

The Legal Environment and Its Impact on Attracting Foreign Investment

Dr Yussri Awad Abdalla

Director of the Legal Department, Al Fozan Holding Group, Al Khobar, Kingdom of Saudi Arabia

Abstract

This study examines how the legal environment may shape the attractiveness of a host State to foreign investment from a doctrinal and comparative legal perspective. It addresses a gap in the literature created by the tendency to analyse investment legislation, treaty guarantees, institutional quality, and dispute settlement as separate subjects rather than as interacting components of one legal environment. The study therefore treats the legal environment as an integrated framework of legislation, institutions, governance, judicial protection, dispute resolution, and enforcement.

The study analyses five assessment dimensions: legislative stability and legal certainty; investor protection; judicial, arbitral, and enforcement effectiveness; governance and transparency; and administrative and regulatory efficiency. The comparative method is functional rather than exhaustive. Saudi Arabia is used as the principal national reference, with the United Arab Emirates as a regional comparator and Singapore and England and Wales as international comparators. These jurisdictions are examined against selected national legislation, the 1958 New York Convention, the 1965 ICSID Convention, and relevant OECD, UNCTAD, and rule-of-law standards.

The research adopts analytical, comparative, and inductive approaches. Legal rules and jurisprudential positions are evaluated by reference to clarity, predictability, protection of rights, institutional effectiveness, enforceability, transparency, and compatibility with international standards. Comparative 'best practices' are identified where legal or institutional approaches recur across the selected jurisdictions and are consistent with recognised international standards, rather than merely because they originate in a particular legal system.

The legal analysis indicates that investment confidence is more likely to be supported where legal rules are clear and reasonably stable, rights are effectively protected, disputes can be resolved, and awards or judgments enforced within a reliable institutional framework, and administrative decision-making is transparent and reviewable. The study does not claim to establish an econometric causal effect on foreign direct investment flows; rather, it identifies doctrinal and institutional mechanisms through which the legal environment can reduce legal uncertainty and support investment decision-making.

The study's original contribution is an integrated comparative framework linking the quality of the legal environment to legal certainty and regulatory risk, investor confidence, investment decision-making, and the broader capacity to attract foreign investment. On that basis, it proposes a prioritised reform agenda for Arab States that preserves the State's regulatory authority while strengthening legal certainty, effective justice, governance, digital administration, and alignment with international investment standards.

Keywords: Legal Environment; Foreign Investment; Legal Certainty; Investor Protection; Rule of Law; Investment Arbitration

General Introduction

I. Preamble

In recent decades, the world has witnessed a radical shift in the philosophy of foreign direct investment: it is no longer viewed merely as a means of supplying capital or financing economic projects, but has become one of the most important strategic tools for achieving sustainable economic development, transferring technology, raising production efficiency, and strengthening states' competitiveness in the global economy. This shift has given rise to legislative and institutional competition among states that is no longer confined to offering financial or tax incentives, but now extends to building a stable, transparent legal environment that provides investors with legal certainty, guarantees the protection of rights, and ensures the speedy and effective resolution of disputes these elements having become among the most significant determinants of investment decisions (Dolzer, Kriebaum, & Schreuer, 2022, pp. 31–45; Muchlinski, 2007, pp. 93–103).

This shift has been accompanied by a notable evolution in legal thought, whereby the concept of the legal environment is no longer confined to investment legislation but now encompasses the entire legal and institutional system constitutional, legislative, and regulatory rules; judicial and administrative institutions; governance and transparency mechanisms; and systems for enforcing rights and resolving disputes making the legal environment one of the most significant criteria of international competition for attracting foreign investment (Salacuse, 2015, pp. 11–18; OECD, 2015, pp. 40–47). Foreign investors accordingly no longer assess a host state solely based on market size, natural resources, or economic incentives, but now pay close attention to the stability of legislation, the independence of the judiciary, the effectiveness of law-enforcement institutions, regulatory quality, and procedural transparency, since these elements can shape the level of legal and regulatory risk perceived by investors and their ability to anticipate the legal consequences of an investment project throughout its economic life (North, 1990, pp. 83–88; World Justice Project, 2024, pp. 13–20).

This trend has been reflected in international investment law, as international and bilateral investment-promotion and protection agreements have enshrined legal principles aimed at strengthening the legal environment most notably the protection of property, fair and equitable treatment, non-discrimination, the guarantee of free capital transfer, and the availability of effective means for dispute resolution, whether before national courts or through international arbitration, particularly under the 1965 ICSID Convention and the 1958 New York Convention (ICSID Convention, 1965, art. 25; New York Convention, 1958, arts. III–V). In light of these developments, the need has emerged to study the legal environment as an independent legal variable affecting the attraction of foreign investment, by analysing its components, demonstrating its impact on investment decisions, identifying the challenges it faces, and ultimately deriving a legislative vision that contributes to its development in light of international best practices the objective this study seeks to achieve.

II. Significance of the Research

The significance of this study lies in its legal treatment of an issue that is often examined primarily through economic indicators: the relationship between the quality of the legal environment and foreign-investment decision-making. Its scholarly value lies in analysing legislation, institutions, governance, judicial protection, arbitration, transparency, and enforcement within one integrated framework. In contrast, its practical value lies in identifying reforms that may strengthen legal certainty without impairing the State's regulatory sovereignty (UNCTAD, 2023, pp. 118–123).

Research gap. Existing scholarship provides substantial analysis of treaty-based investor guarantees, the economic and administrative investment climate, and investor-State dispute settlement, but these strands are frequently treated separately. Recent work also continues to identify legal certainty, predictability, and the balance between investment protection and the State's right to regulate as unresolved issues (Angin, 2025; Ortino, 2025). The present study addresses this gap by integrating domestic legal and institutional conditions with international investment standards and testing that integrated framework through a defined functional comparison of selected jurisdictions.

III. Research Problem

The research problem arises from the fact that States may adopt investment incentives and investment-specific legislation yet still offer markedly different levels of legal predictability and institutional reliability. The study therefore asks not simply whether a State has investment legislation, but how the quality and operation of its wider legal environment may affect the legal risk perceived by investors. For analytical purposes, that environment is assessed through five dimensions: (1) legislative stability and legal certainty; (2) investor protection, including property, fair and equitable treatment, non-discrimination, and capital transfer; (3) judicial, arbitral, and enforcement effectiveness; (4) governance and transparency; and (5) administrative and regulatory efficiency. These dimensions provide the criteria for the doctrinal and comparative analysis and delimit the otherwise broad concept of the 'legal environment'.

IV. Research Questions

The following central question guides this research:

How does the legal environment shape the legal certainty, risk, and institutional confidence relevant to foreign-investment decisions, and what legal foundations can strengthen investment attractiveness while preserving the State's regulatory authority?

The central question is examined through three thematic research questions: (1) What is the legal meaning and scope of the foreign-investment legal environment, and which legislative, institutional, governance, and enforcement components should be used to assess it? (2) How do legislative stability, investor-protection rules, judicial and arbitral effectiveness, enforcement, transparency, and administrative efficiency shape legal risk and investor confidence according to the reviewed legal and supporting empirical evidence? (3) What lessons from the selected comparative jurisdictions and international standards can inform proportionate legal and institutional reforms in Arab States?

V. Research Objectives

This research has five objectives:

1. to define and delimit the legal environment for foreign investment and establish its principal assessment dimensions;
2. to critically analyse how legislative stability, legal certainty, investor-protection rules, judicial and arbitral effectiveness, enforcement, governance, transparency, and administrative efficiency relate to investment confidence;
3. to compare selected national legal approaches and relevant international standards using a transparent functional framework;

4. to distinguish effective investor protection from excessive constraints on the State's legitimate regulatory authority; and
5. to develop a prioritised legislative and institutional reform framework applicable, with appropriate adaptation, to Arab States.

VI. Research Methodology

The study is a doctrinal and comparative legal analysis. The analytical approach is used to interpret national legislation, international investment agreements, arbitral jurisprudence, and relevant legal scholarship. The comparative approach is functional: it asks how different legal systems address the same problems of legal certainty, investor protection, dispute resolution and enforcement, regulatory quality, transparency, and administrative efficiency. Saudi Arabia is the principal national reference because the study is directed toward reform implications for Arab States and the manuscript already engages with recent Saudi investment, company, bankruptcy, commercial-court, and arbitration reforms. The United Arab Emirates is selected as a regional comparator. In contrast, Singapore and England and Wales are selected as international comparators because their commercial and arbitration frameworks provide contrasting legal traditions and mature institutional approaches. The analysis examines selected statutes and legal institutions rather than attempting a complete exposition of each national system. International benchmarks include the New York Convention, the ICSID Convention, OECD regulatory and governance principles, UNCTAD investment-law materials, and rule-of-law indicators. 'Best practice' is identified only where an approach is legally coherent, institutionally workable, transferable to the study's problem, and supported by convergence across comparative or international sources. The inductive approach is then used to derive reform principles from the combined doctrinal and comparative evidence. Because this is not an econometric or primary empirical study, conclusions concerning investment attraction are expressed as doctrinal or evidence-informed relationships rather than proof of causal changes in FDI flows.

