



## The role of legislation in providing an attractive investment environment

Eman Fathi Hassan Algamiel

Assistant Professor of Commercial and Maritime Law, Faculty of Law, Arab East University, Saudi Arabia

### Abstract

Legislation plays a pivotal role in establishing an appealing investment environment. It provides the necessary legal framework to safeguard the rights of investors, ensure market competitiveness, and enhance transparency. It serves as a fundamental pillar for security and confidence in financial markets.

Effective legislation, in this regard, fosters trust among investors and contributes to attracting long-term investments. The significant role that legislation plays in shaping an ideal investment environment cannot be underestimated. Legislative stability is considered a fundamental factor in attracting investment. Investors prefer markets with clear and consistent laws, as they reduce legal and regulatory risks. Laws that protect property rights provide effective mechanisms for dispute resolution and contribute to creating an attractive investment environment for investors.

Globally, legislative stability and clarity are among the key factors that attract foreign direct investment. Furthermore, competitive legislation enhances investment attractiveness by establishing a free and fair market. Laws that protect against monopolistic practices and support fair competition attract investors seeking a business environment characterized by efficiency, effectiveness, and integrity.

Legislative transparency also builds trust among investors. Legislation that ensures full and clear disclosure of financial and commercial information enables investors to make informed decisions, thereby enhancing the attractiveness of the investment environment.

Legislation also plays a role in stimulating innovation and protecting intellectual property. Laws that safeguard patents, trademarks, and copyrights encourage innovation and attract investments in knowledge-based sectors. Ultimately, legislation represents a fundamental element in determining the attractiveness of the investment environment. Countries that adopt robust, transparent, and competition-supportive legislation often succeed in attracting both foreign and domestic investments. This is highlighted through the implementation of well-thought-out and balanced legislative policies that enable nations to enhance their investment climate and stimulate economic growth to achieve these objectives.

**Keywords:** Legislation, investment, providin

### Introduction

The role of legislation in proving an attractive environment for investment includes creating clear and transparent laws and regulations that govern business activities, protecting property rights, ensuring fair competition, establishing mechanisms for dispute resolution, promoting investor confidence through stability and predictability, and facilitating foreign investment through policies that encourage international trade and cooperation. Additionally, effective enforcement of these laws is crucial to ensure compliance and deterrence of unlawful behavior, ultimately fostering a conducive environment for investment.

Legislations, both economic and legal, are considered one of the most important factors playing a prominent role in determining the success of any economy and achieving sustainable development. This research examines the role of legislation in providing an attractive environment for investment, focusing on how to strike a balance between attracting investment and protecting investors' rights, and how legislation can contribute to enhancing economic growth and creating job opportunities.

The investment environment is considered one of the fundamental pillars of economic development. Having an attractive investment environment is key to attracting capital and investors to establish an effective legislative environment that ensures stability and transparency. Consequently, it serves as a motivating foundation for

investors to enter the market and contribute to its development.

Important legislation in achieving an attractive investment environment pertains to providing legal stability and protecting investors' rights. There must be guarantees. (These guarantees consist of three fundamental assurances:

- 1. Legal Guarantee:** Known as the principle of legislative stability, this ensures that laws governing investment remain consistent and predictable over time.
- 2. Judicial Guarantee:** This involves alternative means of resolving investment disputes outside of state courts, providing investors with confidence in fair and impartial arbitration processes.
- 3. Financial Guarantee:** This encompasses financial facilitations such as tax and customs exemptions, subsidized loans, cash incentives, and real estate incentives. Real estate trading holds a prominent position in the investment world, either directly through purchasing properties or indirectly through acquiring real estate securities. This division is discussed in detail by Dr. Mohammed Al-Dasouqi in his book "Foreign Investment System in the Kingdom of Saudi Arabia," 2016, published by Rashid Publishers, Riyadh, p. 53).

For the continuity of laws and their non-abrupt or unexpected changes, as this stability leads to building

investors' trust and encourages them to inject capital into projects.

Justice and transparency play a vital role in enhancing the investment environment, as they ensure fairness and equality in the distribution of opportunities. This is achieved by encouraging legislation to adopt principles of transparency in transactions and regularly providing information. Consequently, this enhances investors' confidence and improves the investment environment.

**Case Study: The Impact of Legislation on the Investment Environment:**

To comprehend the effective influence of legislation on the investment climate, a case study is conducted, offering an analytical examination of a specific country's experience. It delves into the legislative developments within this country and how its investment landscape has been altered due to these legislative changes.

