

# WHERE ISLAM MEETS THE WEST: A RECOMMENDATION FOR THE UNITED ARAB EMIRATES AND DUBAI IN IMPLEMENTING CASINO-STYLE GAMING

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## I. INTRODUCTION

Gambling and alcohol consumption are notorious behaviors that have survived centuries, despite their moments of unpopularity.<sup>1</sup> Although history has vehemently endeavored to eradicate these behaviors, alcohol consumption and gambling have been enduring to the human condition.<sup>2</sup> The history of gambling spans thousands of years, with evidence suggesting that the Chinese were the first to gamble as early as 2300 B.C.<sup>3</sup> Alcohol, much like gambling, enjoys a rich history. Early evidence of alcohol consumption suggests that as far back as 800 B.C., populations in the Middle East were fermenting yeast and honey.<sup>4</sup> However popular alcohol and gambling have proven to be over the centuries, both have endured a bipolar reputation of ardent disapproval and enthusiastic acceptance.<sup>5</sup>

Notwithstanding the fortitude of alcohol and gambling, both activities are banned under the governance of many Middle Eastern countries.<sup>6</sup> Because Islam is the dominant religion in many Middle Eastern countries, numerous Middle Eastern legal systems are based on the Qur'an.<sup>7</sup> The interpretation of

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<sup>1</sup> *History of Gambling: A Brief Overview*, CRAPSONLINE, <http://www.crapsonline.org/info/history-of-gambling.html> (last visited Dec. 8, 2012); *An Alcohol History Timeline*, ALCOHOL FACTS, <http://www.alcohol-facts.net/Alcohol-Timeline.html> (last visited Dec. 8, 2012).

<sup>2</sup> *History of Gambling: A Brief Overview*, *supra* note 1; *An Alcohol History Timeline*, *supra* note 1.

<sup>3</sup> *History of Gambling: A Brief Overview*, *supra* note 1.

<sup>4</sup> *An Alcohol History Timeline*, *supra* note 1.

<sup>5</sup> See *Prohibition: Timeline*, PBS Feb. 17, 2012, <http://www.pbs.org/kenburns/prohibition/prohibition-nationwide/timeline>; see Ken Polson, *Chronology of Gambling*, <http://gamblinghistory.info/>.

<sup>6</sup> *Alcohol: According to the Quran and Sunnah*, MUTTAQUN ONLINE, <http://muttaqun.com/alcohol.html> (last visited Dec. 8, 2012).

<sup>7</sup> Toni Johnson, *Islam: Governing Under Sharia*, COUNCIL ON FOREIGN RELATIONS (Oct. 24, 2011), <http://www.cfr.org/religion/islam-governing-under-sharia/p8034>.

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Quranic governance is classified as Shari'a law.<sup>8</sup> Shari'a translates to "path" in Arabic and derives its principles from the Qur'an and the Sunna.<sup>9</sup> The Prophet Mohammed [SAWS]<sup>10</sup> found guidance from the Islamic scripture, the Qur'an. Accordingly, the Qur'an serves as the textual basis for Shari'a law.<sup>11</sup> Shari'a law gains additional guidance from the Prophet Mohammed's [SAWS] traditions and general guiding principles, known as the Sunna.<sup>12</sup> Together, the Qur'an and the Sunna form the basis of Shari'a law and the foundation for many modern Islamic and therein, Middle Eastern legal systems.<sup>13</sup> The Qur'an and thus, Shari'a law, governs all facets of Islamic life.<sup>14</sup> Religious scholars ascribe different meanings to these Quranic interpretations, and therefore, the degree of application may vary depending upon the school of thought.<sup>15</sup> In general, Shari'a law governs content such as adultery, contracts, theft, and, relevant here, gambling and alcohol.<sup>16</sup>

#### A. *Gambling Prohibitions*

The Qur'an is made of 114 chapters, each of which varies in length.<sup>17</sup> Much like the Bible, each chapter is comprised of verses.<sup>18</sup> Gambling is prohibited in the Qur'an under verses 5:90, 5:91, and 2:219.<sup>19</sup> In Islam, gambling is seen as an intoxicating activity that entices the user to stray from the Prophet [SAWS] and worship.<sup>20</sup>

Ultimately, Islam views gambling as an activity that wastes money and time, and tempts followers away from worship.<sup>21</sup> Verse 2:219 of the Qur'an states that intoxicants (gambling and alcohol) may be said to have benefits, but any alleged benefits are outweighed by the costs.<sup>22</sup> Gambling prohibitions are found further in verse 5:90 of the Qur'an, which states that intoxicants and gambling are the work of Satan.<sup>23</sup> Likewise, verse 5:91 explains that Satan

<sup>8</sup> MAWIL IZZI DIEN, ISLAMIC LAW: FROM HISTORICAL FOUNDATIONS TO CONTEMPORARY PRACTICE 35 (2004).

<sup>9</sup> *Id.* at 36.

<sup>10</sup> SAWS stands for *Salla Allahu Alaihi Wa Sallam*. This translates to "the prayers of Allah be upon him and peace."

<sup>11</sup> *Id.* at 36–37.

<sup>12</sup> *Id.* at 38.

<sup>13</sup> *Id.* at 36–38.

<sup>14</sup> Johnson, *supra* note 7.

<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

<sup>17</sup> *An Introduction to the Quran*, RELIGION OF ISLAM, <http://www.islamreligion.com/articles/370> (last visited Dec. 12, 2012).

<sup>18</sup> *Id.*

<sup>19</sup> Qur'an 2:219, 5:90–91. For an even greater analysis of the history of gambling in Islam, see Qur'an 30:2–4 and accompanying hadith.

<sup>20</sup> *Id.*; see also Sheikh Shaker El Sayed & Ismail Royer, *The Islamic Position on Gambling*, THE MUSLIM ASS'N OF HAWAII (Mar. 4, 2003: 4:57 AM), <http://www.iio.org/article.php/200304095724844>.

<sup>21</sup> Quran 2:219, 5:90-91; El Sayed & Royer, *supra* note 20.

<sup>22</sup> Qur'an 2:219; Hadith, *supra* note 19.

<sup>23</sup> Qur'an 2:219; Hadith, *supra* note 19.

wishes for individuals to ingest intoxicants so as to stray away from the following of Allah.<sup>24</sup>

As a general notion, in Islam, gambling is classified as the prohibited activity of al maisir.<sup>25</sup> Al maisir not only refers to casino gambling but also to certain business transactions.<sup>26</sup> The Qur'an prohibits al maisir for a variety of reasons.<sup>27</sup> The overall justification for banning activities considered al maisir is to protect the moral and cultural values of the Muslim (i.e. ensuring stability in the home, etc.).<sup>28</sup> If al maisir activities were allowed, the gambler may forget about responsibilities and worship.<sup>29</sup> Additionally, gambling is seen to instigate quarrel, force people to trade time they would otherwise use to contribute to society, waste wealth, and enslave the gambler to his own vices.<sup>30</sup> Many hadith, or analogies of the Qur'an and the Sunna, qualify gambling as haraam, or forbidden by the word of Allah.<sup>31</sup> In Islam, haraam activities are those that are strictly prohibited. Other haraam activities include murder, adultery, and ingesting alcohol.<sup>32</sup>

### B. Alcohol Prohibitions

Like gambling, alcohol is prohibited in Islam and is categorically haraam.<sup>33</sup> Perhaps due to its steady availability over the ages, alcohol prohibitions appear numerous times in sources throughout Islamic history. The main prohibition against alcohol in the Qur'an is the same as the one against gambling. It is found in verse 2:219, which categorizes gambling and alcohol as intoxicants with negative consequences that outweigh any perceived benefits.<sup>34</sup> Alcohol, like gambling, is also discussed in verses 5:90 and 5:91 as the work of Satan because it may take the consumer away from worship and the followings of the Prophet [SAWS].<sup>35</sup>

One of the many Middle Eastern countries that prohibits both the consumption of alcohol and casino-style gambling because of Islamic tradition is the United Arab Emirates (UAE).<sup>36</sup> Although alcohol is prohibited in the UAE due to its Islamic based legal and social system, consuming alcohol in the

<sup>24</sup> Qur'an 5:90–91.

<sup>25</sup> *General Principles of Shari'ah Law: Understanding Shari'ah Law*, ReOrient, [https://www.reorient.co.uk/sub/14/understanding\\_shari'ah\\_law.html](https://www.reorient.co.uk/sub/14/understanding_shari'ah_law.html) (last visited Jan 3, 2013).

<sup>26</sup> *Id.*

<sup>27</sup> Salma Taman, *The Concept of Corporate Social Responsibility in Islamic Law*, 21 *IND. INT'L & COMP. L. REV.* 481, 499 (2011).

<sup>28</sup> *See id.*

<sup>29</sup> *Maqasid Shari'ah: The Prohibition of Gambling, Punishment and Justification*, MAQASID (July 11, 2008), <http://abdullahhasan.net/?p=298>.

<sup>30</sup> *Id.*

<sup>31</sup> *See* Shaykh Muhammad Saalih al-Munajjid, *Islam Question and Answer*, <http://islamqa.info/en/ref/7327> (last visited March 23, 2012).

