

# VODAFONE & THE UAE:

# EVALUATING THE NATIONAL SECURITY IMPLICATIONS OF THE UAE'S STAKE IN VODAFONE

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# EXECUTIVE SUMMARY

## EXECUTIVE SUMMARY

***The UAE stake in Vodafone raises significant national security and privacy concerns. Given the UAE's track record in surveillance, censorship and repression, there is a legitimate fear that these practices could influence Vodafone's operations in the UK. Recent concerns surrounding the UAE's attempted purchase of The Telegraph amplify these worries, suggesting a broader strategy by the UAE to gain influence in critical UK sectors. This raises questions about the ownership of critical infrastructure by foreign states emphasising the need for careful scrutiny and regulatory oversight of foreign investments in key national infrastructure and institutions.***

1. The acquisition of a significant stake in Vodafone by the Abu Dhabi-based telecom giant Emirates Telecommunications, also known as e&, has raised substantial national security as well as human rights concerns within the UK<sup>1</sup>. This report considers the issues and implications surrounding the 14.6% ownership that e& holds in Vodafone and sets out concerns regarding the espionage and national security risks. It also considers the broader human rights considerations associated with the United Arab Emirates (UAE)'s stake in one of the world's leading telecommunications providers.
2. Vodafone, a global telecommunications powerhouse<sup>2</sup>, plays a pivotal role in the UK's connectivity and digital infrastructure. The investment by e&, which resulted in the UAE-based company becoming the largest shareholder in Vodafone<sup>3</sup>, has not only strategic implications for the telecom sector but also raises significant concerns regarding privacy, data protection, and freedom of expression.

### **National Security Concerns**

3. The UK government's clear concerns stem from the potential for e& and by extension the UAE to exert undue influence over Vodafone's operations, particularly in areas crucial to the UK's national security and telecommunications infrastructure. The establishment of

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<sup>1</sup> <https://www.theguardian.com/business/2024/jan/25/emirates-backed-stake-vodafone-security-risk-uae-uk-government>

<sup>2</sup> <https://markets.ft.com/data/equities/tearsheet/summary?s=VOD:LSE>

<sup>3</sup> <https://www.marketscreener.com/quote/stock/VODAFONE-GROUP-PLC-4006195/company/>

a national security committee within Vodafone, as mandated by the UK Government<sup>4</sup>, is a measure aimed at mitigating these risks. The possibility of the UAE government, through e&, accessing sensitive data or disrupting operations presents a substantial concern.

#### **Human Rights and Privacy Implications**

4. The UAE's human rights record introduces a further layer of complexity. Given the UAE government's significant influence over e&, there is a legitimate fear that its practices in surveillance and censorship may seep into Vodafone's operations. Furthermore, the association with a regime that has a contentious human rights record could significantly tarnish Vodafone's public image and erode trust among its global customer base.

#### **Espionage and Surveillance Concerns**

5. The strategic importance of telecommunications infrastructure makes it a prime target for espionage and unauthorized data access. The involvement of a state-backed entity like e& in Vodafone raises the spectre of the UAE government leveraging this stake for intelligence-gathering activities, potentially facilitating espionage against Vodafone's customers, employees, or even competitors.

#### **Conclusion**

6. **The UAE has a history of engaging in extraterritorial espionage. There can be no doubt that there are national security risks associated with the Emirati stake in Vodafone.**  
The investment by the UAE's e& in Vodafone represents a complex interplay of economic, strategic, national security, and human rights considerations. While foreign investments are integral to global business dynamics, the sensitive nature of telecommunications infrastructure necessitates a cautious and measured approach. **Vigilant oversight, combined with robust regulatory frameworks, is essential to safeguard against potential security threats.**

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<sup>4</sup> <https://www.gov.uk/government/publications/the-rights-and-interests-conferred-to-emirates-telecommunications-group-company-pjsc-under-the-strategic-relationship-agreement-with-vodafone-group-pl/the-rights-and-interests-conferred-to-emirates-telecommunications-group-company-pjsc-under-the-strategic-relationship-agreement-with-vodafone-group-pl>

# INTRODUCTION

## INTRODUCTION

### **Vodafone's Global Telecommunications role**

7. Since Vodafone was founded in the United Kingdom in 1984<sup>5</sup>, it has grown into one of the world's leading telecommunications companies, offering a wide range of services including voice, messaging, data, and fixed communications. With operations across Europe, Africa, Asia, and Oceania, Vodafone serves hundreds of millions of customers, demonstrating the company's pivotal role in the global telecommunications infrastructure. The business is known for innovation in mobile technology, digital communications, and connectivity solutions, driving forward the international agenda for a more connected future.