One exemplary case study exploring the repercussions of legislation on the investment climate is a study on investment laws in India. This study would delve into the progression of investment legislation in India over recent years and its impact on the nation's allure for both domestic and foreign investors. Furthermore, it would analyze the effects of these laws on particular markets or sectors within the Indian economy, evaluating whether they have succeeded in fostering economic growth and generating employment opportunities.

Such studies provide invaluable insights into the correlation between legislation and the investment environment, shedding light on their implications for the economic development of the respective nation. (Case Study: The Impact of Legislation on the Investment Environment: To understand the effective impact of legislation on the investment environment, a case study is presented, analyzing the experience of a specific country. It reviews the legislative developments in this country and how its investment environment has been affected as a result of those laws. One example of such case studies examining the impact of legislation on the investment environment is a study on investment laws in India. This study could explore the evolution of investment legislation in India over recent years and how it has affected the country's attractiveness for domestic and foreign investment. It can also analyze how these laws have impacted specific markets or sectors within the Indian economy and whether they have been able to stimulate economic growth and create job opportunities. This type of study can provide valuable insights into the relationship between legislation and the investment environment and its impact on the economic development of the concerned country.)

The impact of legislation is not confined solely to economic aspects but extends to social and environmental influences as well. Supporting sustainable development and protecting the natural environment represent significant facets of legislation, playing a crucial role in attracting investors who prioritize environmental issues.

The importance of research lies in supporting the achievement of an optimal balance between attracting investment and protecting investors' rights. We must examine the flexibility and effectiveness of legislation, as well as its suitability for market requirements and its ability to stimulate innovation and investment in value-added projects. Lastly, it should be noted that this research addresses the vital role of economic and legal legislation in

creating an attractive investment environment, which contributes to enhancing economic development and achieving economic and social balance. This is achieved by dividing it into two main sections: the first dedicated to studying the importance of legislation in creating an attractive investment environment, and the second to studying the negative impacts, described as obstacles that affect investment attraction in the host country. This section includes the most important methods used to overcome these obstacles, thus creating an attractive and profitable investment environment for all stakeholders.

Access to the economic market reflects this vital aspect of legislation regarding the activation of the state's will to achieve economic development and encourage investment. This is achieved through three main sections that shed light on the extent to which legislation contributes to establishing a strong foundation for development and investment in the host or attracting country. Additionally, it emphasizes the importance of achieving justice and transparency in the use of these laws with the investor to aid in their attraction. Finally, it evaluates their environmental and social impact on both the investor and the host country.

### **Legal Environment Stability - Establishing a Strong Foundation for Development and Investment**

The presence of stable and clear legislation contributes to creating a legal environment that ensures stability and predictability for investors. When they have confidence that laws will not undergo radical or sudden changes, they become more willing to allocate capital to long-term projects. The stability of the legal environment is one of the key factors influencing investment attractiveness and achieving sustainable development. Laws and legal regulations constitute a fundamental framework that guides business activities and protects the rights of individuals and companies. The stability of this environment fosters investor confidence and encourages investment in the local market.

The importance of stability in the legal environment in the host country for investment lies in the following: (World Bank Group. "Doing Business 2020." <https://www.doingbusiness.org/en/reports/global-reports/doing-business-2020-2021>.)

**Building Confidence:** This refers to providing a stable legal environment, meaning creating an environment that inspires confidence among investors. When laws and regulations have a solid and sustainable foundation, investors feel reassured that conditions will not change suddenly and unexpectedly.

**Investment Incentive:** Legal environment stability serves as an attraction factor for investors, as they are confident that the legal framework for business is not subject to unexpected fluctuations, making them more willing to invest further. (UNCTAD. "World Investment Report 2020." [https://unctad.org/system/files/official-document/wir2020\\_en.pdf](https://unctad.org/system/files/official-document/wir2020_en.pdf))