<sup>32</sup> *A Muslim's Daily Life*, DISCOVER ISLAM (Feb. 6, 2006), <http://www.dislam.org/content/view/303/35/>.

<sup>33</sup> *Id.*

<sup>34</sup> Qur'an 2:219.

<sup>35</sup> Qur'an 5:90–91.

<sup>36</sup> Rebecca Clifford-Cruz, *Las Vegas vs. Dubai: Comparing Two World-Famous Tourist Destinations*, *LAS VEGAS SUN*, Dec. 23, 2011, <http://www.lasvegassun.com/news/2011/dec/23/las-vegas-dubai-two-glitzzy-travel-destinations/>.

Emirates is not entirely banned. In the UAE, it is legal for non-Muslim residents to consume alcohol so long as they are licensed to do so.<sup>37</sup> One Emirate that may have had a large influence in furthering the allowance of alcohol consumption is Dubai.

Dubai is known as a financial and tourist epicenter of the Middle East.<sup>38</sup> It is one of seven United Arab Emirates, all of which found independence from Europe in the mid-twentieth century.<sup>39</sup> Prior to its leap into modernity, Dubai began its history with shepherders camping across its vast arid dunes.<sup>40</sup> Beginning in the twentieth century, it became a seaport for merchants because of its strategic location on the Persian/Arabian Gulf.<sup>41</sup> Additionally, lax custom rules made way for Dubai to expand into a global shipping hub.<sup>42</sup> In the 1980s and 1990s, Dubai quickly became a major tourist destination because of its availability to trade, its business reputation, and its increased commitment to the service industry and amenities.<sup>43</sup>

Currently, the Dubai Department of Tourism Website boasts world-class hotels, shopping, conferences, nightclubs, and live entertainment.<sup>44</sup> Somewhat expectedly, these same activities grace the Las Vegas Department of Tourism's website.<sup>45</sup> However, there is one activity that is noticeably absent from Dubai: gambling.<sup>46</sup> Given Dubai's attention to its service and tourism industries, it may be striking to those unaccustomed to Islamic principles that Dubai has not yet introduced gambling, or specifically, casino gambling.

This Note argues that Dubai could successfully introduce casino-style gambling into its current tourism sector while simultaneously giving due diligence to Dubai's Islamic foundation. This Note examines the UAE's current alcohol regulations and examples of other jurisdictional models to elucidate how a casino gambling system could be successfully initiated. Part I explains Dubai's current relationship with popular cruise ship casinos, the UAE's alcohol licensing requirements, and the UAE's regulatory process. Part II examines three Islamic nations that have successfully introduced casino-style gambling. Part III briefly explains the regulation of alcohol in these jurisdictions to further support legalization of casino gambling. Evidence will show that the introduction of alcohol into these jurisdictions did not necessarily lead to addiction on

<sup>37</sup> Awad Mustafa & Erin Conroy, *Lawyer Warns Liquor Licensing Laws 'Apply to All,'* NATIONAL, Dec. 27, 2010, <http://www.thenational.ae/news/uae-news/tourism/lawyer-warns-liquor-licensing-laws-apply-to-all>.

<sup>38</sup> *Dubai History*, DUBAI.COM, <http://www.dubai.com/v/history/> (last visited Mar. 28, 2013).

<sup>39</sup> *UAE Timeline*, EMIRATES.ORG, <http://www.emirates.org/timeline.html> (last visited Jan. 3, 2013).

<sup>40</sup> *The History of Dubai*, DUBAI TOURISM, <http://dubai-tourism.net/history.asp/> (last visited Dec. 12, 2012).

<sup>41</sup> *Id.*

<sup>42</sup> *Id.*

<sup>43</sup> *Id.*

<sup>44</sup> See generally DUBAI DEP'T OF TOURISM AND COMMERCE MARKETING, <http://www.dubaitourism.ae> (last visited Mar. 28, 2013).

<sup>45</sup> See generally LAS VEGAS CONVENTION AND VISITORS AUTHORITY, <http://www.lvcva.com> (last visited Mar. 28, 2013).

<sup>46</sup> See generally DUBAI DEP'T OF TOURISM AND COMMERCE MARKETING *supra*, note 44.

behalf of an Islamic population.<sup>47</sup> Part IV analyzes groups who travel to and live within Dubai to justify the implementation of casino gambling within Dubai. Additionally, a consideration of economic factors will encapsulate the consequences of the introduction of gambling. Part V analyzes four regulatory models based upon frameworks from Dubai's current alcohol regulation and Islamic nations that have effectively established casino gambling. Finally, this Note will recommend the most effective regulatory framework in light of the religious, legal, social, and economic considerations the UAE and Dubai must examine to introduce casino gambling.

## II. DUBAI'S CRUISE SHIP CASINO INDUSTRY AND ALCOHOL REGULATION

Islam is the official religion of the UAE; its followers comprise nearly 76% of the UAE population.<sup>48</sup> Due to the large Islamic influence, the UAE legal system is based on European code and the Qur'an.<sup>49</sup> As previously mentioned, the UAE bans gambling because of Shari'a law customs.<sup>50</sup> Accordingly, under section 414 of the United Arab Emirate Penal Code, those caught gambling may face up to three years of imprisonment and those caught running gambling houses may face up to ten years.<sup>51</sup>

Despite the United Arab Emirates' strong prohibition against gambling, offshore cruise ship casinos exist twelve nautical miles beyond the territorial waters of Dubai.<sup>52</sup> In 2010, there were 100 cruise ships that served over 260,000 visitors with no sign of waning.<sup>53</sup> The industry predicts that by 2015, there will be 200 ships serving more than 600,000 visitors.<sup>54</sup> One ship in particular, the *Brilliance of the Seas* operated by Royal Caribbean, houses Casino Royale, a Las Vegas-style casino that holds 190 slot machines and twelve table games which require a \$50 minimum bet.<sup>55</sup> Cruising twelve nautical miles offshore allows these casinos to operate outside the jurisdictional limits of the UAE's Islamic legal system.<sup>56</sup> The question remains; however, how Royal Caribbean and other cruise ship operators prohibit Muslims from entering the casi-

<sup>47</sup> This may be helpful namely because both alcohol and gambling are seen as intoxicants within the Qur'an. Likewise, information indicating gambling behavior within the population of those Islamic countries is not available and therefore, in making an argument that introduction of casino gambling would not necessarily cause an increase of gambling addiction, it may be analogized by way of alcohol consumption.

<sup>48</sup> Ahmed Aly Khedr & Bassam Alnuaimi, *A Guide to United Arab Emirates Legal System*, GLOBALEX (June 2010), [http://nyulawglobal.org/globalex/united\\_arab\\_emirates.htm](http://nyulawglobal.org/globalex/united_arab_emirates.htm); *Religion Statistics: Islam: Percentage Muslim*, NATIONMASTER, [http://www.nationmaster.com/graph/rel\\_isl\\_per\\_mus-religion-islam-percentage-muslim](http://www.nationmaster.com/graph/rel_isl_per_mus-religion-islam-percentage-muslim) (last visited Mar. 23, 2012).

<sup>49</sup> Khedr & Alnuaimi, *supra* note 48.

<sup>50</sup> Clifford-Cruz, *supra* note 36.

<sup>51</sup> Salam Al Amir, *Strict Laws Against Gambling in the UAE*, GULFNEWS.COM, Jan. 23, 2010, <http://gulfnews.com/about-gulf-news/al-nisr-portfolio/xpress/strict-laws-against-gambling-in-the-uae-1.572389>.

<sup>52</sup> Derek Baldwin & Salam Al Amir, *High Seas, High Stakes*, GULFNEWS.COM, Jan. 21, 2010, <http://gulfnews.com/news/gulf/uae/high-seas-high-stakes-1.571057>.

<sup>53</sup> *Id.*

<sup>54</sup> *Id.*

<sup>55</sup> *Brilliance of the Seas' Casino Royale*, GULFNEWS.COM, Jan. 23, 2010, <http://gulfnews.com/about-gulf-news/al-nisr-portfolio/xpress/brilliance-of-the-seas-casino-royale-1.572392>.