Table 1. Comparative methodology and selection logic

Jurisdiction/benchmark	Principal legal references	Assessment dimensions	Purpose of comparison
Saudi Arabia	Investment Law (Royal Decree No. M/19, 1446 AH), art. 4 (investor rights); Commercial Courts Law; Arbitration Law; Companies Law; Bankruptcy Law	Legal certainty; investor treatment; commercial justice; enforcement; administration	Primary national reference and basis for reform implications relevant to Arab States
United Arab Emirates	Federal Law No. 6 of 2018 Concerning Arbitration, art. 55 (award enforcement); Federal Decree-Law No. 32 of 2021 on Commercial Companies; related investment and administrative rules	Investor access; arbitration; enforcement; regulatory and administrative efficiency	Regional comparator with a different federal and commercial regulatory structure

Singapore	International Arbitration Act 1994, s. 19 (award enforcement), and related commercial/enforcement framework	Arbitration; court support; enforceability; regulatory predictability	International comparator for institutional efficiency and arbitration-supportive legal design
England and Wales	Arbitration Act 1996, s. 66 and Part III; Arbitration Act 2025 amendments including the s. 67 challenge procedure; related commercial court framework	Judicial support; arbitration; legal certainty; regulatory quality	International common-law comparator illustrating institutional continuity with targeted legal modernisation
International standards	New York Convention; ICSID Convention; OECD; UNCTAD; World Justice Project	Rule of law; legal certainty; investor protection; governance; enforceability	External benchmark used to evaluate convergence and transferability of comparative lessons

VII. Prior Studies

Prior research can be organised into three principal strands, each of which contributes to the present study but also leaves a distinct analytical gap. First, doctrinal investment-law scholarship examines investor guarantees such as protection from unlawful expropriation, fair and equitable treatment, non-discrimination, and investment arbitration (Dolzer, Kriebaum, & Schreuer, 2022; Sornarajah, 2021). This literature provides the strongest account of substantive investor rights. Still, it often focuses on treaty obligations and arbitral doctrine rather than the wider domestic institutional environment in which investment is established and operated. Second, institutional and investment-climate studies examine regulation, governance, judicial quality, administrative efficiency, and related determinants of investment. OECD and World Bank materials provide comparative indicators, while recent empirical research examines how legal certainty and institutional quality relate to investment decisions and FDI in particular settings (Saha et al., 2022; Chen & Jiang, 2023; Hutahtayan et al., 2024). The empirical literature is not uniform across institutional dimensions or jurisdictions, reinforcing the need to treat such evidence as supporting context rather than proof of a universal causal relationship applicable to all foreign-investment flows. Third, scholarship on international arbitration and investor-State dispute settlement analyses the interpretation and enforcement of investment protections and the relationship between investors' expectations and regulatory autonomy (Born, 2021; Schreuer et al., 2009; Angin, 2025; Ortino, 2025). This strand reveals how legal uncertainty becomes visible after disputes arise, but it is less concerned with the integrated legal environment preceding the dispute. The resulting gap is therefore not an absence of research on individual elements, but the lack of a clearly delimited, comparative framework that links legislation, institutions, governance, dispute resolution, enforcement, and regulatory administration to

legal risk and investment confidence. The present study addresses that gap while treating empirical findings as corroborative evidence rather than as a substitute for doctrinal analysis.

VIII. Distinguishing Features of the Study

This study differs from prior research in four respects. First, it treats the legal environment itself as the unit of analysis and defines its boundaries through five stated assessment dimensions. Second, it combines national legal analysis with a transparent functional comparison of Saudi Arabia, the United Arab Emirates, Singapore, and England and Wales against international investment and rule-of-law standards. Third, it distinguishes doctrinal conclusions from empirical claims and therefore avoids treating legal reform as automatically producing higher FDI inflows. Fourth, it translates the comparative findings into a prioritised reform framework for Arab States while retaining the principle that investor protection must be balanced against legitimate regulatory autonomy.

IX. Scope and Limits of the Research

Subject-matter scope: the research is confined to studying the legal environment and its impact on attracting foreign investment, through an analysis of its components, its effect on the investment decision, and the means of its development, without extending into purely economic or financial aspects except to the extent that serves the legal analysis.

Statutory and comparative scope: the research focuses on general principles of international investment law and relevant international agreements, with Saudi Arabia as the principal national reference. The comparative analysis also examines selected legal approaches in the United Arab Emirates, Singapore, and England and Wales. The comparison is functional and selective, concentrating on investment-relevant legislation, commercial justice, arbitration, enforcement, governance, and regulatory administration; it does not purport to provide a comprehensive account of any one national legal system.

Temporal scope: the research draws on the most recent doctrinal and legislative trends, international agreements, and scholarly publications up to 2025, ensuring the currency of the material and its consistency with the contemporary investment environment.

X. Structure of the Research

The study is divided into three principal sections, preceded by this General Introduction and followed by a General Conclusion, Findings, Recommendations, and References. Section One defines the legal environment for foreign investment and establishes its components and assessment standards. Section Two evaluates the relationship between the legal environment and foreign-investment decision-making through legal certainty, investor protection, and dispute resolution. Section Three identifies principal legal challenges, conducts the selected comparative analysis, and develops a reform framework for Arab States.

SECTION ONE

The Nature of the Legal Environment for Foreign Investment and Its Components

Defining the concept of the legal environment for foreign investment is the necessary methodological starting point for studying its impact on attracting foreign investment, since the relationship between the legal environment and the investment decision cannot be analysed without first determining what this environment means, identifying its elements and components, and distinguishing it from related legal and economic concepts. This determination is especially important in light of the evolution of international

investment law, where attention is no longer confined to investment law as a discrete statute. Still, it now extends to the entire legal and institutional system governing economic activity as a whole (Muchlinski, 2007, pp. 97–101). Modern legal scholarship has moved beyond the traditional concept of the legal environment which confined it to investment legislation toward a broader concept treating it as the legal and institutional framework comprising constitutional, legislative, and regulatory rules, judicial and administrative institutions, mechanisms for enforcing rights, governance, transparency, and dispute resolution, thereby affording the investor an appropriate degree of legal certainty and legislative predictability (Dolzer, Kriebaum, & Schreuer, 2022, pp. 45–48). Part of the scholarship holds that the decisive element in assessing the legal environment is not the sheer volume of legislation, but the quality of the legal system and its capacity to achieve stability, predictability, and the protection of rights (Sornarajah, 2021, pp. 89–94). This trend finds its basis in general principles of law, particularly the rule of law, which requires all authorities and individuals to be subject to the law, guarantees judicial independence, respects vested rights, and achieves legal certainty principles that have become the foundation on which modern investment environments are built (Bingham, 2010, pp. 37–55), and is likewise reflected in numerous international investment agreements that place great importance on providing a stable legal environment ensuring investor protection while preserving the State's regulatory authority, as is clear in the 1965 ICSID Convention and bilateral investment-promotion and protection treaties (ICSID Convention, 1965, art. 25; Dolzer, Kriebaum, & Schreuer, 2022, pp. 269–274).

For this study, the legal environment is defined as the set of binding rules, institutions, procedures, and enforcement mechanisms that determine the clarity, predictability, protection, administration, and enforceability of the legal conditions under which an investment is established and operated. This definition deliberately excludes purely macroeconomic factors such as market size, exchange-rate conditions, or tax yield except where they are embodied in legal or regulatory rules. The analytical boundary therefore prevents governance or administration from being treated as part of the legal environment unless it has a legally relevant effect on decision-making, rights, procedures, review, or enforcement.

Analytical conceptual model

Legal environment (stability, protection, justice/enforcement, governance, administration) → legal certainty / regulatory risk → investor confidence → investment decision → capacity to attract foreign investment

1.1 The Concept of the Legal Environment for Foreign Investment and Its Importance for Economic Development

The concept of the legal environment for foreign investment is the starting point for studying the relationship between law and investment, since the impact of the legal environment on attracting foreign investment cannot be assessed without precisely defining it, identifying its constituent elements, and distinguishing it from related legal and economic concepts. This matters greatly in light of the evolution of international investment law, where attention has shifted from studying investment law as a set of rules governing the entry of foreign investment to studying the legal environment as the institutional and legislative framework that determines the degree of legal certainty and investment confidence (Muchlinski, 2007, pp. 97–103; Dolzer, Kriebaum, & Schreuer, 2022, pp. 41–45). Scholarship has not settled on a single definition of the legal environment; definitions vary according to the angle from which the concept is viewed. One approach defines it as the body of legislation regulating investment activity

and defining the investor's rights and obligations reflecting the traditional concept and focusing solely on the legislative dimension (Salacuse, 2015, pp. 12–16) while another, more widely held view in contemporary scholarship holds that the legal environment is not confined to legislation but also encompasses judicial and administrative institutions, mechanisms for enforcing rights, governance rules, procedural transparency, and the efficiency of regulatory bodies, all of which are relevant to the investor's assessment of the host-State environment (Sornarajah, 2021, pp. 84–91; Dolzer, Kriebaum, & Schreuer, 2022, pp. 46–48).

This latter view finds support in the evolution of international economic law, whereby the legal environment is now measured by a state's capacity to provide a stable legal framework enabling the investor to operate under clear, predictable rules a concept scholarship terms legal certainty, one of the general principles of law, meaning enabling those subject to the law to know their rights and obligations, order their legal affairs on a stable basis, and be protected from sudden changes affecting their legal position without lawful justification (Craig, 2021, pp. 621–629; Bingham, 2010, pp. 37–45). This concept finds its statutory basis in numerous modern national laws that link the attraction of investment to providing a stable legal environment, and its support in international agreements enshrining the principle of investment protection, foremost among them the 1965 ICSID Convention, which established an institutional framework for resolving disputes between states and investors, thereby strengthening confidence in the legal environment of contracting states (ICSID Convention, 1965, art. 25), as well as in bilateral investment-promotion and protection treaties, which contain obligations relating to investment protection, fair and equitable treatment, non-discrimination, and protection from expropriation except in accordance with legal safeguards (UNCTAD, 2023, pp. 49–56). A review of modern legislative practice further shows that the concept of the legal environment has become closely tied to the rule of law, the foundation on which the law-governed state rests: the rule of law does not mean merely the existence of laws in force, but requires that such rules be known, stable, general, and abstract, applied by an independent and impartial judiciary, and that they ensure effective protection of rights making it one of the most important indicators investors rely on in assessing the investment environment (Bingham, 2010, pp. 48–56; World Justice Project, 2024, pp. 13–19).