**Protection of Individual Rights:** Stable laws contribute to protecting the rights of individuals and companies, whether in the field of employment, intellectual property rights, or other economic rights, thereby promoting justice and encouraging further economic interaction. (Balancing Investment Attraction and Individual Rights Protection requires governments to find the optimal equilibrium between attracting investments and safeguarding individual rights. Providing an attractive investment environment is

crucial for stimulating economic growth and promoting sustainable development. However, these efforts must be carried out in a manner that respects and protects the rights of individuals and communities. When it comes to attracting investment, governments need to establish effective legislation and policies that encourage both domestic and foreign investments. This includes streamlining administrative procedures, providing tax incentives, and ensuring the stability of economic policies. Additionally, it requires the provision of advanced infrastructure and a safe and stable environment. Nevertheless, this balance should not come at the expense of individuals' rights. Governments must be cautious and sensitive to the social and environmental impacts of investments. This can be achieved by adopting incentivizing policies for companies to implement sustainable practices and respect workers' rights. Furthermore, governments must commit to providing effective mechanisms for resolving disputes between investors and local communities. These mechanisms can serve as a means to maintain balance and justice in case of disagreements between the parties. On the other hand, governments must engage in developing legislation that guarantees and protects individual rights, including labor rights, consumer rights, and the rights of local communities. Effective mechanisms for monitoring and oversight should be provided to ensure companies' compliance with safety, environmental, and human rights standards. In conclusion, achieving a balance between investment attraction and individual rights protection requires a sustainable strategic vision and a conscious understanding of the challenges and benefits of each side. This balance can contribute to building thriving economies based on innovation and sustainability while maintaining the economic and social progress of communities.)

"While the elements of achieving the stability of the legal environment in the investment-attracting country are represented in the following" (Rajan, Raghuram G., and Luigi Zingales. "Financial Dependence and Growth." *The American Economic Review*, Vol. 88, No. 3, 1998, pp. 559-586.)

- Transparency: Laws and regulations must be clear and well-understood by all parties. Transparency helps to avoid multiple interpretations and reduces legal risks.
- Effective Arbitration: Providing effective mechanisms for dispute resolution can reduce disruptions and achieve additional stability. Arbitration can be used as an efficient means of resolving disputes in a manner that differs from traditional courts.
- Effective Communication: Open communication between the government, the private sector, and civil society is essential for understanding the needs of the stakeholders and adjusting laws in accordance with economic and social developments.

Thus, we find that strengthening the role of legislation that protects investors' rights from corruption and exploitation mechanisms, and provides them with a legal framework that ensures justice and transparency, makes investors feel secure when the laws protect their property rights and offer means for arbitration in case of disputes. This is the essential foundation for attracting investment and achieving economic stability.

This is because protecting investors' rights is a vital element in creating a sustainable and attractive investment

environment. This protection reflects a commitment to providing a legal and regulatory framework that safeguards the rights and interests of investors, thereby enhancing confidence and reducing risks. (In this context, when discussing the role and importance of protecting investors' rights, the question arises: What does sustainability mean? We can answer that in 1987, the Brundtland Commission of the United Nations defined sustainability as meeting the needs of the present without compromising the ability of future generations to meet their own needs.)

Conversely, regarding the importance of protecting investors' rights for foreign investors we find that it plays a role in the following: (Global Legal Post. "The Importance of Legal Stability for Investment." <https://www.globallegalpost.com/big-stories/the-importance-of-legal-stability-for-investment-38394485>.)

Attracting Investments: Investor rights serve as a key factor in attracting investments. Investors prefer markets that provide effective protection for their rights, as it makes them feel secure and confident in the investment environment.

Promoting Integrity and Transparency: Protecting investors' rights contributes to enhancing integrity and transparency in financial and business operations. This involves providing accurate and effective information to investors, which fosters trust and reduces manipulation.

Encouraging Innovation and Sustainability: The legal protection of investors' rights fosters a spirit of innovation and motivation to invest in innovative and sustainable projects, as investors feel supported and protected.

While the elements of protecting investors' rights contribute to achieving some of the following points: ("Lex ology. "Why Legal Stability Matters for Foreign Investors." <https://www.lexology.com/library/detail.aspx?g=9919b3a3-4b61-41ce-a93d-fb03818f85de>.)

Clear and Transparent Information: Providing clear information about investment opportunities and potential risks enhances investors' understanding of the market and contributes to making informed decisions.

Dispute Resolution Mechanisms: The presence of effective mechanisms for dispute resolution enhances justice and protects investors' rights in case of disputes, with arbitration being a prominent example.