<sup>56</sup> Baldwin & Al Amir, *supra* note 52.

nos – or, alternatively, whether they make any attempt at all to exclude Muslims.<sup>57</sup>

In spite of the UAE's strict adherence to the Qur'an and Shari'a law in banning gambling, the UAE allows the sale and consumption of alcohol within its borders.<sup>58</sup> Curiously, the legalization of alcohol contradicts the prohibitions of intoxicants in the Qur'an found in verses 2:219, 5:90 and 5:91.<sup>59</sup> Nevertheless, the sale and consumption of alcohol is regulated by licensing.<sup>60</sup> Although there is debate as to how strict and enforced the licensing requirement actually is, licenses are granted only to non-Muslims residents.<sup>61</sup> Additionally, the UAE delegate the licensing of hotels and bars that sell alcohol to individual emirates.<sup>62</sup> To legally purchase alcohol in select emirates in the UAE, a non-Muslim resident must either obtain a liquor purchasing application from one of two liquor stores, MMI or A&E, or fill out an application on the stores' websites.<sup>63</sup> The application must include copies of the person's passport, visa, labor contract, and tenancy contract, as well as a photo of the person and an application fee.<sup>64</sup> Likewise, the amount of alcohol one person is able to purchase depends on their monthly income.<sup>65</sup> Licensees are required to have a minimum monthly salary of around \$550.<sup>66</sup> All alcohol purchased by private residents is subject to a 30% haraam tax and is monitored by a chip card to prevent over-purchasing.<sup>67</sup> Thus, licenses are not given to tourists because they are not residents who hold valid visas, labor contracts, or tenancy contracts.<sup>68</sup> Without the residency requirement, the country would be unable to sufficiently regulate and monitor the purchase and consumption.<sup>69</sup> Despite this prohibition of alcohol to non-residents, many hotel bars openly advertise the sale of alcohol. A short, online search reveals the ease of availability in ordering a drink at a hotel in Dubai.<sup>70</sup> Although it seems likely that many expatriates with liquor licenses travel to local hotels to drink, it also seems counterintuitive to house bars in hotels where the majority of patrons cannot seemingly legally purchase alcohol. Nonetheless, hotels licensed to sell alcohol in Dubai are not required to check

<sup>57</sup> The author made numerous attempts to contact Royal Caribbean in an effort to answer this question; however, all correspondence went unanswered.

<sup>58</sup> Mustafa & Conroy, *supra* note 37.

<sup>59</sup> Qur'an, 2:219, 5:90–91.

<sup>60</sup> Mustafa & Conroy, *supra* note 37.

<sup>61</sup> *Id.*

<sup>62</sup> *Id.*

<sup>63</sup> See generally *Obtain a Liquor Licence*, MMI, [http://www.mmidubai.com/obtain\\_licence](http://www.mmidubai.com/obtain_licence) (last visited Dec. 12, 2012); *How to Obtain a Licence in Dubai*, AFRICAN & EASTERN, <http://www.africaneastern.com/Content.aspx?parent=A+Great+Blend+of+Services&section=Obtain+A+License&content=Obtain+A+License&cid=33> (last visited Dec. 12, 2012).

<sup>64</sup> *Obtain a Liquor Licence*, MMI, [http://www.mmidubai.com/obtain\\_licence](http://www.mmidubai.com/obtain_licence) (last visited March 23, 2012).

<sup>65</sup> *Id.*

<sup>66</sup> *Id.*

<sup>67</sup> Mustafa & Conroy, *supra* note 37.

<sup>68</sup> *Id.*

<sup>69</sup> *Id.*

<sup>70</sup> See e.g., The Ritz-Carlton, Dubai: Library Bar Menu, available at [http://www.ritzcarlton.com/en/Properties/Dubai/Dining/LibraryBar/Menu.htm?wbc\\_purpose=Basic&WBCMODE=PresentationUnpublishedDefault%2cPresentationUnpublishedDefault%2cPresentationUnpublishedDefault%2cPresentationUnpublishedDefault](http://www.ritzcarlton.com/en/Properties/Dubai/Dining/LibraryBar/Menu.htm?wbc_purpose=Basic&WBCMODE=PresentationUnpublishedDefault%2cPresentationUnpublishedDefault%2cPresentationUnpublishedDefault%2cPresentationUnpublishedDefault).

the licenses of those purchasing alcohol.<sup>71</sup> Instead, it is the responsibility of purchasers to comply with the law.<sup>72</sup> A tourist who does not comply with Dubai's alcohol laws may be fined 5,000 dirhams.<sup>73</sup>

Despite the strong prohibitions against gambling in Dubai, the United Arab Emirates, and the Qur'an, many Islamic countries have successfully introduced casino gambling.<sup>74</sup> North Cyprus, Malaysia, Egypt, Lebanon, and Morocco all have Muslim majority populations, yet all have successfully introduced casino gambling.<sup>75</sup> For the purposes of this Note, the systems of Egypt, Lebanon, and Morocco will be explored.

### III. SUCCESSFUL LEGALIZATION OF CASINOS WITHIN ISLAMIC SOCIETIES

#### A. Egypt

Egypt is an Islamic majority nation in Northeast Africa.<sup>76</sup> Egypt houses a number of the seven ancient wonders of the world and has a history ripe with tradition and culture.<sup>77</sup> Thus, it should come as no surprise that millions of tourists from around the globe flock to the country each year.<sup>78</sup> Much like the UAE, Egypt garners much of its gross domestic product from tourism.<sup>79</sup> However, unlike the UAE, Egypt has kept up with tourists' demands for alcohol and gambling.<sup>80</sup> Perhaps accordingly, in 2010 Egypt grossed nearly eleven billion dollars from an estimated 14.7 million tourists who visited the country.<sup>81</sup>

Ninety percent of Egypt's population consider themselves practicing Muslims.<sup>82</sup> Appropriately, Shari'a law plays a dominant role in the Egyptian legal system.<sup>83</sup> Much like the United Arab Emirates' constitutional declaration, Article II of the Egyptian Constitution declares Islam as the official state religion.<sup>84</sup> Additionally, in 1980, the Egyptian Constitution was amended to reflect that Islamic jurisprudence was to be the source of legislation.<sup>85</sup> Thus, gambling and

<sup>71</sup> Mustafa & Conroy, *supra* note 37.

<sup>72</sup> *See id.*

<sup>73</sup> *Id.*

<sup>74</sup> *Worldwide Casinos, Horse Tracks and Other Gaming*, CASINO CITY, <http://www.casinocity.com/casinos/> (last visited Dec. 12, 2012).

<sup>75</sup> *Id.*

<sup>76</sup> *The World Factbook Egypt*, CENTRAL INTELLIGENCE AGENCY, <https://www.cia.gov/library/publications/the-world-factbook/geos/eg.html> (last visited Jan. 3, 2013).

<sup>77</sup> *Seven Ancient Wonders of the World*, HISTORY.COM, <http://www.history.com/topics/seven-ancient-wonders-of-the-world> (last visited Mar. 24, 2012).

<sup>78</sup> Marni Hunter, *Long Road Ahead for Egypt Tourism*, CNN, Feb. 9, 2011, <http://www.cnn.com/2011/TRAVEL/02/09/egypt.tourism/index.html>.

<sup>79</sup> *Id.*

<sup>80</sup> *See Egyptian Casinos and Gambling in Egypt*, CASINO CITY, <http://www.casinocity.com/egypt/> (last visited Jan. 22, 2013); Alain Navarro, *No Alcohol Means Fewer Stars for Egypt Luxury Hotel*, ASIAONE, June 19, 2008, <http://travel.asiaone.com/Travel/News/Story/A1Story20080619-71732.html>.

<sup>81</sup> Hunter, *supra* note 78.

<sup>82</sup> *Religion Statistics: Islam: Percentage Muslim*, *supra* note 48.

<sup>83</sup> Mohamed S. E. Abdel Wahab, *An Overview of the Egyptian Legal System and Legal Research*, GLOBALLEX (Dec. 2008), <http://www.nyulawglobal.org/Globalex/Egypt1.htm>.

<sup>84</sup> Ran Hirschl, *Constitutional Courts vs. Religious Fundamentalism: Three Middle Eastern Tales*, 82 TEX. L. REV. 1819, 1823 (2004).

<sup>85</sup> *Id.*

alcohol should be entirely prohibited. Nevertheless, due to European influence, many of Egypt's civil laws are based upon French Code.<sup>86</sup> Egypt likely gains additional influence from its tourism-fueled economy.<sup>87</sup> Such tourist influences are seemingly reflected in the country's legalization of casino-style gambling and its legal sale and consumption of alcohol.<sup>88</sup> Perhaps due to the relaxed behaviors that tourists bring to the nation, or perhaps because such tourists would not visit without legalization, Egypt found it possible to base its legal system upon Islamic principles while still catering to the millions of visitors.

### 1. Casinos in Egypt

Seemingly due to demands from the influx of tourists each year, Egypt has approximately twenty legal land-based casinos.<sup>89</sup> Although the Qur'an is the basis of the Egyptian legal system, it does not reach the permissible casino gaming in Egypt.<sup>90</sup> The Ministry of Tourism is responsible for the promulgation and regulation of land-based casinos in Egypt.<sup>91</sup>

Law No. 1 for 1973 defines and regulates the introduction of casinos in Egypt.<sup>92</sup> The law contains guidelines with which a hotel must adhere to obtain a casino license in Egypt.<sup>93</sup> Licenses are only granted to five star hotels or four star hotels in tourist areas.<sup>94</sup>

Egypt has also established a royalty and taxation system for the further regulation of its casinos.<sup>95</sup> The Ministry of Tourism collects not more than 50% of casino revenue for royalties.<sup>96</sup> Likewise, the 2005 Egyptian Income Tax Law Number 91 taxes net profits generated by business entities (i.e., casinos) at a rate of 20%.<sup>97</sup>

Aside from commercial and taxation regulation, Egypt has also established laws congruent to its tourism economy and Quranic jurisprudential foundation.<sup>98</sup> Notably, Egyptian locals are not allowed inside the casinos.<sup>99</sup> Such casinos are only open to foreign visitors holding valid passports or Egyptians with

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<sup>86</sup> Wahab, *supra* note 83.