### **The UAE's Stake in Vodafone**

8. The strategic investment by the UAE, with a 14.6% stake in Vodafone makes e& the largest single shareholder in Vodafone<sup>6</sup>, a move that recognises the UAE's ambition to extend its influence and operational footprint in global telecom. The UAE, with its rapid economic development, strategic geographic location, and ambitious technological advancements, views telecommunications as a key area for expansion and international influence.<sup>7</sup>

### **The UAE and Human Rights Concerns**

9. The United Arab Emirates, a federation of seven emirates including Abu Dhabi and Dubai, has emerged as a significant economic, political, and cultural force in the Middle East. Known for its vast oil reserves and commitment to becoming a hub for innovation and technology, the UAE has undertaken a diverse range of international investments, not least in the UK. However, the country has also faced criticism regarding its human rights record, with international organizations highlighting concerns over freedom of expression, freedom of assembly, and freedom of the press, as well as the use of surveillance and censorship to control dissent.

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<sup>5</sup> <https://www.vodafone.co.uk/newscentre/about-us/history/>

<sup>6</sup> <https://www.ft.com/content/0a1cec8f-d648-44d6-b94e-a8454a663eaa>

<sup>7</sup> <https://u.ae/en/information-and-services/infrastructure/telecommunications>



10. The human rights record of the UAE is profoundly troubling. Reports<sup>8</sup> of restrictions on free speech, the suppression of political opposition, and the use of surveillance technology for purposes of control raise significant ethical and operational questions for companies like Vodafone. These concerns are not just abstract ethical dilemmas but have tangible implications for the operations, policies, as well as the public perceptions of multinational corporations involved with the UAE.
11. There are also serious national security considerations. The strategic importance of telecommunications infrastructure to national security cannot be overstated, with networks serving as the backbone for everything from everyday communications to emergency services and defence operations. The potential for foreign control or influence over these systems raises concerns about espionage, unauthorized access to sensitive information, and the integrity of national communications networks.
12. Whilst international investments bring capital, technological innovation, and strategic partnerships, they also require careful consideration of the implications for national security, sovereignty, and the protection of fundamental rights. The case of the UAE's stake in Vodafone serves as an example of these challenges.

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<sup>8</sup> <https://www.amnesty.org/en/location/middle-east-and-north-africa/united-arab-emirates/>

# AUTHORS

## AUTHORS

### 13. **Rt Hon Sir Robert Buckland KC MP**

The Rt Hon Sir Robert Buckland KBE KC MP has served as the Member of Parliament for South Swindon since 2010 and has held multiple positions in Government. He served as Solicitor General from 2014 to 2019, as Lord Chancellor and Secretary of State for Justice between 2019 and 2021 and as Secretary of State for Wales in 2022. He is currently the Chair of the Northern Ireland Affairs Select Committee and a Visiting Fellow at the Mossavar Rahmani Center for Business and Government at the Harvard Kennedy School.

Robert also remains a practising lawyer, he is a Tenant at Foundry Chambers and Senior Council and Head of Policy at Payne Hicks Beach LLP.

### **Rhys Davies, Barrister**

Rhys Davies is a leading international human rights law barrister. He is a member of the List of Counsel for the International Criminal Court, the Kosovo Specialist Chambers and the Special Tribunal for Lebanon. Rhys is recommended as a leading individual in the Legal 500 guide. Rhys is an expert on INTERPOL and the Red Notice system and has extensive experience of advising clients detained at the behest of oppressive regimes. Rhys was named International Pro Bono Barrister of the Year in 2021/2022 jointly with Ben Keith.

### **Ben Keith, Barrister**

Ben Keith is a leading barrister specialising in cross-border and international cases. He deals with all aspects of Extradition, Human Rights, Mutual Legal Assistance, Interpol, Financial crime and International Law including sanctions. Ben has extensive experience of appellate proceedings before the Administrative and Divisional Courts, Civil and Criminal Divisions of the Court of Appeal and the Supreme Court as well as applications and appeals to the European Court of Human Rights (ECHR) and United Nations. He has expertise in the Middle East including UAE, Saudi Arabia, Bahrain and Egypt dealing with cases of torture, disappearance and universal jurisdiction and as well as many jurisdictions in the Far East including China, South Korea, Singapore, Hong Kong, Thailand, Philippines and Malaysia.