The effect of the legal environment is not confined to regulating the relationship between the investor and the State. Still, it extends to regulating the investor's relationship with other economic actors, by providing a legal framework that ensures respect for contracts, protection of property, procedural transparency, speedy dispute resolution, and efficient enforcement of judgments leading institutional economics to regard the legal environment as one of the most important elements of a state's institutional structure, since it provides an institutional framework through which transaction costs, legal risk, and the predictability of legal outcomes can be assessed (North, 1990, pp. 27–35, 83–88). This study considers the second scholarly approach closer to the nature of the legal environment in its contemporary form, since confining it to investment legislation ignores the institutional, judicial, and administrative elements that practical experience has shown to exert an influence no less significant than the legal texts themselves a foreign investor does not assess the legal environment solely on the quality of investment law, but through the efficiency of the entire legal system and its capacity to achieve legal certainty, ensure the enforcement of rights, and entrench confidence in state institutions. Accordingly, the legal environment in this study represents an integrated system of rules, institutions, and legal guarantees aimed at achieving legislative and institutional stability, which the reviewed literature associates with greater predictability in investment decision-making and a more credible investment environment. The importance of this concept is further

evident in its close connection to economic development, as comparative and institutional studies associate stable, transparent legal environments with more favourable conditions for foreign investment than environments characterised by weak institutions or unstable legislation, even where the latter offer greater financial or tax incentives (OECD, 2015, pp. 40–47; World Bank, 2020, pp. 3–9) because an investor can bear many commercial risks, but finds it difficult to bear legal risks arising from ambiguous legislation, a weak judiciary, or unstable regulatory policy.

The analysis indicates that the legal environment for foreign investment is not an abstract legislative concept, but an integrated legal and institutional system whose success depends more on the integration of its elements than on the sheer number of its rules. Legal certainty, the rule of law, institutional efficiency, and the protection of rights are all fundamental pillars of this concept, and their effect extends beyond regulating investment to strengthening investment confidence and improving the State's competitiveness in attracting foreign investment. Identifying these components accordingly provides the methodological foundation for moving to Subsection 1.2: The Components of a Legal Environment Attractive to Foreign Investment.

1.2 The Components of a Legal Environment Attractive to Foreign Investment

A legal environment attractive to foreign investment does not rest on the existence of investment-specific legislation alone, but on an integrated legal and institutional system in which constitutional rules, economic legislation, administrative regulations, judicial institutions, and law-enforcement bodies interact to afford the investor an appropriate degree of legal certainty and legislative stability. Modern scholarship accordingly treats the legal environment as an integrated institutional system whose efficiency depends on the degree of harmony among its elements more than on the quality of any single element in isolation (Muchlinski, 2007, pp. 104–109; Dolzer, Kriebaum, & Schreuer, 2022, pp. 47–52). Legal scholarship does not differ on the importance of the elements of the legal environment. Still, rather on their ranking in terms of influence on the investment decision: while some scholarship holds that legislative stability is the most influential element in attracting investment, another view holds that judicial independence and institutional efficiency are the true foundation of legal-environment quality, since legal texts do not achieve their purpose unless institutions exist capable of applying and enforcing them efficiently and impartially (Sornarajah, 2021, pp. 91–97; Salacuse, 2015, pp. 58–63). This study considers these two views not to conflict, since the legal environment rests on functional integration among its elements, and weakness in any one element weakens the entire legal system.

I. Legislative Stability and Legal Certainty. Legislative stability is the first pillar of the legal environment, since foreign investment is by nature long-term, resting on the expectation that the legal framework under which the investor made its decision will persist. Frequent legislative amendments, conflicting texts, or ambiguity accordingly increase legal risk, raise the cost of investment, and weaken confidence in the investment environment (North, 1990, pp. 83–88). This element rests on the principle of legal certainty, which requires legal rules to be clear, stable, and predictable, and to respect legal positions formed under them a principle enshrined in numerous constitutional systems and comparative judicial trends as one of the foundational principles of the law-governed state (Craig, 2021, pp. 624–632), and reflected in numerous bilateral investment treaties that affirm the protection of an investor's legitimate expectations within the scope of the fair-and-equitable-treatment standard (Dolzer, Kriebaum, & Schreuer, 2022, pp. 158–170). The analysis supports the view that legislative stability does not mean freezing legislation or limiting the legislature's power to reform. Rather, amendment should follow a clear

legislative policy, observing gradualism, respecting vested rights, and allowing the investor to adapt to legal changes without unjustified prejudice to existing legal positions.

II. Judicial Independence and the Efficiency of Law Enforcement. A legal environment attractive to investment is not achieved merely by enacting legislation. Still, it depends on the existence of an independent and impartial judiciary ensuring the protection of rights and the enforcement of obligations. Judicial independence is accordingly one of the most important indicators international institutions rely on in assessing the quality of the legal environment, since it represents the practical guarantee that the law is applied equally among all litigants (Bingham, 2010, pp. 61–67; World Justice Project, 2024, pp. 23–31). Judicial efficiency is measured not by the number of judgments rendered, but by the speed of dispute resolution, the quality of reasoning, the stability of judicial principles, and the effectiveness of enforcing judgments; the reviewed literature associates slow litigation or weak enforcement with greater 'judicial risk', which may be relevant to an investor's choice of host State (OECD, 2015, pp. 68–72). The effectiveness of enforcement bodies is likewise a natural extension of judicial protection, since a right that cannot be enforced loses much of its practical value making the enforcement of judgments one of the principal indicators international institutions use to measure the efficiency of the legal environment, as confirmed by World Bank reports on contract enforcement and commercial dispute resolution (World Bank, 2020, Doing Business 2020, pp. 86–93).

III. The Protection of Property Rights and Contracts. The protection of private property is the cornerstone of the legal system for investment, since foreign capital cannot settle in an environment that does not ensure respect for property or provide adequate safeguards against unlawful expropriation. Most international agreements accordingly provide that expropriation is lawful only where it serves the public interest, is grounded in law, is non-discriminatory, and is accompanied by prompt and effective compensation (Dolzer, Kriebaum, & Schreuer, 2022, pp. 99–116). The protection of contracts is no less important than the protection of property, since investment fundamentally rests on a complex web of contractual relationships; respecting contracts and providing effective means of enforcing them is accordingly among the most important elements affecting investor confidence, a matter settled in comparative scholarship, which views the effective enforcement of contracts as a practical indicator of the quality of the legal environment rather than a merely procedural matter (Trebilcock & Prado, 2014, pp. 136–145). Modern legislation has strengthened the protection of contractual rights by modernising evidence, enforcement, insolvency, and arbitration laws, ensuring the stability of commercial transactions and strengthening confidence in the legal environment.

IV. Governance, Transparency, and Regulatory Quality. Governance and transparency have become essential elements of the modern legal environment because they are relevant to confidence in public institutions and to the investor's ability to anticipate administrative decisions. Transparency requires clear procedures, the availability of information, and the possibility of challenging decisions. At the same time, governance rests on the principles of legality, accountability, integrity, and efficiency, all of which affect the quality of the legal environment (OECD, 2023, G20/OECD Principles of Corporate Governance, pp. 17–31). Regulatory quality has likewise become an independent international standard measuring a state's capacity to issue balanced, workable legislation protecting the public interest without imposing unjustified regulatory burdens on investors (OECD, 2015, pp. 88–95); improving regulatory quality reduces legal-compliance costs, limits administrative ambiguity, and raises the level of legal certainty, all of which may improve the predictability and quality of the investment environment. The analysis supports the view that governance and transparency are no longer mere tools of sound administration, but have become part of

the substance of the legal environment itself, since the quality of legislation cannot be separated from the quality of the institution applying it. Administrative efficiency represents, in practical application, the other face of the rule of law.

The analysis indicates that a legal environment attractive to investment rests on an interconnected system comprising legislative stability, legal certainty, judicial independence, efficient law enforcement, the protection of property and contracts, governance, transparency, and regulatory quality. These elements do not operate independently but integrate to form a legal and institutional framework achieving the confidence and stability necessary to attract foreign investment. The analysis supports the view of the legal environment as an integrated system, since any deficiency in one element affects the efficiency of the entire system, which leads into Subsection 1.3: International Standards for Measuring the Quality of the Legal Environment for Investment.

1.3 International Standards for Measuring the Quality of the Legal Environment for Investment

The legal environment is now subject to precise international standards measuring the efficiency of the legal and institutional system in achieving legal certainty and attracting foreign investment; assessing the investment environment no longer relies on general impressions or the mere existence of investment-specific legislation, but on legal and institutional indicators reflecting the level of respect for the rule of law, the quality of legislation, judicial efficiency, the effectiveness of contract enforcement, transparency, and the protection of economic rights since the foreign investor increasingly relies on these indicators in assessing legal risk and deciding whether to direct investment to a particular state (OECD, 2015, pp. 82–87; World Bank, 2020, pp. 1–8). Legal scholarship no longer views these standards as merely statistical tools, but as legal instruments helping assess the extent of a state's adherence to the fundamental principles of the law-governed state and its capacity to provide a stable, transparent, and fair investment environment making these indicators an important reference in formulating legislative policy and assessing legal reforms aimed at improving the investment climate (Muchlinski, 2007, pp. 119–124). The analysis supports the view that the importance of these standards lies not in ranking states on international indices, but in revealing the strengths and weaknesses of the legal environment, enabling the legislature to direct legislative and institutional reform toward the elements most influential in attracting foreign investment.