Intellectual Property Rights: Protecting intellectual property rights promotes innovation and encourages continued investment in sectors that rely on creativity and development. (The importance of referring to the agreement related to the commercial aspects of intellectual property rights, known as the TRIPS Agreement of 1994)

The importance of tax and economic incentives: (OECD. "Tax Incentives for Investment and Innovation." <https://www.oecd.org/investment/investment-policy/Tax-Incentives-for-Investment-and-Innovation.pdf>)

Legislation plays a crucial role in providing tax and economic incentives that attract investors. Legislation can determine the procedures and policies that achieve diversity in incentives for companies and investors, making the market more attractive to capital.

These incentives (Read more at: Organization for Economic Co-operation and Development (OECD). "Protection of Investor Rights." <https://www.oecd.org/daf/inv/investment-policy/Protection-of-Investor-Rights.pdf>).

serve as a crucial boost for attracting investment and enhancing growth, constituting powerful tools for

stimulating investment and boosting business activity. These policies aim to improve the business environment and provide incentives for investors, thereby attracting capital and achieving economic growth."

This importance is highlighted in achieving the following outcomes: (United Nations Conference on Trade and Development (UNCTAD). "Investor Protection and Corporate Governance."

[https://unctad.org/system/files/official-document/diaepcbinf2013d1\\_en.Pdf](https://unctad.org/system/files/official-document/diaepcbinf2013d1_en.Pdf).)

**Encouraging Investments:** Providing tax incentives by the host country to foreign investors reduces tax burdens on investors, encourages increased investments, and directs capital towards the local market.

**Promoting Innovation and Research & Development:** The majority of economic incentives aim to encourage innovation and research & development, thereby enhancing technological advancement and boosting the economy's competitive edge.

**Improving the Business Environment:** Tax incentives contribute to improving the business environment by reducing tax costs and simplifying procedures, making investment more attractive.

While the most important elements underlying the importance of tax and economic incentives are represented in the following points:

(World Bank Group. "Investment Policy and Promotion - Tax Incentives."

<https://www.doingbusiness.org/en/data/exploretopics/investment-policy-and-promotion/tax-incentives>).

**Reducing Taxes on Profits:** Offering tax reductions on profits encourages continued investment and increases financial returns for investors.

**Investment Incentives:** Providing cash incentives to companies investing in specific sectors enhances economic diversity and promotes growth in strategic areas

(International Monetary Fund (IMF). "Tax Policy Measures in Response to the COVID-19 Pandemic."

<https://www.imf.org/en/Publications/FM/Issues/2021/03/29/Tax-Policy-Measures-in-Response-to-the-COVID-19-Pandemic-50197>).

**Encouraging Employment:** Directing incentives to support job creation enhances economic stability, promotes sustainable development, and reduces unemployment levels in the host country of investment.

**Ensuring Alignment of Legal System with International Laws:** Integrating domestic legislation with international laws contributes to enhancing the country's status as an international investment destination. When the legal system is aligned with international standards, investing in that country becomes feasible and rewarding.

**Facilitating Business Procedures:** There is particular emphasis on the impact of legislation in simplifying and facilitating business procedures, as it works to reduce bureaucracy and expedite administrative processes, making investment more attractive and efficient.

**The Role of Legislation in Building Confidence and Reducing Risks:** Having an effective legal system contributes to boosting investors' confidence, as they consider compliance with legislation as reducing legal risks and ensuring business continuity. (World Bank Group. "Investor Protection & Corporate Governance." <https://www.worldbank.org/en/topic/financialsector/brief/investor-protection-corporate-governance>).

### **Achieving Justice and Transparency in Legislation:**

Justice and transparency represent the cornerstone of building an attractive and sustainable investment environment. Integrating the concepts of justice and transparency into legislation helps enhance trust between investors and governmental authorities and achieve a balance between national interests and investors' rights. This is achieved by providing a legal framework to protect investors' rights, reinforced by legislation that ensures justice in the application of these rights. This can be done by defining property rights, providing mechanisms for dispute resolution, and establishing legal procedures for the protection of intellectual property rights.

Providing this legal framework for the protection of investors' rights is a fundamental pillar for trust and economic stability. It is also a critical step toward attracting investments and promoting economic growth, as it contributes to building a stable and reliable legal environment that enhances trust and stimulates investment.

However, the question that arises in this context is: How do justice and transparency contribute to enhancing the investment environment?

We can say that ensuring justice and equality guarantees a legal framework for investors' rights and provides them with a pathway to obtain justice in case of disputes. This, in turn, promotes equality before the law and strengthens the legal system. (Enhancing trust builds a strong legal framework for investors' confidence in the stability and integrity of the market, which increases the potential to attract investments and direct them towards potential opportunities).