# CONTEXT AND BACKGROUND

## CONTEXT AND BACKGROUND: VODAFONE AND e&

### Understanding the Players

14. Vodafone: Founded in 1984, Vodafone has evolved into a global telecommunications giant with over 380 million customers across 21 countries. It boasts a vast network offering mobile, fixed line, broadband, and internet services, making it a vital contributor to global economic activity and social development. However, its extensive reach also exposes it to vulnerabilities, particularly concerning foreign ownership of critical infrastructure.
15. e&: is an UAE state-owned telecommunications company: Established in 1976, e& is a major UAE-based integrated telecommunications operator with a focus on mobile and fixed-line services, internet, broadband, and ICT solutions. The UAE government holds a significant stake in the company of around 60 percent. (Source: <https://eand.com/>)
16. The partnership has evolved rapidly in recent years and began in May 2022 when e& acquired a stake in Vodafone, marking the first investment from a UAE company in the British telecom giant. This initial acquisition was followed by a series of incremental purchases, including:
  - May 2022: e& acquires 9.8% stake in Vodafone  
<https://www.reuters.com/business/media-telecom/emirates-telecommunications-acquires-98-stake-vodafone-2022-05-14/>
  - January 23: e& increases its stake to 12 % <https://www.sharecast.com/news/news-and-announcements/uaes-e-increases-stake-in-vodafone-group--11999774.html>
  - February 2023: e&'s stake reaches 14.0%/<https://www.reuters.com/markets/deals/vodafones-biggest-shareholder-uaes-e-ups-stake-14-2023-02-28/>
  - April 2023: e&'s holding climbs to 14.6%, becoming Vodafone's largest single shareholder <https://www.ft.com/content/0a1cec8f-d648-44d6-b94e-a8454a663eaa>

17. Beyond the financial investment, the partnership extends to a strategic collaboration. In May 2023, e& and Vodafone entered a strategic relationship.<sup>9</sup> Additionally, e&'s Chief Executive Officer, Hatem Dowidar, joined Vodafone's board as a non-executive director at the start of 2024.<sup>10</sup>

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<sup>9</sup> <https://www.proactiveinvestors.co.uk/companies/news/1014706/vodafone-and-e-enter-strategic-relationship-1014706.html>

<sup>10</sup> <https://www.vodafone.com/news/corporate-and-financial/hatem-dowidar-to-join-vodafones-board-as-a-non-executive-director>

# HUMAN RIGHTS IN THE UAE

## HUMAN RIGHTS IN THE UAE – AN OVERVIEW

18. The UAE’s human rights record is concerning. In Human Rights Watch World Report 2022<sup>11</sup>, it was noted that:

*In 2021, the United Arab Emirates authorities continue to invest in a “soft power” strategy aiming at painting the country as a progressive, tolerant and rights respecting nation, yet the UAE’s intolerance of criticism was reflected in the continued unjust imprisonment of leading human rights activist Ahmed Mansoor and others.*

19. The UAE has spent vast sums attempting to improve its public image. From allegations of sportswashing<sup>12</sup> as a consequence of the UAE’s investment in Manchester City, to last year’s hosting of the global climate conference COP28<sup>13</sup>, the UAE is keen to promote itself as a progressive nation. Notwithstanding these attempts at image improvement, rights groups remain sceptical.

20. In June 2023 ahead of last year’s COP28, Amnesty International observed<sup>14</sup> that:

*Civil society, and the rights to freedom of expression, freedom of association and peaceful assembly, which are essential to a successful conference, are conspicuously absent in the UAE. Emirati law forbids criticism of “the state or the rulers” and imposes punishments, including life imprisonment or the death penalty, for association with any group opposing “the system of government” or for vague “crimes” such as “damaging national unity” or “the interests of the state”.*

21. Whilst Dubai and Abu Dhabi rightly garner global attention for their remarkable success, criticism persists that the UAE's progressive image conceals a restrictive political

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<sup>11</sup> <https://www.hrw.org/world-report/2022/country-chapters/united-arab-emirates>

<sup>12</sup> <https://www.theguardian.com/football/blog/2018/nov/24/manchester-city-fans-defence-uae-sportswashing-tribal-loyalty>

<sup>13</sup> <https://www.theguardian.com/environment/2023/may/30/cop28-president-team-accused-of-wikipedia-greenwashing-sultan-al-jaber>

<sup>14</sup> <https://www.amnesty.org/en/latest/news/2023/06/uae-states-must-urge-the-united-arab-emirates-to-reform-its-dismal-rights-record-to-help-ensure-a-successful-climate-meeting/>



climate, raising concerns about the balance between Western values and traditional attitudes<sup>15</sup>.