I. The Rule of Law and Legal Certainty Standard. The principle of the rule of law is the foundational pillar on which all international standards concerning the legal environment rest, expressing the subjection of the state and individuals to the rule of law, the guarantee of judicial independence, the protection of rights, and the achievement of equality before the law all elements relevant to investor confidence (Bingham, 2010, pp. 37–61). Numerous international institutions have adopted this standard in assessing the legal environment. The Rule of Law Index issued by the World Justice Project is among the most prominent indices measuring judicial independence, the effectiveness of civil justice, law enforcement, the absence of corruption, and respect for fundamental rights (World Justice Project, 2024, pp. 5–15). Doctrinally, this standard is closely tied to the principle of legal certainty, since the rule of law is not achieved merely by the existence of laws in force, but requires such laws to be stable, clear, and predictable, and applied equally to all those subject to them (Craig, 2021, pp. 621–633). The analysis supports the view that this standard is the foundation on which the remaining legal-environment standards are built, since the absence of the rule of law weakens the effectiveness of all other legal guarantees, however well drafted the legislative texts may be.

II. The Regulatory Quality and Legislative Efficiency Standard. Regulatory quality is among the most important standards adopted by the OECD in assessing the legal environment, meaning a state's capacity

to issue clear, balanced, and enforceable legislation serving the public interest without imposing unjustified regulatory restrictions on economic activity (OECD, 2015, pp. 88–95). This standard is measured not by the volume of legislation, but by its consistency, ease of comprehension, harmony with the rest of the legal system, the clarity of implementing regulations, and the stability of regulatory policy; it also encompasses assessing the extent to which a state relies on regulatory-impact assessments before issuing economic regulations and involves stakeholders in the legislative process, which strengthens transparency and limits legislative inflation (OECD, 2018, Regulatory Policy Outlook, pp. 52–60). Comparative material indicates that stable lawmaking processes can support greater predictability and investment confidence by enabling investors to assess legal consequences within a regulatory environment characterised by clarity and stability (UNCTAD, 2023, pp. 44–48). The analysis supports the view that regulatory quality represents the practical application of legal certainty, since good legislation is measured not only by the quality of its drafting, but by its capacity to achieve stability, certainty, and enforceability.

III. The Standard of Protecting Economic Rights and Enforcing Contracts. The protection of economic rights, foremost among them the right to property and freedom of contract, is one of the most important standards investors rely on in assessing the legal environment. International investment agreements have settled on a set of legal guarantees protecting these rights, most notably protection from expropriation except in accordance with law, for the public interest, and against prompt compensation, together with the guarantee of fair and equitable treatment, non-discrimination, and freedom of capital transfer (Dolzer, Kriebaum, & Schreuer, 2022, pp. 99–171). The effectiveness of contract enforcement has likewise become an independent indicator in assessing the legal environment, since investment fundamentally rests on a network of contractual relationships. Legal protection of these relationships is achieved only where a judicial and enforcement system exists capable of holding parties to their contractual obligations (Trebilcock & Prado, 2014, pp. 136–145). This standard is reinforced by the 1965 ICSID Convention's provision allowing recourse to the International Centre for Settlement of Investment Disputes in disputes arising between a state and an investor, in accordance with the conditions set out in Article 25, and by the 1958 New York Convention's requirement that contracting states recognise and enforce foreign arbitral awards both of which have strengthened confidence in the means of protecting investment rights at the international level (ICSID Convention, 1965, art. 25; New York Convention, 1958, arts. III–V; Schreuer et al., 2009, pp. 1120–1134). On this analysis, the standard of protecting rights is not confined to declaring legal guarantees. Still, it extends to the effectiveness of their practical application and observance, since legal texts that are never enforced fail to achieve the purpose for which they were enacted.

The analysis indicates that international standards for measuring the quality of the legal environment rest on three principal axes: the rule of law and legal certainty; regulatory and legislative quality; and the protection of economic rights together with the efficiency of their enforcement. These standards have become legal and institutional tools relied upon by investors and international institutions in assessing investment environments. A state's success in improving its ranking on these indices is achieved not merely by amending laws, but requires integrated institutional reform that achieves legislative stability, entrenches the rule of law, and strengthens confidence in the institutions of justice. This study considers these standards to constitute the reference framework the legislature should follow in developing the legal environment, since together they reflect the elements most influential in attracting foreign investment.

SECTION TWO

The Impact of the Legal Environment on Foreign Investor Decisions

The foreign investment decision does not arise in isolation from the host state's legal environment, but in reality represents the outcome of a precise balancing exercise the investor performs between the expected economic return and the level of legal and regulatory risk associated with the investment. Traditional economic thought focused on market factors, natural resources, and tax incentives as the principal determinants of investment; however, the evolution of the international economy and the growing role of legal institutions have caused the legal environment to emerge as an independent factor shaping the investment decision, to the point that modern studies now regard it as one of the most important elements of a state's competitiveness in attracting foreign direct investment (Muchlinski, 2007, pp. 141–146; Dolzer, Kriebaum, & Schreuer, 2022, pp. 51–55). This trend finds its basis like foreign investment itself, which typically rests on long-term projects requiring legislative stability, legal guarantees, an independent judiciary, and a public administration characterised by transparency and efficiency; the investor therefore does not assess the legal environment through the texts of investment law alone, but looks at the legal system as a whole including the rules governing companies, contracts, insolvency, enforcement, arbitration, and governance because these elements form part of the investor's assessment of legal risk (Sornarajah, 2021, pp. 108–113; Salacuse, 2015, pp. 92–97).

Legal literature indicates that the legal environment remains relevant throughout the investment life cycle, from establishment and operation to expansion, divestment, or liquidation (OECD, 2015, pp. 97–101). The relationship examined in this study should, however, be stated with methodological precision. A doctrinal and comparative legal analysis can identify mechanisms through which legal certainty, enforceability, and institutional reliability may reduce perceived legal risk and support investment confidence. Still, it does not by itself prove that a particular legal reform causes a measurable increase in FDI flows. Section Two therefore evaluates the legal mechanisms and supporting evidence across three axes: legislative stability and legal certainty; investor protection; and judicial, arbitral, and enforcement effectiveness.

2.1 The Impact of Legislative Stability and Legal Certainty on the Investment Decision

Legislative stability is among the elements of the legal environment most influential on the investment decision, because foreign investment is not built on instantaneous or short-term transactions but predominantly on projects whose legal and economic effects extend over many years, which makes the investor need a stable legal framework within which to assess its rights, obligations, and the expected return on its investment. The value of investment legislation is accordingly not measured merely by the quality of its drafting, but by its capacity to provide an appropriate degree of legal certainty enabling the investor to build its economic decisions on stable legal foundations (Dolzer, Kriebaum, & Schreuer, 2022, pp. 53–58; Muchlinski, 2007, pp. 141–148). Scholarship has divided over which element is most influential in attracting foreign investment: one view holds that economic and tax incentives are the decisive factor in the investor's decision, while another view the prevailing one in modern scholarship holds that financial incentives fail to achieve their purpose in the absence of a stable legal environment, since the investor can adapt to higher taxes or reduced incentives but cannot bear the uncertainty arising from legislative turmoil or the sudden change of legal rules (Salacuse, 2015, pp. 101–108; Sornarajah, 2021, pp. 114–118). The analysis supports the second view, since it accords with the nature of foreign investment as a long-term legal relationship resting on the expectation that the legal framework under which the investment arose will continue.

Legislative stability is closely connected to legal certainty, but international investment law does not require the State to freeze its regulatory framework. Arbitral jurisprudence illustrates the need for a qualified approach. In *Técnicas Medioambientales Tecmed, S.A. v. Mexico*, the tribunal gave significant weight to transparency, consistency, and the expectations created by State conduct. By contrast, *Parkerings-Compagniet AS v. Lithuania* stressed that, absent specific commitments, an investor cannot reasonably expect the legal framework to remain unchanged and must exercise due diligence. Read together, these authorities support protection against arbitrary, incoherent, or specifically contradicted State conduct rather than an absolute right to regulatory immutability. This distinction is central to balancing legal certainty with the State's legitimate power to reform its laws (*Tecmed v. Mexico*, Award, 29 May 2003; *Parkerings v. Lithuania*, Award, 11 September 2007; Dolzer, Kriebaum, & Schreuer, 2022, pp. 158–170).

From the perspective of institutional and economic analysis, greater legal and institutional stability is commonly associated with lower uncertainty and lower costs of enforcing rights and contracts (North, 1990, pp. 27–35, 83–88). This does not mean that legislation should be frozen. Legal systems must respond to economic and social change. Still, reform is more consistent with legal certainty where it follows a coherent policy, respects vested legal positions, provides reasonable transition arrangements, and avoids arbitrary or contradictory implementation (OECD, 2015, pp. 101–105). Supporting empirical literature also suggests that legal certainty and institutional quality can influence investment decisions in particular contexts. At the same time, the scale and direction of that relationship remain dependent on jurisdiction, methodology, and other economic determinants (Hutahayan et al., 2024). The present study therefore treats legal certainty as a risk-reducing institutional condition rather than as a sufficient cause of FDI inflows.

The analysis supports the view that legislative stability is not an end in itself, but a means of achieving legal certainty, which is in turn the essential means of building investment confidence. The success of legislative policy is accordingly not measured by the number of laws issued, but by their capacity to achieve consistency, stability, and clarity, enabling the investor to order its legal affairs in an environment characterised by certainty and predictability one of the most important indicators, in this study's assessment, that the legislature should be guided by in developing the legal environment aimed at attracting foreign investment.

The analysis indicates that legislative stability and legal certainty represent the cornerstone in building a legal environment attractive to investment, since they enable the investor to anticipate the legal effects of its investment, reduce regulatory risk and transaction costs, and strengthen confidence in the State's institutions. The analysis also indicates that legislative development does not conflict with stability, provided it follows a rational legislative policy that respects the protection of legal positions and legitimate expectations, which paves the way for moving to Subsection 2.2: The Impact of Foreign Investor Protection and Investment Guarantees on Strengthening Investment Confidence.