Similarly, stimulating innovation and sustainability is encouraged by the legal framework through the provision of legislation that protects intellectual property rights and promotes sustainable practices. (OECD. "Investment Policy Framework for Sustainable Development." <https://www.oecd.org/daf/inv/investment-policy/IPFSD%20ENGLISH%20.pdf>)

### **The three elements that an effective legal framework is built upon are**

1. **Intellectual Property Rights:** Providing legal protection for intellectual property rights encourages investors to innovate and develop new products.
2. **Effective Dispute Resolution Mechanisms:** The presence of swift and efficient procedures for resolving disputes ensures justice and safeguards investors' rights in the event of conflicts or disagreements between parties. (United Nations Conference on Trade and Development (UNCTAD). "Investor-State Dispute Settlement and Impact on Investment Rulemaking." [https://unctad.org/system/files/official-document/diaepcbinf2018d2\\_en.pdf](https://unctad.org/system/files/official-document/diaepcbinf2018d2_en.pdf))
3. **Transparency of the Legal System:** The legal system must be transparent and clear to avoid multiple interpretations and ensure the fair and consistent application of laws.

The development of legislation also promotes transparency and combats corruption by tracking the use of funds and ensuring they are used in a committed and effective manner. Achieving justice in legal systems helps reduce corruption and enhance transparency, which in turn encourages investment and attracts capital.

The concept of justice in legislation, particularly those focusing on environmental and sustainability aspects, is further promoted. Legislation built on principles of justice can guide investment towards sustainable projects and incentivize clean technologies. (Examples of companies that seek to achieve a balance between economic development and environmental preservation are Multinational Corporations (MNCs). This term, used by the United Nations, indicates that these are companies whose capital is owned by more than one country. They have branches in multiple countries and operate according to the strategy determined by the parent company. Hence, they are companies with significant financial and managerial capabilities that seek to expand their activities beyond the territory of the home country. They establish subsidiaries or affiliates in other countries, and these branches acquire legal independence in the host country. They gain nationality, but their economic allegiance remains with the parent company, which exercises supervision, control, and direction over them. (Refer to Dr. Ashraf Qubal's detailed analysis in "Foreign Direct Investment: An Analytical Study of Its Main Features and Trends in the Global Economy," 2013 edition, Dar Al-Fikr Al-Jami'i, Alexandria, p. 40.).

Let's discuss the importance of environmental legislation and its role in supporting sustainability by clarifying the following points: (Organization for Economic Co-operation and Development (OECD). "Investor Protection and Corporate Governance." <https://www.oecd.org/daf/inv/investment-policy/Protection-of-Investor-Rights.pdf>).

1. Environmental Protection: Environmental legislation establishes controls and laws to protect natural resources and biodiversity, thereby preventing environmental degradation and preserving the environment for current and future generations.
2. Investment Attractiveness: Sustainability has become a significant indicator for investors. Providing a legal environment that encourages sustainable environmental practices makes the market more attractive to companies and investors committed to social responsibility.
3. Encouraging Innovation: Legislation encourages innovation in environmental technology and eco-friendly practices, promoting sustainable development and mitigating harmful environmental impacts.

The elements of environmental and sustainability legislation encompass elucidating three fundamental components.: (United Nations Environment Programme (UNEP). "Legislation: Key to Advancing Sustainable Development." <https://www.unenvironment.org/news-and-stories/story/legislation-key-advancing-sustainable-development>).

1. Setting Emission and Waste Standards: Establishing stringent standards for emissions and waste obligates companies to adopt clean technologies and improve environmental efficiency.
2. Encouraging Renewable Energy Use: Creating legislation that promotes the use and development of renewable energy sources contributes to achieving sustainable energy goals.
3. Penalties and Tax Incentives: Imposing penalties on companies that violate environmental laws and providing tax incentives to promote sustainable practices.

Legislation must specify effective mechanisms for ensuring the implementation of the principles of justice and transparency, such as establishing independent regulatory bodies that encourage the adoption of ethical practices in the business sector. (European Environment Agency. "Environmental Legislation."

<https://www.eea.europa.eu/themes>).

Ensuring the application of justice and transparency in the investment environment is essential for building a healthy and attractive business environment for investors. (That's because a fair and transparent legal and regulatory environment encourages investment when investors perceive that there are fair and transparent judicial procedures that protect their rights in the host country.)