22. Out of a population of 9.5 million, roughly 89% are expatriates. The expat population is predominantly composed of migrant workers from South and Southeast Asia: India 27.5%; Pakistan 12.7%; Bangladesh 7.4%; Philippines 5.6%; Iran 4.8%; Egypt 4.2%; Nepal 3.1%; Sri Lanka 3.2%; China 2.1%; all other countries 17.9%.<sup>16</sup>
23. The UAE's rapid urbanization has depended on a large migrant workforce subject to the 'Kafala' sponsorship system. This system grants employers excessive control over workers' visas, preventing them from changing jobs or leaving the country without permission, fuelling concerns about workers' rights<sup>17</sup>. Human Rights Watch reports that:

*Those who left their employers without permission faced punishment for “absconding,” including fines, arrest, detention, and deportation, all without any due process guarantees. Many low-paid migrant workers were acutely vulnerable to forced labor ... In September [2021], Euro-Med Human Rights Monitor and ImpACT International documented that on June 24 and 25 authorities arrested, detained, and tortured over 800 African migrant workers before the mass deportation of many. The organizations report that the majority were deported despite valid residence visas and/or work permits, and that an unknown number remain in detention.*

24. Some of the most high-profile examples of human rights breaches in the UAE concern Sheikha Latifa, daughter of Dubai ruler and Prime Minister of the United Arab Emirates, Sheikh Mohammed bin Rashid al-Maktoum. In 2018 the BBC revealed secret videos detailing the alleged forced confinement of Latifa in Dubai following her abduction and forcible return in 2018. Sheikha Latifa's sister, Shamsa, was also subject to abduction and forcible return from the UK in 2000.<sup>18</sup>

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<sup>15</sup> <https://www.hrw.org/world-report/2020/country-chapters/united-arab-emirates#>

<sup>16</sup> <https://www.globalmediainsight.com/blog/uae-population-statistics/>

<sup>17</sup> <https://www.cfr.org/backgrounder/what-kafala-system>

<sup>18</sup> <https://www.hrw.org/news/2021/02/18/uae-must-release-latifa-and-shamsa-and-stop-denying-women-basic-rights>

25. The controversy surrounding Sheikh Mohammed presents the UAE's uneasy position on the global economic stage as both friend and foe of Western democracies. It is widely acclaimed that Sheikh Mohammed was the driving force behind transforming Dubai into a thriving centre of commerce. The New Yorker recently reported that:

*Sheikh Mohammed is an ally of Western governments, celebrated for transforming Dubai into a modern power. Publicly, he has placed gender equality at the heart of his plan to propel the U.A.E. to the top of the world economic order, vowing to "remove all the hurdles that women face." But for his daughter Dubai was "an open air prison," where disobedience was brutally punished.<sup>19</sup>*

26. The United States Department of State's 2022 Country Report on the UAE stated that:

*Significant human rights issues included credible reports of: arbitrary arrest and detention, including those involving hostile prison conditions such as incommunicado detention, by government officials; political prisoners; transnational repression against individuals in another country; unlawful government interference with privacy; serious restrictions on free expression and media, including censorship and enforcement of or threat to enforce criminal libel laws; serious restrictions on internet freedom; substantial interference with the freedom of peaceful assembly and freedom of association, including overly restrictive laws on the organization, funding, or operation of nongovernmental organizations and civil society organizations; inability of citizens to change their government peacefully through free and fair elections; serious and unreasonable restrictions on political participation; serious government restrictions or harassment of domestic and international human rights organizations; laws criminalizing consensual same-sex sexual conduct between adults; and outlawing of independent trade unions and significant restrictions on workers' freedom of association.<sup>20</sup>*

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<sup>19</sup> <https://www.newyorker.com/magazine/2023/05/08/the-fugitive-princesses-of-dubai>

<sup>20</sup> <https://www.state.gov/reports/2022-country-reports-on-human-rights-practices/ united-arab-emirates/>

27. The UAE received 323 recommendations from UN Member States on various human rights issues during its 4th cycle of the Universal Periodic Review (UPR) in 2022. Ahead of the review, MENA Rights Group submitted a shadow report noting that:

*The United Arab Emirates (UAE) has not ratified the International Covenant on Civil and Political Rights (ICCPR), the International Covenant on Economic, Social and Cultural Rights (ICESCR), the Optional Protocol to the Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment (OPCAT), the Convention for the Protection of All Persons from Enforced Disappearance (ICPPED), the Rome Statute of the International Criminal Court (ICC), the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families nor the International Labour Organization's (ILO) Domestic Workers Convention (No. 189). Moreover, it has not accepted the competence of the Committee against Torture to conduct inquiries under article 20 of the Convention against Torture (UNCAT) nor the individual communication procedure under article 22.*