2.2 The Impact of Foreign Investor Protection and Investment Guarantees on Strengthening Investment Confidence

Foreign-investor protection operates through several distinct legal sources that should not be conflated. Domestic constitutional and statutory rules protect property, contracts, procedural rights, and access to courts; investment treaties may add international obligations such as fair and equitable treatment, national treatment, most-favoured-nation treatment, protection against unlawful expropriation, and transfer rights; and arbitral jurisprudence interprets those treaty standards in the context of individual disputes. None of

these sources creates an unlimited guarantee against legitimate regulation. Modern investment law increasingly emphasises the need to reconcile effective investor protection with the State's regulatory authority and the public interest (UNCTAD, 2023, pp. 67–72; Sornarajah, 2021, pp. 174–182; Angin, 2025). This distinction is used below to evaluate property protection, fair and equitable treatment, non-discrimination, and capital-transfer guarantees without treating all investor rights as absolute.

I. Protection of the Right to Property and Investment. The property right is one of the fundamental rights underlying all investment activity, which is why national legislation and international agreements have given special attention to its protection, regarding it as a necessary condition for achieving economic stability and encouraging investment. This protection is not confined to tangible assets. It extends to shares, equity interests, financial rights, intellectual property rights, and other rights of economic value forming part of the investment project (Dolzer, Kriebaum, & Schreuer, 2022, pp. 102–110). International investment law has settled that expropriation is lawful only where four conditions are met together: the measure must serve the public interest, be grounded in law, be non-discriminatory, and be accompanied by prompt, adequate, and effective compensation conditions that have become established principles in most bilateral investment-promotion and protection treaties and have likewise been enshrined in the awards of international arbitral tribunals (Newcombe & Paradell, 2009, pp. 341–356; Dolzer, Kriebaum, & Schreuer, 2022, pp. 111–118). This principle also finds its basis in numerous national constitutions that guarantee the protection of private property and prohibit its expropriation except in accordance with law, for the public interest, and against fair compensation, which strengthens confidence in the legal environment and confirms the State's respect for economic rights. The analysis supports the view that legal protection of property does not achieve its purpose merely by being declared in legal texts, but depends on the existence of an independent judiciary and effective enforcement mechanisms ensuring that this protection is respected in practice, since the investor assesses the legal environment through actual application more than through the abstract texts.

II. Fair and Equitable Treatment and Non-Discrimination. Fair and equitable treatment is a treaty-based standard whose content depends on the wording of the applicable investment agreement and its interpretation; it should therefore be distinguished from domestic statutory guarantees and from general statements of policy. Arbitral decisions have considered transparency, arbitrariness, due process, and legitimate expectations when applying the standard. Still, the jurisprudence is not uniform and does not create a general right to an unchanged regulatory framework (Ortino, 2025). The regulatory balance is illustrated by *Philip Morris Brands Sàrl and others v. Uruguay*, in which the tribunal rejected challenges to public-health tobacco-control measures and recognised a substantial sphere for bona fide regulation. The case demonstrates that investor protection and the State's right to regulate are not mutually exclusive: the legal question is whether the specific measure breaches the applicable treaty standard, not whether regulation occurred at all (*Philip Morris v. Uruguay*, Award, 8 July 2016; Angin, 2025). Non-discrimination similarly operates through the precise domestic or treaty standard applicable to comparable investors and circumstances, rather than as an abstract entitlement to preferential treatment.

III. Guaranteeing Free Transfer of Capital and Investment Returns. The freedom to transfer capital, profits, and returns is one of the fundamental guarantees the foreign investor is keen to secure, since it is directly tied to the economic objective of the investment. Most investment laws and international agreements accordingly provide for the investor's right to transfer profits, capital, compensation, and other returns abroad, subject to the restrictions imposed by considerations of the financial system or economic security in exceptional cases (OECD, 2015, pp. 103–108; Sornarajah, 2021, pp. 278–283). This right is

not absolute, as the State may impose temporary restrictions where exceptional economic necessity so requires, provided such restrictions rest on a legal basis, are proportionate to the legitimate aim pursued, and do not involve discrimination among investors or amount to indirect confiscation of the investment (Newcombe & Paradell, 2009, pp. 497–506). This guarantee plays an important role in reducing financial and legal risk, since it assures the investor of the ability to recover its investment and returns in due time, one of the elements influencing the investment decision.

IV. The Impact of Legal Guarantees on Investment Confidence. Legal guarantees are relevant to investment confidence only to the extent that they are clear, accessible, consistently administered, and capable of effective enforcement. Institutional theory and the reviewed policy literature indicate that predictable protection of rights may reduce uncertainty and the legal-risk premium attached to investment decisions (North, 1990, pp. 109–113; UNCTAD, 2023, pp. 80–84). The empirical strength of this relationship varies across studies and jurisdictions; accordingly, this research does not infer that the existence of guarantees alone produces higher FDI flows. The more defensible doctrinal conclusion is that enforceable legal guarantees form part of the institutional conditions through which a host State can strengthen legal confidence while maintaining proportionate regulatory powers.

The analysis indicates that the protection of the foreign investor rests on an integrated system of legal guarantees, comprising the protection of property, fair and equitable treatment, non-discrimination, and freedom to transfer capital and investment returns. The analysis also indicates that the true value of these guarantees lies not merely in their legislative declaration, but in the effectiveness of their application and their observance by the public authorities, which strengthens investment confidence and reduces legal risk. The analysis supports the view that achieving a balance between investor protection and the State's right to regulate represents the foundation on which the modern legal environment should rest, which leads into Subsection 2.3: The Impact of Judicial and Arbitral Efficiency and Dispute Settlement on Attracting Foreign Investment.

2.3 The Impact of Judicial and Arbitral Efficiency and Dispute Settlement on Attracting Foreign Investment

The efficiency of the judiciary and the effectiveness of the dispute-settlement system are among the most important elements underlying a legal environment attractive to foreign investment, since the investor is not satisfied merely by the assurance that legislation declares its rights, but also looks to the capacity of judicial institutions and dispute-settlement mechanisms to protect those rights once a dispute arises. The effectiveness of the judiciary is accordingly not merely a guarantee that follows the making of the investment, but a factor that precedes and influences the investment decision itself, since the investor assesses the legal environment based on the extent to which effective judicial protection can be obtained within a reasonable time and through impartial and efficient procedures (Muchlinski, 2007, pp. 286–293; Dolzer, Kriebaum, & Schreuer, 2022, pp. 269–275). Legal scholarship has settled that a right's protection is not complete merely by its declaration in legal texts, but is achieved through the existence of an independent judiciary possessing efficiency and impartiality and effective means of enforcing judgments; the quality of commercial justice and judicial independence have accordingly become principal indicators international institutions rely on in assessing the legal environment of states, given their relevance to investment confidence and the assessment of legal risk (World Justice Project, 2024, pp. 41–49; OECD, 2015, pp. 109–114). The analysis supports the view that the relationship between the judiciary and investment is no longer purely procedural. Still, it has become an economic and legal relationship at once,

since judicial efficiency may influence perceived enforcement costs, confidence in institutions, and the investor's assessment of legal risk.

I. Specialised Commercial Courts and Their Impact on the Investment Environment. Modern legal systems have moved toward establishing specialised commercial courts or economic circuits, recognising the distinctive nature of commercial and investment disputes and the speed of adjudication, precision of application, and familiarity with the technical and financial aspects of international commercial contracts that they require. This trend is one of the most important manifestations of the development of economic justice in the modern era, since it contributes to raising the quality of judicial rulings, limiting divergence in judicial interpretation, and strengthening confidence in the judiciary (OECD, 2015, pp. 112–117). The efficiency of commercial justice is not measured by the number of judgments it renders, but by a set of criteria, most importantly: the speed of resolving disputes, the stability of judicial principles, the quality of reasoning, the effectiveness of enforcing judgments, and the predictability of judicial trends; stronger performance on these indicators may reduce perceived judicial risk and support a more predictable investment environment (World Bank, 2020, Doing Business 2020, pp. 86–93). From a regulatory perspective, numerous modern legislative systems, including the Saudi system, have moved to develop commercial justice by establishing specialised courts and issuing an independent statute for commercial courts, reflecting the legislature's recognition of the importance of judicial specialisation in improving the investment environment and strengthening confidence in commercial justice. The analysis supports the view that judicial specialisation represents a natural development in economic justice, because it may promote greater consistency in judicial principles, shorter litigation times, and higher-quality judgments, thereby supporting confidence in the legal and investment environment.

II. International Commercial Arbitration and Its Relationship with Domestic Courts. International commercial arbitration offers party autonomy, procedural flexibility, neutrality, and cross-border enforceability, but it is not a substitute for an effective national judiciary (Born, 2021, Vol. I, pp. 71–108). The New York Convention requires contracting States to recognise arbitration agreements and foreign arbitral awards subject to limited exceptions. At the same time, the ICSID Convention establishes a specialised framework for qualifying investor-State disputes. Domestic courts remain essential because they may support arbitral proceedings, grant or supervise certain remedies, and enforce non-ICSID awards. The comparative issue is therefore not whether courts or arbitration are preferable in the abstract, but whether the legal system provides coherent judicial support, limited and predictable review, and effective enforcement. Singapore's International Arbitration Act and the arbitration framework of England and Wales illustrate arbitration-supportive institutional design. At the same time, the UAE and Saudi reforms provide regionally relevant examples of modernisation within different legal structures.

III. Effectiveness, Enforcement, and Procedural Delay. The practical value of dispute-resolution rights depends on time, cost, procedural fairness, and enforceability. *White Industries Australia Limited v. Republic of India* provides a concrete illustration: prolonged difficulties in obtaining enforcement of an ICC award became central to an investment-treaty claim, demonstrating how domestic enforcement delay can itself become an international investment-law issue (*White Industries v. India*, Final Award, 30 November 2011). The example should not be generalised into a claim that any judicial delay breaches international law; liability depended on the applicable treaty obligations and the facts of that case. It nevertheless shows why investors assess the complete dispute-resolution chain court access, arbitration, judicial support, and enforcement rather than the formal existence of a remedy alone. For this study,

effectiveness is therefore evaluated through reasonable timeliness, independence, procedural clarity, consistency of review, and practical enforceability.