Because the emphasis on enhancing justice and transparency contributes to creating a sustainable environment and increases investors' confidence. (Achieving justice and transparency reduces legal risks that companies and investors may face, thereby enhancing the stability of the investment environment.)

### **The Social and Environmental Impact of Legislation**

In the context of countries striving to attract investments and achieve sustainable development, social and environmental dimensions gain significant importance within economic legislation. This section focuses on how legislation affects social and environmental aspects and how it can contribute to achieving a balance between investment, environmental preservation, and attention to social affairs.

Legislation can play a crucial role in promoting sustainable development by setting standards and regulations for economic projects that impact the environment and society. These laws should incentivize projects with positive impacts and assess the environmental and social effects of large-scale projects.

Achieving sustainable development is a strategic goal aimed at balancing economic growth, preserving environmental resources, and fostering social development. This goal is based on the mutual interaction between economic, social, and environmental dimensions. However, what benefits will accrue to investment-attracting countries if they achieve sustainable development, and how can it be effectively realized?

The importance of achieving sustainable development is highlighted in the following points. (World Commission on Environment and Development. "Our Common Future (Brundtland Report)." <https://sustainabledevelopment.un.org/milestones/wced>).

1. Resource Conservation: Sustainable development aims to use resources in a way that preserves them for current and future generations, reducing environmental degradation and waste.
2. Economic Stability: Achieving sustainable development contributes to building a stable and resilient economy by promoting diversity and innovation and ensuring sustainable economic growth.
3. Improving Quality of Life: Sustainable development focuses on balancing economic, social, and environmental factors, which helps improve individuals' quality of life and promote social equity.

As for how to achieve sustainable development, it is based on three elements that enable its realization: (United

Nations. "2030 Agenda for Sustainable Development." <https://sdgs.un.org/goals>.)

1. Integration of the Three Dimensions: Achieving sustainable development requires the integration of economic, social, and environmental dimensions in decision-making and policy formulation.
2. Adoption of Sustainable Economic Models: Economies should transition towards sustainable models that rely on innovation and efficient resource use.
3. Implementation of Sustainable Legislation: It is essential to adopt and enforce laws that promote sustainable practices and minimize harmful environmental impacts.

Given that legislation provides an opportunity to promote sustainable environmental practices and mitigate the negative impacts of economic activities on the environment by setting stringent environmental requirements and incentivizing the use of clean technologies, legislation can protect the environment and preserve biodiversity. (OECD. "Guidelines for Multinational Enterprises."

<https://www.oecd.org/daf/inv/mne/>).

The Social Sustainability" (locks at: United Nations Development Programmed (UNDP). "Sustainable Development Goals." <https://sdgs.un.org/goals>.) Examining the social impact of legislation provides an opportunity to enhance social sustainability by ensuring the provision of suitable employment opportunities, upholding workers' rights and decent work, promoting equal opportunities, and ensuring that projects benefit the public interest.

As for the role of environmental legislation in achieving balance, it plays a role in achieving balance between the needs of the economy and the environment. Environmental laws must be stringent to ensure environmental protection and preserve natural resources for future generations.

Finally, we must not forget community participation. (United Nations. "2030 Agenda for Sustainable Development." <https://sdgs.un.org/2030agenda>.) Legislation can enhance community participation in decision-making processes and ensure that investments are directed towards projects that meet the needs of local communities and promote comprehensive development.

### In conclusion

this research emphasizes that legislation is not merely a set of legal texts but a vital tool for building a legal foundation based on justice and transparency. It contributes to making the investment environment more attractive and sustainable for a better future.

Amidst the successive challenges and opportunities, it becomes evident that the role of legislation in providing an attractive investment environment plays a crucial role in achieving economic stability and stimulating sustainable growth. This study has revealed numerous vital aspects that impact the effectiveness of legislation and how it can be enhanced to provide a healthy investment environment.

### Research Findings

1. Enhancing Trust and Transparency: The importance of fostering trust between investors and governments has emerged through the establishment of effective mechanisms for dispute resolution and improving the transparency of laws.

2. The study revealed that facilitating investment procedures and promoting innovation through legislative development play a significant role in attracting capital inflows.
3. The results underscored the importance of providing a strong and clear legal framework to protect investor rights and encourage sustainability.