<sup>87</sup> Hunter, *supra* note 78

<sup>88</sup> *Worldwide Casinos*, *supra* note 74; Navarro, *supra* note 80.

<sup>89</sup> *List of Casinos in Egypt*, WORLD CASINO DIRECTORY, <http://www.worldcasinodirectory.com/egypt/casino-list> (last visited Dec. 12, 2012).

<sup>90</sup> See Pharos University in Alexandria, *Lecture 2, Legal Issues In Tourism and Hospitality*, (Spring 2013), [http://www.pua.edu.eg/PUASite/uploads/file/Tourism/Spring%202013/THM%20245/lecture\\_2\\_-\\_Legal\\_Issues.pdf](http://www.pua.edu.eg/PUASite/uploads/file/Tourism/Spring%202013/THM%20245/lecture_2_-_Legal_Issues.pdf).

<sup>91</sup> *Id.*

<sup>92</sup> *Id.*

<sup>93</sup> *Id.*

<sup>94</sup> See MINISTRY OF TRADE & INDUSTRY, Annex 2: Egypt's Commitment Schedule in Tourism, <http://www.tas.gov.eg/NR/rdonlyres/E45CAA29-0445-4786-A186-05DE7184514F/2727/ANNEXESofTourism1.pdf> (last visited March 26, 2013).

<sup>95</sup> Pharos University in Alexandria, *supra* note 90.

<sup>96</sup> *Id.*

<sup>97</sup> Law No. 91 of 2005 (The Income Tax Law), Dec. 31, 2005, (Egypt), available at <http://www.mof.gov.eg/MOFGallerySource/english/IncomeTaxLaw.pdf>.

<sup>98</sup> Pharos University in Alexandria, *supra* note 90.

<sup>99</sup> *Id.*

dual citizenship.<sup>100</sup> Egyptian casino officials take this rule seriously. Recently a member of the Egyptian People's Assembly was found gambling in a Cairo casino using a forged passport.<sup>101</sup> Due to the incident, the member lost legal immunity and has been the subject of harsh editorial backlash.<sup>102</sup> Additionally, because Egyptian casinos do not deal in Egyptian Pounds, it is illegal to exchange the Egyptian Pound for Euros on a casino property.<sup>103</sup> However strictly Egyptian casino laws regulate their clientele, it is unclear who bears the responsibility to keep out the large number of Muslims tourists who travel to Egypt each year. There is no data to suggest how officials of Egyptian casinos would handle a Muslim tourist defying faith by entering a casino.<sup>104</sup> Passports do not indicate religious affiliation, and officials may find it presumptive to turn away visitors from Islamic countries based upon mere statistical odds. Notwithstanding, if the laws are to be based upon the adherence to Islamic principles, allowing a Muslim foreigner to enter would contradict this principle. Perhaps regulation is simply too difficult, and Egypt must rely upon the personal responsibility of Islamic followers instead.

Aside from strict social laws, Egyptian casinos are not unlike those in Las Vegas. The properties are located mainly in the tourist towns of Cairo and Sharm el Sheikh.<sup>105</sup> The casinos in Cairo have a minimum gambling age of 21 and are generally open 24 hours a day.<sup>106</sup> Casinos in Sharm el Sheikh have a minimum gambling age of 18 but are only open from 8 pm to 5 am.<sup>107</sup> Much like the Las Vegas casinos, Egyptian casinos offer table games such as roulette, blackjack, and Texas Hold 'em, as well as a menagerie of slot machines.<sup>108</sup> Likewise, given that all the casinos are located in five star hotels, many offer on-site entertainment, dining, and bars.<sup>109</sup>

## 2. Alcohol in Egypt

Egypt regulates the sale and consumption of alcohol much like it regulates casino gambling. The regulation of alcohol is closely associated with the tourism industry. Accordingly, any hotel in Egypt above two stars must serve alcohol to avoid losing its three, four, or five star status.<sup>110</sup> If a hotel loses its status, it will be forced to charge a two-star rate.<sup>111</sup> Regardless of its forced sale in certain hotels, Egypt has a zero-tolerance policy for driving under the influence

<sup>100</sup> FAQ, SINAI GRAND CASINO, <http://sinaigrandcasino.com/en/faq.html> (last visited Dec. 12, 2012).

<sup>101</sup> Amro Hassan, *Parliament Member Loses Legal Immunity After Gambling Incident*, LOS ANGELES TIMES, Jan. 20, 2010, <http://latimesblogs.latimes.com/babylonbeyond/2010/01/egypt-parliament-member-loses-legal-immunity-after-gambling-incident.html>.

<sup>102</sup> *Id.*

<sup>103</sup> SINAI GRAND CASINO, *supra*, note 100.

<sup>104</sup> See PETER J. VENISON, *IN THE SHADOW OF THE SUN, TRAVELS AND ADVENTURES IN THE WORLD OF HOTEL 214* (2005).

<sup>105</sup> See *Egyptian Casinos and Gambling in Egypt*, *supra* note 80.

<sup>106</sup> *Land Casinos Egypt*, GAMING IL DADO, [http://www.ildado.com/land\\_casinos\\_egypt.html](http://www.ildado.com/land_casinos_egypt.html) (last visited Jan. 6, 2013).

<sup>107</sup> See *id.*

<sup>108</sup> See *id.*

<sup>109</sup> See *id.*

<sup>110</sup> Navarro, *supra* note 80.

<sup>111</sup> *Id.*

of alcohol.<sup>112</sup> Likewise, Egypt imposes an excise tax on beer, wine, and spirits.<sup>113</sup> Although the trend toward allowing alcohol in Egyptian society may appear more relaxed when compared to other Middle Eastern societies as a whole, Egypt's strict alcohol regulations may be working. The World Health Organization estimates that 98.9% of the Egyptian population over the age of 15 abstained from drinking alcohol in 2011.<sup>114</sup> Likewise, 75.5% of Egyptian locals over the age of 15 have never drunk alcohol in their lifetime.<sup>115</sup> Although the number is not reflective of the 90% Muslim population, 75.5% of lifetime abstainers encompasses a majority of the population and may lend credence to the idea that most Muslims follow the Qur'an's prohibitions, notwithstanding any lack of legal punishment.

### B. Lebanon

Lebanon, a Middle Eastern country bordering the eastern Mediterranean Sea, has a 70% Islamic population.<sup>116</sup> However, perhaps because of its comparatively smaller Islamic majority, Lebanon is generally thought to be one of the more liberal Islamic nations. Although the country has been ravaged by war and cultural misidentification, the country has still enjoyed a strong Islamic majority since its independence in 1943.<sup>117</sup> Likely because of its struggle for independence from France from the 1920s to the 1940s, Lebanon guarantees civil rights to its citizens.<sup>118</sup> Accordingly, the Lebanese government is based upon a confessionalist system.<sup>119</sup> Confessionalism allocates high governmental positions to religions in proportion to the number of a religion's followers in society.<sup>120</sup> Therefore, in Lebanon the three main governmental positions—the president, prime minister, and head of parliament—are divided among Christianity, Sunni Islam, and Shia' Islam.<sup>121</sup> Accordingly, other governmental positions are filled proportionate to the number of religious followers in the country.<sup>122</sup>

Although the Muslim population of Lebanon is smaller than other Middle Eastern jurisdictions, it still gains some influence from the Qur'an because many of its parliament members are Muslim, as are the Prime Minister and Speaker of the Lebanese Parliament.<sup>123</sup> Nevertheless, the Lebanese legal sys-

<sup>112</sup> *Global Status Report on Alcohol and Health 2011*, WORLD HEALTH ORG. (Feb. 11, 2011), available at [http://www.who.int/substance\\_abuse/publications/global\\_alcohol\\_report/en/index.html](http://www.who.int/substance_abuse/publications/global_alcohol_report/en/index.html).

<sup>113</sup> *Id.*

<sup>114</sup> *Id.*

<sup>115</sup> *Id.*

<sup>116</sup> NATIONMASTER, *supra* note 48.

<sup>117</sup> *History of Lebanon*, LEBANESE GLOBAL INFO. CTR, [http://www.lgic.org/en/history\\_lebanon1516.php](http://www.lgic.org/en/history_lebanon1516.php) (last visited Dec. 12, 2012).

<sup>118</sup> *Lebanon: International Religious Freedom Report 2010*, U.S. DEP'T OF STATE, NOV. 17, 2010, available at <http://www.state.gov/j/drl/rls/irf/2010/148830.htm> (last visited Dec. 12, 2012).

<sup>119</sup> *Id.*

<sup>120</sup> *See id.*

<sup>121</sup> *Id.*

<sup>122</sup> *Id.*

<sup>123</sup> *Id.*

tem does not base its Constitution upon the Qur'an. Instead, the Lebanese Constitution aims to eliminate sectarianism within its government and politics by allowing government officials to follow different religions.<sup>124</sup> Perhaps due in part to the civil rights granted to citizens in Lebanon and the country's separation of religion from government, Lebanon has legalized one land-based casino and alcohol.<sup>125</sup> Therefore, unlike Egypt, the relaxed casino and alcohol offerings in Lebanon are likely attributed more to its history than to its tourism economy.