The analysis indicates that commercial justice, international arbitration, and alternative dispute-resolution methods represent integrated pillars of a legal environment attractive to investment, and that their formal existence does not measure the value of these pillars, but by the extent of their efficiency and effectiveness in protecting and enforcing rights. The analysis also indicates that the investor regards the justice system as a direct indicator of the quality of the legal environment, and that developing this system can support lower perceived legal risk, greater investment confidence, and a more competitive legal environment. The analysis supports the view that achieving integration among the national judiciary, arbitration, and alternative dispute-resolution methods represents one of the most important pillars of the modern legal environment, since it combines the guarantees of justice with performance efficiency, thereby achieving the ultimate purpose of the legal protection of investment.

SECTION THREE

Developing the Legal Environment to Enhance the Attraction of Foreign Investment

Developing the legal environment is one of the most important contemporary approaches to strengthening states' capacity to attract foreign investment, since investment competition no longer rests on financial and tax incentives alone, but increasingly takes account of a State's capacity to build a stable, transparent, and effective legal system that protects rights, facilitates the conduct of economic activity, and limits the legal and regulatory risks a foreign investor may face (OECD, 2015, pp. 121–126; UNCTAD, 2023, pp. 101–106). Modern scholarship holds that legal reform in the field of investment should not be confined to amending investment law itself, since the legal environment is broader than that law and encompasses commercial, judicial, administrative, and tax legislation, as well as company law, insolvency law, arbitration, enforcement, governance, and transparency. Muchlinski takes the view that the efficiency of the investment environment depends on the quality of the entire legal and institutional structure within which the investor operates, not on isolated investment provisions (Muchlinski, 2007, pp. 104–109), and Salacuse likewise holds that the foreign investor assesses the host state through its capacity to provide stability, protect rights, and settle disputes efficiently, more than through its assessment of the bare incentives the State may grant (Salacuse, 2015, pp. 101–108). The analysis supports the view that developing the legal environment should proceed from addressing the deficiency in the elements of the legal system itself, not merely from adding new incentives or issuing disparate legislation, since uncoordinated legislative reform may lead to regulatory inflation that weakens legal certainty rather than strengthening it; developing a legal environment attractive to investment accordingly requires combining the quality of legislation, the efficiency of institutions, the effectiveness of the judiciary, and the transparency of procedures, while preserving the State's right to regulate in the public interest. Building on this, this Section addresses three interrelated axes under the adopted plan: the legal challenges limiting the attraction of foreign investment, the leading international experiences in developing the legal environment for investment, and a legislative vision for developing the legal environment in Arab states in light of international best practices.

3.1 Legal Challenges Limiting the Attraction of Foreign Investment

The legal environment in many States faces recurring challenges that may increase perceived legal or regulatory risk, including unstable or conflicting rules, procedural ambiguity, weak enforcement, and limited transparency (Dolzer, Kriebaum, & Schreuer, 2022, pp. 53–58; UNCTAD, 2023, pp. 61–66).

These legal conditions should not be treated as the sole determinants of foreign investment, because market size, sector opportunities, macroeconomic conditions, and political factors also influence investment decisions. The legal question addressed here is narrower: whether the host State's legal framework enables investors to identify applicable rules, anticipate regulatory processes, protect rights, and obtain effective review and enforcement. On that basis, institutional weakness can be analysed as a source of legal risk even where economic incentives remain attractive.

First, legislative instability and conflicting legal texts. Frequent amendments to investment-related regulations, or conflicts among commercial, tax, labour, and regulatory laws, weaken legal certainty and leave the investor unable to assess the future legal effects of its investment. This does not mean the legislature should be barred from amending regulations. Still, that amendment must follow a clear legislative policy that respects existing legal positions and balances the requirements of reform against the requirements of stability (Craig, 2021, pp. 624–633; OECD, 2018, pp. 52–60). Second, the complexity of administrative procedures and the multiplicity of regulatory bodies. Legal texts may be sound in themselves, yet weak coordination among the competent authorities, lengthy licensing procedures, or ambiguous regulatory requirements can obstruct investment and raise its cost; World Bank reports identify the ease and clarity of procedures as important features of the business environment because they can reduce the time, cost, and administrative risk borne by investors (World Bank, 2020, pp. 3–9). The analysis supports the view that administrative complexity in reality becomes a legal risk, since it makes the exercise of the investment right dependent on unstable or unpredictable administrative discretion. Third, weak enforcement of laws and judicial decisions. A legal rule does not fulfil its function merely by being issued, but by its capacity to protect rights when a dispute arises and to enforce the judgments rendered concerning them; slow litigation, weak enforcement, or unstable judicial principles accordingly weaken confidence in the legal environment and raise the cost of enforcing rights (World Justice Project, 2024, pp. 41–49; North, 1990, pp. 54–60), making enforcement efficiency a practical standard for measuring a State's seriousness in protecting investment. Fourth, limited transparency and institutional governance. The investor needs known rules, clear procedures, reviewable administrative decisions, and accessible information; the principles of the OECD have shown that governance and transparency are not merely administrative tools but legal guarantees that limit arbitrariness, support accountability, and strengthen confidence in public and private institutions (OECD, 2023, pp. 17–31). The analysis supports the view that weak transparency raises regulatory risk, since it deprives the investor of the ability to anticipate administrative decisions or understand their legal basis. On this basis, the legal challenges limiting the attraction of investment are not confined to deficiencies in investment law, but extend to the entire legislative, institutional, and procedural environment, and addressing them accordingly requires integrated reform linking legislative stability, procedural simplification, judicial effectiveness, and strengthened governance, rather than merely issuing new texts or granting additional incentives.

The principal legal challenges identified by the analysis are legislative inconsistency, unclear or rapidly changing rules, administrative complexity, weak or delayed enforcement, and limited transparency. Their importance lies in their capacity to increase legal uncertainty and reduce the predictability of rights and procedures. Addressing these weaknesses therefore provides the analytical bridge to the comparative section, which examines how selected jurisdictions structure legislative policy, commercial justice, arbitration, enforcement, governance, and digital administration.

3.2 Comparative Analysis of Selected Jurisdictions and Lessons Learned

The comparative analysis is conducted on a functional basis rather than by attempting to rank entire legal

systems. Saudi Arabia, the United Arab Emirates, Singapore, and England and Wales are compared because they provide a combination of regional relevance, different legal traditions, and identifiable approaches to commercial justice, arbitration, enforcement, and regulatory modernisation. The same five criteria are applied to each comparator: legal certainty and legislative coherence; investor protection; judicial/arbitral and enforcement effectiveness; governance and transparency; and administrative/regulatory efficiency. The comparison therefore asks whether a legal solution performs the relevant function effectively and whether the underlying principle can be adapted to Arab legal systems, not whether a foreign rule should be copied verbatim (Zweigert & Kötz, 1998, pp. 34–45).

Table 2. Functional comparison of selected legal environments

Jurisdiction	Legal certainty/investor framework	Dispute resolution and enforcement	Governance/administration	Strength/caution / transferable lesson
Saudi Arabia	Investment Law art. 4 states core investor rights, including equal treatment in similar circumstances and fair and just treatment, within a wider programme of commercial-law reform.	Commercial Courts Law, Arbitration Law, and enforcement mechanisms provide specialised dispute-resolution channels.	Investment administration and digital services are being integrated within broader regulatory reform.	Strength: integrated reform across investment and commercial law. Caution: the practical value depends on consistent implementation and inter-agency coordination. Lesson: align investor rights with justice, enforcement, and administration.
United Arab Emirates	Federal commercial and ownership reforms operate alongside emirate-level institutions.	Federal Arbitration Law art. 55 establishes a defined confirmation/enforcement route for arbitral awards.	Federal and local digital-government structures emphasise procedural accessibility.	Strength: modern federal arbitration framework. Caution: multi-level competence creates coordination demands.

				Lesson: publish clear responsibilities, procedures, and review routes.
Singapore	Predictable commercial legislation and institutional continuity support legal certainty.	International Arbitration Act s. 19 expressly provides for enforcement of awards within an arbitration-supportive court framework.	Highly structured regulatory administration and digital public services.	Strength: clarity, enforceability, and institutional consistency. Caution: the small-state institutional model is not directly transplantable. Lesson: adapt functions rather than copy institutional form.
England and Wales	Long-standing commercial-law continuity is combined with targeted statutory updating.	Arbitration Act 1996 s. 66 and Part III support award enforcement; the 2025 Act updates targeted procedures, including s. 67 jurisdiction challenges.	Independent courts and regulatory review support reviewability and predictability.	Strength: continuity with evidence-based modernisation. Caution: the common-law context differs from Arab systems. Lesson: stability is compatible with targeted, reasoned procedural reform.

I. Regional Comparison: Saudi Arabia and the United Arab Emirates. Both systems illustrate the movement away from treating investment law as a self-contained code toward a broader commercial and institutional environment. Saudi Arabia's recent Investment Law sits alongside specialised commercial courts, arbitration legislation, company law, bankruptcy rules, and expanding digital administration;

Article 4 of the Investment Law expressly addresses investor rights, including equal treatment in similar circumstances and fair and just treatment. The UAE similarly combines federal commercial and arbitration legislation with a multi-level institutional structure; Article 55 of Federal Law No. 6 of 2018 provides a defined route for confirmation and enforcement of arbitral awards. The comparison highlights a practical point for Arab reform: legal certainty depends not only on the rights stated in an investment law but also on coordination among the institutions responsible for licensing, regulation, adjudication, and enforcement. Where competence is dispersed, publication of procedures, consistent implementing rules, and reviewable decisions become particularly important.