### Research Recommendations

1. Simplifying legislation and improving investor understanding, with a focus on transparency and clarity, is preferred.
2. It is advisable to enhance effective mechanisms for dispute resolution and improve arbitration as a means to achieve a balance between parties.
3. Emphasis should be placed on the importance of enhancing international cooperation to exchange experiences and develop best practices in legislation formulation.

### References

1. Dr. Ashraf Qabbal, Foreign Direct Investment (An Analytical Study of its Main Features and Trends in the Global Economy), 2013 Edition, Dar Al-Fikr Al-Jami'i, Alexandria.
2. Dr. Mohammed Al-Dasuqi, Foreign Investment System in the Kingdom of Saudi Arabia, 2016, Al-Rashid Publishers, Riyadh.
3. Dr. Rajan, Raghuram G., and Luigi Zingales. "Financial Dependence and Growth." *The American Economic Review*, Vol. 88, No. 3, 1998.
4. <https://icsid.worldbank.org/about>
5. <https://sdgs.un.org/2030agenda>
6. <https://sdgs.un.org/goals>
7. <https://sdgs.un.org/goals>.
8. <https://sustainabledevelopment.un.org/milestones/wced>.
9. <https://u.ae/en/information-and-services/business/investing-in-uae/investment-laws-and-regulations>
10. <https://unctad.org/publications/series/investment-policy-review>.
11. [https://unctad.org/system/files/official-document/diaepcbinf2013d1\\_en.Pdf](https://unctad.org/system/files/official-document/diaepcbinf2013d1_en.Pdf)
12. [https://unctad.org/system/files/official-document/diaepcbinf2018d2\\_en.pdf](https://unctad.org/system/files/official-document/diaepcbinf2018d2_en.pdf)
13. [https://unctad.org/system/files/official-document/diaepcbinf2018d2\\_en.pdf](https://unctad.org/system/files/official-document/diaepcbinf2018d2_en.pdf)
14. [https://unctad.org/system/files/official-document/wir2020\\_en.pdf](https://unctad.org/system/files/official-document/wir2020_en.pdf)
15. [https://unctad.org/system/files/official-document/wir2021\\_en.pdf](https://unctad.org/system/files/official-document/wir2021_en.pdf)
16. <https://www.china-briefing.com/news/chinas-tax-incentives-rd/>
17. <https://www.doingbusiness.org/en/data/exploretopics/investment-policy-and-promotion/tax-incentives>.
18. <https://www.doingbusiness.org/en/reports/global-reports/doing-business-2020-2021>.
19. <https://www.doingbusiness.org/en/reports/global-reports/doing-business-2021>
20. <https://www.doingbusiness.org/en/reports/investing-across-borders>.
21. <https://www.edb.gov.sg/en/our-industries/innovation-and-technology.html>
22. <https://www.eea.europa.eu/themes>.

23. <https://www.globallegalpost.com/big-stories/the-importance-of-legal-stability-for-investment-38394485>.
24. <https://www.ic.gc.ca/eic/site/062.nsf/eng/home>.
25. [https://www.ifc.org/wps/wcm/connect/Industry\\_EXT\\_Content/IFC\\_External\\_Corporate\\_Site/Industries/Investment-Climates/Resources](https://www.ifc.org/wps/wcm/connect/Industry_EXT_Content/IFC_External_Corporate_Site/Industries/Investment-Climates/Resources).
26. <https://www.imf.org/en/Publications/FM/Issues/2021/03/29/Tax-Policy->
27. <https://www.lexology.com/library/detail.aspx?g=9919b3a3-4b61-41ce-a93d-fb03818f85de>
28. <https://www.oecd.org/daf/inv/investment-policy/IPFSD%20ENGLISH%20.pdf>
29. <https://www.oecd.org/daf/inv/investment-policy/Protection-of-Investor-Rights.pdf>
30. <https://www.oecd.org/daf/inv/investment-policy/Protection-of-Investor-Rights.pdf>
31. <https://www.oecd.org/daf/inv/mne/>
32. <https://www.oecd.org/investment/investment-policy/Tax-Incentives-for-Investment-and-Innovation.pdf>
33. <https://www.unenvironment.org/news-and-stories/story/legislation-key-advancing-sustainable-development>.
34. <https://www.weforum.org/reports/enabling-trade-index-2020>
35. <https://www.worldbank.org/en/topic/financialsector/brief/investor-protection-corporate-governance>
36. The American Economic Review, Vol. 88, No. 3, 1998.