### 1. Casinos in Lebanon

Lebanon currently has one land-based casino, Casino du Liban, located thirteen miles outside of Beirut in the town of Jounieh.<sup>126</sup> Historically, Jounieh is known as the Christian epicenter of Lebanon.<sup>127</sup>

Beginning with its opening in 1959, Casino du Liban has had a significant role in Lebanese history.<sup>128</sup> From 1989 until 1996, the casino was forced to close due to the Lebanese civil war.<sup>129</sup> The casino has been allowed to remain open because of the casino's survival throughout the years and its historical significance.<sup>130</sup> After being closed for such a long period, the casino was remodeled and currently houses 112,000 square feet of gambling space, a theater, a high roller room, five restaurants and bars, 400 slot machines, and 60 tables for games.<sup>131</sup> Much like Egypt, Casino du Liban restricts access to certain persons. To enter Casino du Liban, patrons must first obtain a membership card. Membership is open to all persons over the age of 21, except for Lebanese military personnel, government and banking employees, and those who earn a yearly salary of less than 30,150,000 Lebanese Pounds (approximately \$20,000).<sup>132</sup>

### 2. Alcohol in Lebanon

Although the country's single casino is somewhat regulated, the political unrest coupled with the range of religious ideologies in the country have rendered Lebanon's alcohol regulations practically nonexistent.<sup>133</sup> Accordingly, only 47% of Lebanese citizens consider themselves to be lifetime alcohol

<sup>124</sup> *Id.*

<sup>125</sup> *See id.*; *see generally* CASINO DU LIBAN, <http://www.cd.com.lb>; Josh Wood, *Militants Set Their Attacks on Alcohol in Lebanon*, N.Y. TIMES, Jan. 25, 2012, [http://www.nytimes.com/2012/01/26/world/middleeast/militants-set-their-attacks-on-alcohol-in-lebanon.html?\\_r=0](http://www.nytimes.com/2012/01/26/world/middleeast/militants-set-their-attacks-on-alcohol-in-lebanon.html?_r=0).

<sup>126</sup> *Casino Du Liban*, CASINOS & RESORTS, <http://world-casino-resorts.com/intliban.html> (last visited Dec. 12, 2012).

<sup>127</sup> *Casino du Liban Continues Operation in Lebanon*, 2BESTCASINO.COM, <http://www.2bestcasino.com/casino-du-liban-continues-operations-lebanon.html> (last visited Dec. 12, 2012). Factually this has not been established as Lebanon has not had a national census since 1932 and therefore demographics of the area are not known.

<sup>128</sup> *Id.*

<sup>129</sup> *Id.*

<sup>130</sup> *See id.*

<sup>131</sup> CASINO DU LIBAN, *supra* note 125.

<sup>132</sup> *Admission Policy*, CASINO DU LIBAN, <http://www.cd.com.lb/sections.asp?subid=10&id=5> (last visited Sept. 30, 2011).

<sup>133</sup> Wood, *supra* note 125.

abstainers, compared to 75% of Egypt's citizens.<sup>134</sup> Additionally, the total per capita consumption of liters of alcohol in Lebanon is over three times higher than the rest of the region.<sup>135</sup> However, such statistics may simply be indicative of the 30% non-Muslim population in Lebanon.

Aside from the country's more relaxed attitude towards alcohol, the recent occupation of the Hizbollah militant group has proven tumultuous for Lebanon's alcohol industry.<sup>136</sup> Recently, resident Hizbollah militants have ordered the destruction of alcohol surpluses by bombing buildings and demolishing alcohol stock in an effort to return the country to Islamic fundamentalism.<sup>137</sup>

### C. Morocco

Morocco, a country in Northwestern Africa, is considerably closer to Europe than to the Middle East. Nevertheless, due to Arabs conquering the area in the seventh century, nearly 99% of the Moroccan population practices Islam.<sup>138</sup> Yet, due to a lack of regional Islamic influence, Shari'a law within Morocco has evolved much differently than in Middle Eastern jurisdictions.<sup>139</sup> Morocco's proximity to Christian Europe and its colonial French ruling has made the country much more liberal with social policies.<sup>140</sup> Much like Lebanon, Morocco was ruled by France until the mid-twentieth century and did not gain independence until 1956.<sup>141</sup> Ergo, the Moroccan legal system is based in part upon French code and not Shari'a law.<sup>142</sup> Although there may be an Islamic influence because of the large number of followers within the populace, the Moroccan legal system garners influence not from religion, but from European democratic values.<sup>143</sup> While 99% of its population follows Islam, one of the main tenets of the Moroccan Constitution is freedom of religion.<sup>144</sup> Consequently, Islamic principles are not required within the country's jurisprudential landscape.<sup>145</sup>

#### I. Casinos in Morocco

Originally, casinos in Morocco were legalized during the country's French rule.<sup>146</sup> Notwithstanding its French history of regulating casinos, Morocco

<sup>134</sup> WORLD HEALTH ORG. *supra* note 112

<sup>135</sup> *Id.*

<sup>136</sup> Wood, *supra* note 125.

<sup>137</sup> *Id.*

<sup>138</sup> *U.S. Relations with Morocco: Fact Sheet*, U.S. DEP'T OF STATE <http://www.state.gov/rp/ai/bgn/5431.htm#history> (last visited Dec. 8, 2012); NATIONMASTER, *supra* note 48.

<sup>139</sup> See Joseph Schacht, *Problems in Modern Islamic Legislation*, in *ISLAMIC LAW AND LEGAL THEORY* 526 (Ian Edge ed., 1995).

<sup>140</sup> *Morocco: International Religious Freedom Report 2010*, U.S. DEP'T OF STATE, NOV. 17, 2010, <http://www.state.gov/j/drl/rls/irf/2010/148834.htm> (last visited Dec. 8, 2012).

<sup>141</sup> U.S. DEP'T OF STATE *supra* note 140.

<sup>142</sup> Dahmène Touchent, *Introduction to the Moroccan Legal System*, GLOBALEX (April 2006), <http://www.nyulawglobal.org/globalex/Morocco.htm>.

<sup>143</sup> *Id.*

<sup>144</sup> U.S. DEP'T OF STATE, *supra* note 140.

<sup>145</sup> *Id.*

<sup>146</sup> See *Hotel History*, ES SADDI PALACE & VILLAS, <http://www.essaadi.com/en/index.asp> (last visited Jan. 26, 2013) (indicating the hotel was established in 1952, before Morocco's independence from France).

legalized casinos by a 2002 letter from the Prime Minister to the Reviver of Tourism.<sup>147</sup> The letter specifically authorizes the legalization and licensing of casino gambling.<sup>148</sup> To obtain a license, a decree must be signed and agreed upon by the Prime Minister, the Minister of the Interior, and the Minister of Finance.<sup>149</sup> A decree signed by the foregoing must state the opening date of the casino and the games permitted under the license.<sup>150</sup> As of 2012, there are five casinos in the country, two of which are in the city of Agadir.<sup>151</sup>

The family-owned Es Saddi Resort, Casino de Marrakech, is a popular and historically significant casino in Morocco, which opened in 1954 (notably while the country was still under French rule).<sup>152</sup> Interestingly, the same Frenchman, Jean Bauchet, who opened the Casino du Libon in Lebanon, also opened Casino de Marrakech.<sup>153</sup>

## 2. *Alcohol in Morocco*

Congruent with its liberal attitudes towards gambling, Morocco also allows the sale of alcohol to non-Muslims.<sup>154</sup> A 1967 Royal Decree forbids the sale or gift of alcohol to Muslims. Those found in violation of the Decree may be imprisoned for up to six months and fined up to 500 dirhams (approximately \$59).<sup>155</sup> However, the Decree is rarely enforced because supermarkets and bars generally do not restrict sales.<sup>156</sup> In 2010, a non-religious organization, the House of Wisdom, campaigned against the Decree.<sup>157</sup> The group argued that the Decree is in direct opposition to the Moroccan Constitution, which guarantees individual religious freedoms.<sup>158</sup> Specifically, the group argued that the national government could not enforce a religiously backed law while simultaneously seeking to separate religion from government.<sup>159</sup> In response, Ahmed Raissouni, a cleric, issued a religious pronouncement or, fatwa, urging Moroccans to boycott supermarkets that sold alcohol.<sup>160</sup> Despite arguments on both sides, there is no evidence of a change in the Royal Decree. Notwithstanding this turmoil within Morocco's alcohol regulations, an independent study con-

<sup>147</sup> See *Mutual Evaluation Report of the Kingdom of Morocco*, MIDDLE EAST AND NORTH AFRICA FINANCIAL ACTION TASK FORCE 21, NOV. 6, 2007, available at [http://www.menafatf.org/images/UploadFiles/MENAFATF.5.07.E.P6.R1\\_02-01-08\\_.pdf](http://www.menafatf.org/images/UploadFiles/MENAFATF.5.07.E.P6.R1_02-01-08_.pdf); VENISON, *supra* note 104 at 214–15.