II. International Comparison: Singapore and England and Wales. Singapore's International Arbitration Act 1994 gives effect to an internationally recognised arbitration framework; section 19 expressly provides for enforcement of awards, illustrating the value of clear judicial support for arbitration and award enforcement. England and Wales provides a different model: section 66 of the Arbitration Act 1996 provides for court enforcement of awards and Part III addresses recognition and enforcement of New York Convention awards, while the Arbitration Act 2025 updated targeted features of the 1996 framework, including the procedure for jurisdictional challenges under section 67, rather than replacing the legislation wholesale. This illustrates that legislative stability does not require legal immobility; targeted amendment can preserve predictability while correcting identified procedural weaknesses. For this study, the transferable principle is the combination of institutional continuity, specialist legal expertise, restrained and predictable court intervention, and enforceability rather than the transplantation of any single statutory text.

III. Cross-Jurisdictional Synthesis: Strengths, Limitations, Governance, and Digital Administration. Across the selected systems, the most transferable lessons concern the interaction of legal rules with institutional implementation. OECD regulatory principles emphasise consultation, regulatory-impact assessment, coherence, and review, while digital-government frameworks can reduce procedural opacity when they are supported by clear legal authority, data-protection safeguards, accessible reasons for decisions, and effective review mechanisms (OECD, 2018, pp. 52–66; OECD, 2023, pp. 17–31; World Bank, 2021, pp. 12–27). Digitalisation should therefore be treated as a mechanism for improving traceability and administrative efficiency, not as evidence by itself of a high-quality legal environment. The regional comparators offer stronger contextual transferability to Arab States, but several reforms are comparatively recent and therefore require attention to implementation quality. Singapore and England and Wales provide more mature arbitration and enforcement models, but their institutional settings cannot be transplanted mechanically. The comparative lesson is therefore functional: technology, governance, dispute-resolution design, and regulatory reform can support legal certainty only when they operate within a rule-based and reviewable institutional structure adapted to domestic constitutional conditions.

The comparison does not reveal a single model that Arab States should reproduce. Instead, it identifies recurring legal functions: coherent legislative policy, predictable investor treatment, specialised and enforceable dispute resolution, transparent administration, and periodic evidence-based modernisation. The strongest transferable lesson is institutional integration. Investment legislation is more likely to support confidence where its guarantees are consistent with company, insolvency, arbitration, enforcement, administrative, and digital governance rules, and where the responsible institutions apply those rules in a predictable and reviewable manner.

3.3 A Legislative Vision for Developing the Legal Environment in Arab States in Light of International Best Practices

The study has concluded, in the preceding Sections, that the legal environment represents one of the most important determinants influencing the attraction of foreign investment, and that the quality of this environment is measured not merely by the existence of investment-specific legislation, but by the extent of integration of the legal and institutional system governing economic activity. Developing the legal environment in Arab states should accordingly proceed from a comprehensive legislative vision that goes beyond the partial reform of individual laws to rebuilding the legal system in a manner that balances investment protection, strengthened legal certainty, and preservation of the State's regulatory authority a trend that has come to characterize modern legislative reforms (Dolzer, Kriebaum, & Schreuer, 2022, pp. 52–58; UNCTAD, 2023, pp. 118–123). This vision does not call for unifying Arab legislation or replicating foreign models, since each state has its own constitutional and economic particularity, but rather for drawing on legal and institutional approaches identified through comparative experience as potentially transferable best practices and adapting them to each state's constitutional and legal structure consistent with the functional method in comparative law, which focuses on achieving the legislative purpose without being bound to the legislative form a particular state has adopted (Zweigert & Kötz, 1998, pp. 39–45). The analysis supports the view that genuine legislative reform should target the sources of legal risk identified in this research, since the success of the legal environment is measured by its capacity to reduce these risks, strengthen confidence in legal institutions, and enable the investor to conduct its activity within a framework governed by stability and legal certainty.

I. Developing Legislative Policy and Strengthening Legal Certainty. Reforming legislative policy is the starting point for developing the legal environment, since the quality of legislation is measured not by soundness of drafting alone, but by its capacity to achieve stability, clarity, and harmony with the rest of the legal system; modern literature has accordingly come to regard legislative quality as one of the most important elements of the investment environment, given its role in limiting legislative ambiguity and regulatory inflation (OECD, 2015, pp. 152–158). Arab legislation should accordingly adopt an approach based on preparing legislative-impact studies before issuing economic regulations, periodically reviewing existing legislation, resolving conflicts among laws, and entrenching the principles associated with legal certainty, particularly the stability of legal positions, the protection of legitimate expectations, and respect for vested rights (Craig, 2021, pp. 624–633). The analysis supports the view that rational legislative policy does not consist in limiting the amendment of laws, but in subjecting amendment itself to a scientific method that achieves stability and strengthens the predictability of legal rules.

II. Developing Legal Institutions and Strengthening the Efficiency of Economic Justice. Legislation does not achieve its objectives if legal institutions capable of applying it efficiently do not exist; legislative reform should accordingly be paired with institutional reform encompassing the development of commercial justice, the strengthening of its independence, the expansion of judicial specialisation, the modernisation of litigation procedures, and the improvement of judgment-enforcement mechanisms, given their relevance to building investment confidence (World Justice Project, 2024, pp. 41–49; World Bank, 2020, pp. 86–93). Development of arbitration and mediation legislation should also continue, expanding the use of alternative dispute-resolution methods while strengthening their integration with the national judiciary, to enable speedier dispute resolution, reduce the costs of enforcing rights, and strengthen the effectiveness of legal protection for investment (Born, 2021, Vol. I, pp. 101–123). On this analysis, building efficient legal institutions represents the genuine guarantee of the success of legislative reform,

since the investor deals with the institution before dealing with the text, and assesses the legal environment through the performance of the bodies responsible for applying the law more than through its assessment of the bare legislation.

III. Entrenching Governance and Digital Transformation in the Legal Environment. Modern legislative trends reveal that governance and digital transformation have become fundamental components of the legal environment, since a competitive investment environment can no longer be achieved amid complex paper-based procedures or the absence of transparency in administrative work. Numerous states have accordingly moved to develop legal frameworks for electronic transactions, electronic signatures, and data protection, and to connect government bodies through unified digital platforms, which is intended to raise the efficiency of investment services and reduce regulatory risk (UNCITRAL, Model Law on Electronic Commerce, 1996; World Bank, 2021, GovTech Maturity Index, pp. 18–27). Arab legislation should likewise move to entrench governance principles in public administration, by strengthening disclosure, accountability, and transparency, preventing conflicts of interest, and subjecting administrative decisions to effective judicial review, since these principles are no longer merely rules of sound administration but have become legal guarantees relevant to the quality and predictability of the investment environment (OECD, 2023, G20/OECD Principles of Corporate Governance, pp. 29–37). The analysis supports the view that digital transformation and governance today represent the natural extension of the rule of law, since they strengthen the clarity of procedures, limit unchecked discretionary authority, and raise the level of legal certainty, thereby supporting the attractiveness of the legal environment to foreign investment.

The analysis indicates that developing the legal environment in Arab states requires a comprehensive legislative vision resting on three integrated axes: developing legislative policy in a manner that strengthens legal certainty, developing legal institutions and economic justice, and entrenching governance and digital transformation in legislative and administrative work. The analysis also indicates that the success of this vision does not depend on amending investment laws alone, but relies on building an integrated legal and institutional system that balances investor protection, respect for state sovereignty, and strengthened confidence in the legal system. The analysis supports the view that this balance represents the true standard for the success of the legal environment in achieving its principal policy objective: supporting the sustainable attraction of foreign investment.

GENERAL CONCLUSION

This study has examined the legal environment as an integrated system rather than as investment legislation in isolation. Its doctrinal and comparative analysis supports three principal conclusions corresponding to the research questions. The conclusions concern legal mechanisms and institutional conditions; they should not be read as econometric proof that any single legal reform will cause a particular increase in foreign direct investment.

Research Question 1 - Nature and components of the legal environment. The legal environment is best defined as the combination of rules, institutions, procedures, and enforcement mechanisms that determine the clarity, predictability, protection, administration, and enforceability of an investment's legal conditions. For analytical purposes, its core dimensions are legislative stability and legal certainty; investor protection; judicial, arbitral, and enforcement effectiveness; governance and transparency; and administrative/regulatory efficiency. This definition preserves the study's integrated approach while preventing purely economic factors from being absorbed indiscriminately into the legal concept.

Research Question 2 - Relationship with investment decisions. The reviewed legal authorities, institutional literature, and supporting empirical research indicate that clearer and more predictable rules, enforceable rights, reliable dispute resolution, and transparent administration can reduce legal uncertainty and support investor confidence. The analysis also shows that investor protection is not absolute: legitimate expectations do not generally freeze the law, and fair and equitable treatment must be applied in the context of the applicable treaty and the State's regulatory powers. The most defensible conclusion is therefore one of a legally relevant and evidence-supported relationship between the quality of the legal environment, perceived legal risk, and investment confidence, rather than a universally proven causal effect on FDI flows.

Research Question 3 - Comparative lessons and reform. The comparison of Saudi Arabia, the United Arab Emirates, Singapore, and England and Wales shows that different legal traditions can converge on common functional requirements: coherent law-making, accessible investor rules, specialist and independent dispute-resolution institutions, effective enforcement, transparent and reviewable administration, and periodic modernisation. The lesson for Arab States is not to transplant foreign legislation, but to adapt these functions to domestic constitutional, legal, and institutional conditions while maintaining consistency with international investment obligations.

The study therefore concludes that sustainable improvement in the legal environment depends on coordinated legislative and institutional reform. Investment laws should be assessed together with commercial justice, arbitration, enforcement, company and insolvency rules, administrative procedures, governance, and digital systems. Reform should aim to reduce avoidable legal uncertainty while preserving sufficient regulatory space for the State to pursue legitimate public-interest objectives. That balance between legal confidence and regulatory authority is the central criterion against which an investment-oriented legal environment should be evaluated.

