment environment in the United Arab Emirates and Jordan, legislative reforms based on international standards are necessary to achieve effective legal protection for foreign investments. Additionally, improving legal transparency and legislative stability is also necessary.

**Scientific Implications**

With an emphasis on how closely national legal systems align with international regulations in this area, the study's scientific implications aim to improve the legal comprehension of foreign investments from a comparative standpoint between the United Arab Emirates and Jordan. The study adds to the body of knowledge in the legal and economic fields by advancing future investigations into how regulations affect the attraction and stabilization of foreign investments.

First, In order to provide legal models that may be used as a guide when examining investment policies in other nations, the study makes clear the reciprocal relationship between national laws and international agreements pertaining to the protection of foreign assets. Additionally, it aids in the development of novel theories regarding how well investment laws work to lower the legal risks that foreign investors face.

Second, Researchers and legal experts can more easily examine the influence of legal elements on foreign investments thanks to the study's contribution of an analytical framework for comparing the investment laws of the two nations. These findings might inspire more research on the effectiveness of investment regulations in drawing in foreign investment and their contribution to economic growth.

Third, This study offers a scientific foundation for investigating ways to strengthen legal frameworks to improve the investment climate, whether by legislative modifications or by bringing national laws into compliance with international accords, given the significance of foreign investment in the global economy. To improve our understanding of the interplay between law and economics in a dynamic global setting, the study also opens the door for future investigations into the function of international law in defending the rights of foreign investors and the effects of legislative stability on the business environment.

**Conclusion**

Through a comparative analysis between the United Arab Emirates and Jordan, this study examined the legal framework for safeguarding foreign investments under international law. It also examined the degree to which national laws in both nations complied with international standards for safeguarding foreign investments. The study emphasized the key laws and regulations controlling foreign investment and the degree to which they influence investor attraction and protection in a shifting legal landscape influenced by political and economic demands.

The findings of the study revealed a difference in the degree of legal protection offered to foreign investors in the two nations. The UAE offers a more sophisticated and stable legal system than Jordan, which makes foreign investment more alluring. With the provision of legal guarantees for investors in compliance with international accords, the study also illustrated the significance of a transparent and adaptable legal framework. The main obstacles to foreign investment in Jordan and the most significant legal changes that could improve its protection and appeal were determined by comparing the two nations.

Based on the aforementioned, the study came to a conclusion with a set of findings and suggestions that might help create national laws and improve legal protection for foreign investments, guaranteeing a more secure and alluring investment climate in both nations.

**Results**

The legal system in Jordan still has to be updated to make it more appealing to foreign investors, whereas the UAE offers a more stable legal environment with contemporary rules and legislation that adhere to international standards.

Although international accords are crucial in establishing guidelines for safeguarding foreign investments, different nations' national laws vary in how much they incorporate these guidelines.

Although international arbitration and other dispute resolution procedures are useful instruments for safeguarding foreign investors, certain nations have legal issues with the enforcement of arbitration rulings.

The legal climate for investment has a direct impact on luring in foreign capital, since investors favor nations that offer robust and clear legal protections while lowering bureaucratic and legal risks.

**Recommendations**

Jordan's investment laws must be updated to meet international standards, improve legal stability, and promote openness in business dealings.

Improving dispute resolution procedures in both nations by offering a legislative framework that guarantees the seamless execution of rulings from international arbitration without any procedural roadblocks.

Making local markets more appealing for investment by reducing red tape and streamlining legal processes for international investors in an effort to improve the investment climate.

By exchanging knowledge in the area of investment law and signing bilateral agreements to safeguard and promote investments between the two nations, the two nations can strengthen their legal and economic cooperation.

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