<sup>148</sup> *Id.*

<sup>149</sup> *Id.*

<sup>150</sup> *Id.* at 22.

<sup>151</sup> See *Morocco Casino Facts*, WORLD CASINO DIRECTORY, <http://www.worldcasinodirectory.com/morocco> (last visited Dec. 12, 2012).

<sup>152</sup> See ES SADDI PALACE & VILLAS, *supra* note 147.

<sup>153</sup> *Id.*

<sup>154</sup> Omar Bousky, *Row Brews over Moroccan Alcohol Law*, TELEGRAPH, Feb. 15, 2010, <http://www.telegraph.co.uk/expat/expatnews/7241791/Row-brews-over-Moroccan-alcohol-law.html> (London, England).

<sup>155</sup> *Id.*

<sup>156</sup> *Id.*

<sup>157</sup> *Id.*

<sup>158</sup> *Id.*

<sup>159</sup> *Id.*

<sup>160</sup> *Id.*

ducted by Telquel found that alcohol was the second most widely consumed beverage among Moroccans, second only to tea.<sup>161</sup>

However juxtaposed the individual freedoms associated with Moroccan alcohol sales may be, production of alcohol in Morocco is also lawful,<sup>162</sup> and more than 30 million bottles of wine are produced in Morocco each year.<sup>163</sup>

#### IV. ANALYSIS OF THE FUTURE SUCCESS OF A DUBAI CASINO

As evidenced by the previous examples, it may be more realistic for an Islamic majority country to introduce alcohol and gambling than one may think. In light of gambling's popularity and the potential for substantial taxable revenues, should the United Arab Emirates, and specifically Dubai, introduce gambling? The UAE, much like the United States, has a federal government system. One important question is whether Dubai may legalize casino gambling without the consent of the UAE federal government.<sup>164</sup> Articles 120 and 121 of the UAE constitution reserve for the individual emirates those executive and legislative powers not specifically granted to the Union (UAE).<sup>165</sup> The federal government's legislative jurisdiction includes corporate law, labor relations, real estate ownership, and major legislation regarding the penal code.<sup>166</sup> In the UAE, the federal government regulates individual licensing and criminalization of individuals found drinking without a license.<sup>167</sup> Bars, hotels, and clubs that serve alcohol are licensed and monitored by the Dubai Department of Tourism and Commerce Marketing, which does not require establishments to check licenses of individuals who consume alcohol on their premises.<sup>168</sup> Hence, the governance of casino gambling, much like alcohol, may very well fall between two jurisdictions of governmental regulation.

Although Egypt, Morocco, and Lebanon have had seemingly successful histories introducing casinos, Dubai and the UAE may not necessarily find the same success as the country strongly adheres to governance under the Qur'an; unlike Morocco and Lebanon which both attempt to separate religion from government.

To successfully introduce a casino, there must first be a market for gambling. To better ascertain the social acceptance of a casino in Dubai, this Note will examine the social groups within Dubai and their propensity or reluctance

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<sup>161</sup> *Id.*

<sup>162</sup> *Id.*

<sup>163</sup> *Id.*

<sup>164</sup> *UAE Government: Political System*, UAEINTERACT, [http://www.uaeinteract.com/government/political\\_system.asp](http://www.uaeinteract.com/government/political_system.asp) (last visited Dec. 8, 2012).

<sup>165</sup> *Id.*

<sup>166</sup> *Federal Supreme Council Resolution regarding the Constitutional Amendment No. 1 of 2004*, UNITED ARAB EMIRATES: THE CABINET, [http://www.uaecabinet.ae/English/UAEGovernment/Pages/constitution\\_2\\_6.aspx](http://www.uaecabinet.ae/English/UAEGovernment/Pages/constitution_2_6.aspx) (last visited Jan. 6, 2012).

<sup>167</sup> Mustafa & Conroy, *supra* note 37; *see also* Salam Al Amir, *Lost Passport Leads to Alcohol Conviction*, THE NAT'L, Feb. 25, 2011, <http://www.thenational.ae/news/uae-news/courts/lost-passport-leads-to-alcohol-conviction>.

<sup>168</sup> *Id.*

to engage in casino gambling. Those groups include non-Muslim and Muslim visitors as well as non-Muslim and Muslim residents.<sup>169</sup>

A. *Social Analysis of Casino Gambling in Dubai*

1. *Dubai Visitors*

i. *Non-Muslim Visitors*

The largest numbers of non-Muslim visitors to Dubai come from the United Kingdom, India, and the United States.<sup>170</sup> Although the majority of these visitors do not adhere to the Islamic faith, there may be an argument that the visitors to Dubai may be more apt to follow Islam because Dubai is a hub for Islamic business.<sup>171</sup> Travelers from the United Kingdom and India account for the largest number of visitors to Dubai hotels.<sup>172</sup> Likewise, the United States accounts for the fourth largest number of visitors (non-Muslim or Muslim), to Dubai hotels.<sup>173</sup> Altogether, the visitors from these three countries totaled nearly 1 million from January to June 2010.<sup>174</sup>

The majority of the population in the United Kingdom, nearly 72%, adheres to the Christian faith.<sup>175</sup> Only slightly more than 2% of the UK population adheres to Islam.<sup>176</sup> In 2007, 48% of the population of the United Kingdom had participated in gambling in the past twelve months.<sup>177</sup> In this case, gambling refers to casino-style gambling, horse betting, sports betting, and lotteries. Furthermore, as of 2011, there were 139 casinos operating in Great Britain.<sup>178</sup>

The second highest number of non-Muslim hotel visitors to Dubai from June to July 2010 came from India. The dominant religion in India is Hinduism, with 80% of its population following the religion; only 13% of the coun-

<sup>169</sup> The Non-Muslim and Muslim visitor statistics are derived from the Dubai Department of Tourism and Commerce hotel establishment rankings, which lists hotel occupancy by nationality. See *Number of Dubai Total Hotel Establishment Guests by Nationality*, GOV'T OF DUBAI DEP'T OF TOURISM AND COMMERCE MARKETING, [http://www.dubaitourism.ae/sites/default/files/hotelstat/2002-2011\\_Dubai\\_Hotel\\_Establishment\\_Guests\\_by\\_Nationality.pdf](http://www.dubaitourism.ae/sites/default/files/hotelstat/2002-2011_Dubai_Hotel_Establishment_Guests_by_Nationality.pdf) (last visited Jan. 6, 2013). For the sake of succinctness, only the five countries with the greatest number of visitors to Dubai hotels will be included. Therein, cognizance must be taken that such analysis is a sampling and not representative of all social climates and behaviors that visit Dubai.

<sup>170</sup> *Id.*

<sup>171</sup> Presumptions aside, gambling statistics of these populations while outside of their home countries were not located and therefore, such behaviors of a propensity to gamble shall be analyzed in congruence with the population's propensity to gamble within their own country's borders.

<sup>172</sup> *Number of Dubai Total Hotel Establishment Guests by Nationality*, *supra* note 169.

<sup>173</sup> *Id.*

<sup>174</sup> *Id.*

<sup>175</sup> *Religion of United Kingdom, British Religion Statistics*, NATIONMASTER, <http://www.nationmaster.com/country/uk-united-kingdom/rel-religion> (last visited Dec. 12, 2012).

<sup>176</sup> *Id.*

<sup>177</sup> Heather Wardle et al., *British Gambling Prevalence Survey 2007*, NATCEN GAMBLING COMMISSION.

<sup>178</sup> *British Casinos*, GAMINGFLOOR.COM, <http://www.gamingfloor.com/Britain/British.htm> (last visited Jan. 26, 2013). This is seemingly significant considering the area is roughly the size of Texas.

try's citizens follow Islam. Notwithstanding India's Islamic minority population, because of a royal decree, India has only legalized casino gambling in two states.<sup>179</sup> Because of the limited nature of casino-style gambling in India, statistics and evidence of the propensity to gamble among its citizens are limited. Based on the limited information available, it is estimated that nearly \$40 billion is spent each year on illegal gambling in India.<sup>180</sup> Additionally, more than \$20 billion is gambled in India in the two states where casinos are legal.<sup>181</sup> The large amount of money spent on illegal gambling in India suggests that Indians enjoy gambling and may be more apt to indulge in the activity if legal casinos were in closer proximity.

Finally, another country that sends large numbers of non-Muslim tourists to visit Dubai hotels is the United States. Not to be outdone by the UK or India, the United States still enjoys its fair share of casino gambling. Less than 1% of U.S. citizens practice Islam.<sup>182</sup> Conversely, the majority of the United States population adheres to the Protestant faith.<sup>183</sup> Forty-eight states have some form of legalized gambling, and twenty-one states have legal casinos.<sup>184</sup> Additionally, Americans still seem to gamble, despite the recent downturn in the United States economy.<sup>185</sup> Gaming revenue increased 0.9% from 2009 to 2010, with commercial casinos' national gross gambling revenues reaching \$34.60 billion.<sup>186</sup> In the past year, 31% of Americans visited casinos and 25% gambled during their visits.<sup>187</sup> Similarly in 2010, 82% of Americans had a favorable view of gambling.<sup>188</sup> The large discrepancy between the percentage of United States citizens who have visited casinos and those who view casinos favorably may be explained by the lack of nearby casinos in many jurisdictions.