Findings

In light of the doctrinal, statutory, comparative, and supporting empirical evidence, the study reaches the following findings:

1. The legal environment is an integrated legal and institutional system whose analytical boundaries can be organised around five dimensions: legal certainty and legislative stability; investor protection; justice, arbitration and enforcement; governance and transparency; and administrative/regulatory efficiency.
2. The doctrinal and supporting empirical evidence indicates that legal certainty and institutional reliability are relevant to perceived legal risk and investor confidence. Still, the study does not establish that they are sufficient or universally causal determinants of FDI inflows.
3. Investor protection derives from distinct domestic, treaty, and arbitral sources. Fair and equitable treatment and legitimate expectations do not generally guarantee an immutable regulatory framework; the applicable legal standard must be balanced against legitimate State regulation.
4. The practical quality of investor protection depends on enforcement. Judicial independence, reasonable procedural time, specialist commercial justice, coherent court support for arbitration, and effective recognition and enforcement of awards or judgments are therefore central assessment criteria.
5. The selected comparison shows convergence across different legal traditions on functional requirements rather than on a single legislative model: coherent law-making, predictable procedures, enforceability, transparent administration, and targeted modernisation.

6. For Arab States, the strongest reform implication is institutional integration: investment legislation should be coordinated with commercial, arbitration, enforcement, company, insolvency, administrative, governance, and digital-regulation frameworks while preserving the State's legitimate regulatory authority.

Recommendations

The recommendations are prioritised into three reform categories:

A. Legislative reforms

- Adopt a stable and coherent legislative policy that limits unnecessary regulatory proliferation, resolves conflicts among investment-relevant laws, and uses regulatory or legislative impact assessment before major economic rules are adopted.
- Strengthen legal certainty through clear transitional rules, protection of vested legal positions where appropriate, accessible implementing regulations, and careful drafting of investor guarantees so that protection does not unintentionally eliminate legitimate regulatory flexibility.

B. Institutional reforms

- Develop specialised commercial justice, arbitration, mediation, and enforcement mechanisms as one coordinated dispute-resolution system, with measurable attention to timeliness, consistency, independence, procedural fairness, and enforceability.
- Simplify investment-related administrative procedures, clarify the competence of regulatory bodies, strengthen governance and disclosure, provide reasons for material administrative decisions, and ensure effective avenues of review.

C. Digital and international reforms

- Expand legally grounded digital-government services for licensing, filing, payments, notices, and case management, supported by electronic-transactions, electronic-signature, cybersecurity, and data-protection rules that preserve due process and traceability.
- Maintain alignment with applicable international investment and arbitration obligations, periodically assess the legal environment against objective indicators, and adapt comparative practices only where they are compatible with domestic constitutional and institutional conditions.

References

I. Arabic References

1. Abu Al-Wafa, Ahmed. (2015). Voluntary and Compulsory Arbitration. Alexandria: Munsha'at Al-Ma'arif.
2. Al-Ahdab, Abdulhamid. (2013). International Commercial Arbitration (Vols. 1–2). Beirut: Manshurat Al-Halabi Al-Huquqiyya.
3. Al-Sanhuri, Abdul Razzaq Ahmed. (1998). Al-Wasit fi Sharh Al-Qanun Al-Madani Al-Jadid: The General Theory of Obligations (3rd ed.). Beirut: Manshurat Al-Halabi Al-Huquqiyya.
4. Al-Tamawy, Suleiman Muhammad. (2006). The General Theory of Administrative Decisions (7th ed.). Cairo: Dar Al-Fikr Al-Arabi.
5. Mansour, Muhammad Hussein. (2018). International Investment Law. Alexandria: Dar Al-Jami'a Al-Jadida.

II. Foreign References

1. Angin, B. B. (2025). The Right to Regulate vs Investment Protection: Unveiling the Causes of Imbalance and the Limits of Current Reform Efforts in International Investment Law. ICSID Review

- Foreign Investment Law Journal, 40(1), 11–41. <https://doi.org/10.1093/icsidreview/siaf007>
2. Bingham, T. (2010). *The Rule of Law*. London: Penguin Books.
 3. Born, G. B. (2021). *International Commercial Arbitration* (3rd ed., Vols. I–III). Alphen aan den Rijn: Kluwer Law International.
 4. Chen, F., & Jiang, G. (2023). The impact of institutional quality on foreign direct investment: Empirical analysis based on mediating and moderating effects. *Economic Research-Ekonomska Istraživanja*, 36(2), 2134903. <https://doi.org/10.1080/1331677X.2022.2134903>
 5. Craig, P. (2021). *Administrative Law* (9th ed.). London: Sweet & Maxwell.
 6. Dolzer, R., Kriebaum, U., & Schreuer, C. (2022). *Principles of International Investment Law* (3rd ed.). Oxford: Oxford University Press.
 7. Hutahayan, B., Fadli, M., Amimakmur, S. A., & Dewantara, R. (2024). Investment decision, legal certainty and its determinant factors: Evidence from the Indonesia Stock Exchange. *Cogent Business & Management*, 11(1), 2332950. <https://doi.org/10.1080/23311975.2024.2332950>
 8. Muchlinski, P. T. (2007). *Multinational Enterprises and the Law* (2nd ed.). Oxford: Oxford University Press.
 9. Newcombe, A., & Paradell, L. (2009). *Law and Practice of Investment Treaties: Standards of Treatment*. Alphen aan den Rijn: Kluwer Law International.
 10. North, D. C. (1990). *Institutions, Institutional Change and Economic Performance*. Cambridge: Cambridge University Press.
 11. Ortino, F. (2025). The development of international investment law by arbitral tribunals and the strange case of the fair and equitable treatment standard. *King's Law Journal*, 36(1), 36–47. <https://doi.org/10.1080/09615768.2025.2493428>
 12. Saha, S., Sadekin, M. N., & Saha, S. K. (2022). Effects of institutional quality on foreign direct investment inflow in lower-middle income countries. *Heliyon*, 8(10), e10828. <https://doi.org/10.1016/j.heliyon.2022.e10828>
 13. Salacuse, J. W. (2015). *The Law of Investment Treaties* (2nd ed.). Oxford: Oxford University Press.
 14. Schreuer, C. H., Malintoppi, L., Reinisch, A., & Sinclair, A. (2009). *The ICSID Convention: A Commentary* (2nd ed.). Cambridge: Cambridge University Press.
 15. Sornarajah, M. (2021). *The International Law on Foreign Investment* (5th ed.). Cambridge: Cambridge University Press.
 16. Trebilcock, M. J., & Prado, M. M. (2014). *Advanced Introduction to Law and Development*. Cheltenham: Edward Elgar Publishing.
 17. Zweigert, K., & Kötz, H. (1998). *An Introduction to Comparative Law* (3rd ed.). Oxford: Oxford University Press.

III. International Conventions

1. Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention), June 10, 1958, 330 U.N.T.S. 3.
2. Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ICSID Convention), March 18, 1965, 575 U.N.T.S. 159.
3. United Nations Commission on International Trade Law (UNCITRAL). (1996). *UNCITRAL Model Law on Electronic Commerce*. Vienna: United Nations.
4. United Nations Commission on International Trade Law (UNCITRAL). (2001). *UNCITRAL Model Law on Electronic Signatures*. Vienna: United Nations.

IV. Laws and Legislation

1. Kingdom of Saudi Arabia. (1433 AH). Arbitration Law, issued by Royal Decree No. M/34, dated 24/5/1433 AH.
2. Kingdom of Saudi Arabia. (1441 AH). Commercial Courts Law, issued by Royal Decree No. M/93, dated 15/8/1441 AH.
3. Kingdom of Saudi Arabia. (1446 AH). Investment Law, issued by Royal Decree No. M/19, dated 16/1/1446 AH.
4. Kingdom of Saudi Arabia. (1443 AH). Companies Law, issued by Royal Decree No. M/132, dated 1/12/1443 AH.
5. Kingdom of Saudi Arabia. (1439 AH). Bankruptcy Law, issued by Royal Decree No. M/50, dated 28/5/1439 AH.
6. United Arab Emirates. (2018). Federal Law No. (6) of 2018 Concerning Arbitration.
7. United Arab Emirates. (2021). Federal Decree-Law No. (32) of 2021 on Commercial Companies.
8. Singapore. (1994). International Arbitration Act 1994 (as amended).
9. United Kingdom. (1996). Arbitration Act 1996, as amended by the Arbitration Act 2025.

V. Arbitral Awards and Cases

1. Técnicas Medioambientales Tecmed, S.A. v. United Mexican States, ICSID Case No. ARB(AF)/00/2, Award, 29 May 2003.
2. Parkerings-Compagniet AS v. Republic of Lithuania, ICSID Case No. ARB/05/8, Award, 11 September 2007.
3. White Industries Australia Limited v. Republic of India, UNCITRAL, Final Award, 30 November 2011.
4. Philip Morris Brands Sàrl, Philip Morris Products S.A. and Abal Hermanos S.A. v. Oriental Republic of Uruguay, ICSID Case No. ARB/10/7, Award, 8 July 2016.

VI. International Reports and Documents

1. OECD. (2015). Policy Framework for Investment 2015 Edition. Paris: OECD Publishing.
2. OECD. (2018). OECD Regulatory Policy Outlook 2018. Paris: OECD Publishing.
3. OECD. (2023). G20/OECD Principles of Corporate Governance. Paris: OECD Publishing.
4. UNCTAD. (2023). World Investment Report 2023: Investing in Sustainable Energy for All. Geneva: United Nations.
5. World Bank. (2020). Doing Business 2020. Washington, DC: World Bank.
6. World Bank. (2021). GovTech Maturity Index 2020: The State of Public Sector Digital Transformation. Washington, DC: World Bank.
7. World Justice Project. (2024). Rule of Law Index 2024. Washington, DC: World Justice Project.