Overall, the United Kingdom, India, and the United States exhibit a seemingly favorable view of gambling as illustrated by the United Kingdom's 139 casinos, India's sizeable revenues from legal and illegal gambling, and the United States' annual gambling revenues in the billions of dollars. There is evidence that successful gambling markets exist within India, the UK, and the United States, fueled in part by citizens who partake in the activity. Thus, if casino gambling was introduced in Dubai or the UAE, the activity would likely meet success with visitors from these countries.

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<sup>179</sup> *Indian Religion Data, Statistics, Facts and Figures*, NATIONMASTER, <http://www.nationmaster.com/country/in-india/rel-religion> (Dec. 12, 2012); William N. Thompson, *Why They Say "No" (Casi-"No"): Countries that Reject Legalized Casino Gambling* 2 UNLV GAMING L. J. 195, 207-08 (Fall 2011).

<sup>180</sup> James Thompson, *Betfair and William Hill Target India*, THE INDEP., Oct. 27, 2009, <http://www.independent.co.uk/news/business/news/betfair-and-william-hill-target-india-1810025.html>.

<sup>181</sup> *Id.*

<sup>182</sup> *Religion in the United States: International Religion Statistics*, NATIONMASTER, <http://www.nationmaster.com/country/us-united-states/rel-religion> (last visited Dec. 8, 2012).

<sup>183</sup> *Id.*

<sup>184</sup> *State of the States: AGA Survey of Casino Entertainment*, AM. GAMING ASS'N (May 2011), available at <http://www.americangaming.org/files/aga/uploads/docs/sos/aga-sos-2011.pdf> at 2.

<sup>185</sup> *Id.*

<sup>186</sup> *Id.*

<sup>187</sup> *Id.* at 3.

<sup>188</sup> *Id.*

*ii. Muslim Visitors*

The two countries that send the largest numbers of Muslim visitors to Dubai are Iran and Saudi Arabia.<sup>189</sup> From January to June 2010, the Dubai Department of Tourism and Commerce calculated that 275,171 Iranians and 227,382 Saudi Arabians occupied hotels in Dubai.<sup>190</sup>

Islam is the dominant religion of Iran, with 99% of the population subscribing to the faith.<sup>191</sup> Saudi Arabia is comprised of 100% Muslims.<sup>192</sup> Due to the high number of Muslims in both countries, Iran and Saudi Arabia base their legal system on the teachings of the Qur'an, and accordingly, both strictly prohibit gambling.<sup>193</sup>

In addition to Saudi Arabia's governance under the Qur'an, Wahhabism, a historical sect of Islam, dominates civil society in Saudi Arabia.<sup>194</sup> Many scholars assert Wahhabism to be the strictest form of Islam.<sup>195</sup> Unfortunately, because of the strict adherence to Islamic principles, there is no data on gambling behaviors and attitudes in Saudi Arabia. Similarly, there is no data on the gambling attitudes or behaviors of Iranians. Nonetheless, visitors from Iran and Saudi Arabia are presumably less likely to partake in casino-style gambling while traveling to Dubai, if at all.

*2. Dubai Residents**i. Non-Muslim Residents*

For purposes of this Note, the term, "residents" shall mean anyone living in the Emirate of Dubai. It is often thought, and with general justification, that "resident" is interchangeable with "citizen." However, nearly 90% of Dubai's population consists of foreign born expatriates.<sup>196</sup> These expatriates are not considered to be citizens of the jurisdiction and instead are simply permanent residents, as the Emirate does not grant citizenship to those born outside the territory.<sup>197</sup> The majority of the non-Muslim residents are expatriates from India, the Philippines, the UK, and the United States. Nearly 51% of these foreign-born residents arrive from India. Many foreigners flock to Dubai for its

<sup>189</sup> Number of Dubai Total Hotel Establishment Guests by Nationality, GOV'T OF DUBAI DEP'T OF TOURISM AND COMMERCE MARKETING, <http://www.dubaitourism.ae/sites/default/files/hotelstat/2000-2010-Dubai-Hotel-Establishment-Guests-by-Nationality.pdf> (last visited Mar. 23, 2012).

<sup>190</sup> *Id.*

<sup>191</sup> NATIONMASTER, *supra* note 48.

<sup>192</sup> *Id.*

<sup>193</sup> Reno Rollins, *Gambling in Iran: Iranian Gambling Laws*, WORLD GAMBLING R., <http://onlinecasinosuite.com/gambling/iran/> (last visited Mar. 23, 2012); *No Hope for Gambling Industry in Saudi Arabia*, GAMINGZION, Jan. 30, 2010, <http://gamingzion.com/gamblingnews/no-hope-for-gambling-industry-in-saudi-arabia-1179>.

<sup>194</sup> *Analyses-Wahhabism Saudi Time Bomb?*, FRONTLINE, <http://www.pbs.org/wgbh/pages/frontline/shows/saudi/analyses/wahhabism.html> (last visited Dec. 12, 2012).

<sup>195</sup> *See id.*

<sup>196</sup> David Rosenberg, *UAE's Expat Population Surges to Reach Almost 90 Percent*, ARAB NEWS, April 3, 2011, <http://www.arabnews.com/node/373066>.

<sup>197</sup> *United Arab Emirates (UAE)—Visas, Residency, Immigration & Documentation*, EXPATFOCUS.COM, <http://www.expatsfocus.com/expatriate-uae-visas-residency> (last visited Dec. 12, 2012).

expanding job market and prospects in fields ranging from petroleum to finance.

Residents of jurisdictions without Quranic influence are more likely to have a propensity to gamble. As previously stated, citizens from the UK and the United States show a tendency to gamble, and there is evidence of a tendency among Indians to gamble, as evidenced by the profits in the legal and illegal gambling markets. . Not mentioned previously, the Philippines is home to nearly twenty casino properties, with hopes of becoming the Asian casino market leader by the year 2014.<sup>198</sup> In 2004, a researcher from La Salle University went so far as to pose the question of whether Filipinos are natural born gamblers, because the activity is so pervasive throughout the Filipino culture.<sup>199</sup> Therefore, evidence suggests that Filipinos also enjoy participating in casino-style gambling.

In total, those from India, the Philippines, Europe, and the U.S. comprise nearly 55.5% of the Expatriates in Dubai. Based on the large number of expatriates in Dubai hailing from non-Islamic countries, a market for casinos may exist in Dubai, given that many citizens from those jurisdictions participate in casino-style gambling. However, this market may not be as attractive after first glance because, as mentioned above, expatriates from Christian and Hindu nations may, after living in Dubai, be influenced by its Islamic foundation, and therefore have a less tolerant view towards gambling than those who reside in the non-Islamic jurisdictions.

#### ii. Muslim Residents

The population of Dubai is nearly 1.3 million. Of those, only a mere 10% are actual Emirati citizens.<sup>200</sup> Like the high number of non-Muslim expatriates, Dubai is also home to many Islamic expatriates.<sup>201</sup> In total, 36% of Dubai's Islamic expatriates come from Bangladesh (9%), Pakistan (16%), and the Arab countries of Southwest Asia and North Africa (11%).<sup>202</sup> As discussed throughout this Note, many Islamic jurisdictions outlaw casino gambling and alcohol, and therefore these behaviors likely do not transpire. Accordingly, casinos are banned in Pakistan, Bangladesh, and most Arab countries.<sup>203</sup> This is not to say that gambling is completely unheard of in such areas. Instead, such behaviors are likely done without much advertisement, and as a result, are not readily available for analysis. Despite the few who stray from their faith and sometimes gamble, it seems unlikely that this expatriate group would show a high propensity of engaging in casino-style gambling. Personal behaviors aside,

<sup>198</sup> *Philippines Aims to Strike Gambling Gold*, THE INDEP., Aug. 15, 2010, <http://www.independent.co.uk/travel/news-and-advice/philippines-aims-to-strike-gambling-gold-2053187.html>.

<sup>199</sup> *Gambling Nation*, The PCIJ BLOG, Feb. 3, 2008, <http://pcij.org/blog/2008/02/03/gambling-nation>.

<sup>200</sup> Rosenberg, *supra* note 196.

<sup>201</sup> See *Metropolitan Dubai Area: United Arab Emirates*, MPI DATA HUB, <http://www.migrationinformation.org/datahub/gcmm/Dubaidatasheet.pdf> (last visited Jan. 6, 2013).

<sup>202</sup> *Id.*

<sup>203</sup> Reno Rollins, *Pakistan Gambling*, ONLINE CASINO SUITE, <http://onlinecasinosuite.com/gambling/pakistan> (last visited Dec. 12, 2012); Pub. Gambling Act, 1867 (10 April 1967) (Bangladesh), available at [http://bdlaws.minlaw.gov.bd/print\\_sections\\_all.php?id=16](http://bdlaws.minlaw.gov.bd/print_sections_all.php?id=16).

more liberal Islamic followers may see an economic incentive for the Emirate and allow for the relaxation of Quranic principles in favor of allowing the tourism and expatriate sector to thrive.

Despite the likely reluctance of Dubai's Muslim population to allow casino gambling in the Emirate, cruise ship casinos thrive only twelve miles outside of the Emirate, and have found wild popularity in the past three years.<sup>204</sup> Further, although the existence of cruise ship casinos is not entirely illustrative of the social acceptance of legalized land-based casinos, it tends to show that, if introduced, casino-style gambling may prove to be an economically viable incentive for Dubai, because the cruise ship casinos have already proven successful.<sup>205</sup>

### B. *Economic Analysis of Casino Gambling in Dubai*

As previously mentioned, the Egyptian government collects a staggering 50% of casino proceeds for royalties and taxes the net profits of casinos at 20%. Therefore, if successful in Dubai, casinos may be an incredibly lucrative industry for private corporations and the local jurisdiction because the government could create a taxation or royalty system to collect a share of profits from casinos.

Further, casinos often improve unemployment rates. Although the UAE is a relatively small territory, it is a wealthy nation.<sup>206</sup> Forbes ranks the UAE as the sixth wealthiest nation in the world.<sup>207</sup> Given its relative economic security within the world market, monetary considerations may not be as strong as in other jurisdictions contemplating such a decision. Likewise, the unemployment rate of the UAE is one of the lowest in the world, with most of its jobs being filled by foreign workers.<sup>208</sup> As a result of both factors, it seems likely that legalizing casino gambling in Dubai or the UAE would be done largely to boost tourism and to bring Dubai in line with many other world class destinations. Currently, the country is ranked 30th for competitive tourism environments.<sup>209</sup> Although the country ranked higher than Egypt, Lebanon, and Morocco, introducing casino gambling would likely benefit the country's tourism industry and might allow the country to move further up the list.

Irrespective of any economic benefit that results from the introduction of casino-style gambling, the inherent risks would also need to be weighed. Threats such as money laundering and corruption, which find their way into casinos that engage in a high volume of large financial transactions on a daily

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<sup>204</sup> Baldwin & Amir, *supra* note 52.

<sup>205</sup> *Id.*

<sup>206</sup> Beth Greenfield, *The World's Richest Countries*, FORBES, Feb. 22, 2012, <http://www.forbes.com/sites/bethgreenfield/2012/02/22/the-worlds-richest-countries>.

<sup>207</sup> *Id.*

<sup>208</sup> United Arab Emirates Unemployment Rate, TRADING ECONOMICS, <http://www.tradingeconomics.com/united-arab-emirates/unemployment-rate>.

<sup>209</sup> See *The Travel & Tourism Competitiveness Report 2011: Beyond the Downturn*, WORLD ECONOMIC FORUM, [http://www3.weforum.org/docs/WEF\\_TravelTourismCompetitiveness\\_Report\\_2011.pdf](http://www3.weforum.org/docs/WEF_TravelTourismCompetitiveness_Report_2011.pdf) at 18 (last visited Jan. 6, 2013).

basis, are concerns to be accounted for before introducing casino gambling to any jurisdiction.<sup>210</sup>

Assuming that introducing land-based casinos would be socially and economically tolerable for Dubai, it must choose the most suitable regulatory model.

## V. REGULATORY MODELS

In considering the legalization of casino gambling, the UAE and Dubai must effectively negotiate a regulatory model. An obvious consideration is which model will best protect Islamic societal beliefs and values. Therefore, one must take due care when deciding who may enter and gamble in casinos. Accordingly, Dubai and the UAE must consider the tourists who come in mass quantities each year. Whether for business, pleasure, or personal reasons, the UAE and Dubai have proven themselves to be contenders in competing for the world's tourists. Additionally, the UAE and Dubai also must consider the large number of expatriate residents living within the jurisdiction, whether Muslim or not, because this subset of the population presents its own nuanced difficulties.

Based upon the previously discussed data, Dubai and the UAE have at least four options if they chose to introduce casino-style gambling: (1) introduce casinos and allow for open access to the properties without regard to religion or citizenship; (2) limit entrance to those with foreign passports or licenses;<sup>211</sup> (3) limit entrance to those who hold foreign passports (e.g., only tourists); or (4) limit entrance to those who hold licenses.<sup>212</sup>

The first model would allow for the introduction of casino gambling while not restricting access. However, the lack of regulation on those entering might prove too relaxed for Dubai. To effectively promulgate principles of Islam, the casinos would have to rely exclusively on the personal responsibility of individual Muslims and their decision not to enter the casinos. Similarly, such an extreme relaxation of Islam might prove too liberal for the UAE as a whole, and therefore the country or Emirate might not be willing to legalize such a laissez-faire system.

Alternatively, the UAE or Dubai could introduce casinos and allow those who hold either valid licenses or passports to gamble. The value in this model is that both tourists and residents would be satisfied. The inherent conflict of this model is that all expatriates already hold foreign passports. Therefore, in application, it would be impossible to differentiate between tourists and residents. Thus, allowing entrance to those with foreign passports negates any incentive for expatriate residents to obtain licenses. Even without accounting for residents who may want to sidestep governmental licensing, there could be a registration fee or a tax added to licensing. With this requirement, economics

<sup>210</sup> See generally *Casinos Continue to Be Vulnerable to Money Laundering*, GIBSON DUNN, Oct. 3, 2008, <http://www.gibsondunn.com/publications/pages/CasinosVulnerabletoMoneyLaundering.aspx>.

<sup>211</sup> The hypothetical licenses in this context shall be thought of much in the way that the UAE currently licenses and regulates alcohol.

<sup>212</sup> Again, the hypothetical licenses in this context shall be thought of much in the way that the UAE currently licenses and regulates alcohol.

alone could dissuade residents from obtaining licenses. Furthermore, even if criminal sanctions were applied to residents gambling without licenses, the ability to discern between resident and tourist would likely prove far too inefficient in practice.

Alternately Dubai could introduce casinos in the same way as Egypt – open only to those with foreign passports. Egyptian casinos are very popular for tourists, but not for Muslim citizens, because the casinos are only housed in hotels and open to those with foreign passports or dual citizenship. Given that Dubai does not want to haphazardly negate its own laws, permitting casinos that are open only to foreigners would be one way to address the problem. However, because nearly 90% of the Emirate's residents hold foreign passports, the foreign-passport restriction would be problematic in Dubai. Accordingly, such a model might work in practice, but it would run in opposition to the UAE's current alcohol regulations, which are only open to those who are non-Muslim. Therefore, allowing all who hold foreign passports to enter would likely prove too lax of a model, as its application would be meaningless to nearly 90% of the Emirate's population.

Lastly, perhaps the most restrictive model the UAE or Dubai could employ is one congruent with its current alcohol licensing regulations. The most ideal regulatory model for Dubai to follow would be one that closely resembles the country's current regulation of alcohol, with some allowance for tourists. This model seems most appropriate, as the UAE populace has a large number of expatriate Non-Muslims who may want to gamble. Additionally, under this model, Dubai or the UAE could regulate who gambles and how much they gamble.

Prior to allowing casino gambling, the governments of the UAE and Dubai would have to generate solutions to regulate tourists wishing to gamble while visiting. One solution would be to use temporary licenses or membership cards, available to tourists presenting their foreign passports.<sup>213</sup> Thereafter, casinos could employ an integrated system that would allow for a limit imposed upon the number of one-time use membership cards one person could obtain within a twelve-month period. Further, casinos could require tourists to present their outbound transportation tickets or itinerary, proving their transient stay in the Emirate and further dissuading any misuse by foreign passport holding Emirati citizens.

Because the licensing of alcohol in Dubai is already divided between Muslims and non-Muslims, there is already a system in place that complies with Dubai law and prevents the privilege from being abused. By licensing individuals, Dubai could establish regulations for residents participating in casino gambling. Much like licensing alcohol, gambling licensing could be limited by setting a minimum monthly income, a maximum betting allowance, or a maximum number of gambling hours. Similarly, Dubai could also impose a haraam tax on the gambling winnings of patrons, the revenue from which would be collected by casinos.

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<sup>213</sup> Expatriate citizens living in Dubai or the Emirates who hold foreign passports would be dissuaded from utilizing a one-time use system, as the limits imposed upon the number of days a card is good for, and the number of cards one could obtain in a twelve month period, would be limited.

## VI. CONCLUSION

The introduction of casino gambling in the UAE, specifically Dubai, would likely prove successful. Although the nation would need to give due consideration to Islamic principles when introducing casinos, Islamic majority countries such as Egypt, Lebanon, and Morocco have all shown that casinos can be successfully introduced while still ensuring some compliance with the Islamic proscription on gambling. Additionally, because non-Muslim residents and non-Muslim visitors traveling to Dubai already appear to engage in casino gambling, a potential market already exists for an Emirati casino. The country could regulate gambling by employing a model similar to the one it currently uses to regulate the sale of alcohol – i.e., licensing residents to prevent over indulgence in the activity. Additionally, visitors could be provided temporary membership cards obtained upon entry with foreign passports to take advantage of the casino.