***... In practice, cases documented by MENA Rights Group show that, at least since 2011, the country's SSA has been responsible for a widespread pattern of human rights violations, which include arbitrary arrest and detention, enforced disappearance and torture, most notably against government critics, political opposition figures and human rights defenders. Allegations of torture do not lead to investigations and thus acts of torture go unpunished. This may be due to a lack of independence of the judiciary (see section 3.5). Finally, the UAE has extradited individuals to countries in which they face the risk of being tortured, in violation of its non-refoulement obligations under article 3 UNCAT.<sup>21</sup>***

28. According to the World Bank's "World Development Indicators" database, the UAE's gross domestic product (GDP) in 2022 is estimated at \$507 billion USD<sup>22</sup>, ranking 28th highest globally. The UAE Ministry of Economy's report highlights a renewed focus on non-oil sectors, with non-oil GDP accounting for approximately 70% of the total GDP.<sup>23</sup>

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<sup>21</sup> <https://www.menarights.org/en/documents/4th-upr-cycle-continued-restrictions-civil-and-political-rights-uae>

<sup>22</sup> <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=AE>

<sup>23</sup> <https://mof.gov.ae/fdmo-uae-economy-overview/>

The Dubai Statistics Centre reports an uptick in industrial activity, particularly in sectors such as manufacturing and technology, contributing to the nation's broader economic transformation agenda.<sup>24</sup>

29. The UAE is a federation of seven Emirate monarchies, involving the aggregation of unelected Emirate rulers to form a Federal Supreme Council, effectively constituting the zenith of both legislative and executive authority within the nation. The prevailing governance system operates under the umbrella of patriarchal influence, perpetuating a framework shaped by tribal leaders, federal authorities, and individual Emirate leaders.
30. Of particular significance is the role of the Federal National Council, which operates as a consultative entity directly associated with the Supreme Council. This Council assumes the task of examining legislative matters, thereby serving as a conduit for informed input into the decision-making process. The composition of this National Council, encompassing approximately 20 members, diverges from the norm of direct citizen elections. Instead, a restricted electorate, handpicked by each Emirate, are held for a federal advisory body, but political parties are banned, and all executive, legislative, and judicial authority ultimately rests with the seven hereditary rulers. The civil liberties of both citizens and noncitizens are subject to significant restrictions.<sup>25</sup>
31. The UAE's Government website heralds a section on human rights stating that:

*Throughout its history, the UAE has followed the principles of justice and equality, respect for human rights, humanitarian aid and relief action in line with the principles of the Universal Declaration of Human Rights. Since its inception, the UAE has ensured the founding of a tolerant and multi-cultural community in which individuals from across the world live in harmony, guaranteeing via its constitution their civil liberties.*<sup>26</sup>

32. However, the UAE ranks 37th in the World Justice's most recent Rule of Law Index, coming 108<sup>th</sup> in the Fundamental Rights category.<sup>27</sup> For example, the UAE has signed but

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<sup>24</sup> <https://www.dsc.gov.ae/en-us/Pages/default.aspx>

<sup>25</sup> <https://freedomhouse.org/country/united-arab-emirates/freedom-world/2022>

<sup>26</sup> <https://u.ae/en/about-the-uae/human-rights-in-the-uae>

<sup>27</sup> <https://worldjusticeproject.org/rule-of-law-index/global/2023/Fundamental%20Rights/>

not ratified the United Nations Convention against Torture (UNCAT), and the country has refused to sign the Optional Protocol of the Convention against Torture. The latter protocol is the mechanism by which a country's compliance and implementation of the Convention is monitored and evaluated by undertaking visits to assess conditions and practices in places of detention such as police stations and prisons.<sup>28</sup> Furthermore, the UAE is yet to define torture in its own domestic legal framework.

33. Human Rights Watch reported in 2022 that the UAE “blocked representatives of international human rights organizations and UN experts from International Campaign for Freedom in the United Arab Emirates (ICF UAE) in-country research and visiting prisons and detention facilities”.<sup>29</sup> In 2023 the ICF UAE reported concerns that the UAE had denied the United Nations entry to the country to inspect human rights practices for ten consecutive years:

*At the 2013 Universal Periodic Review, Anwar Gargash said the UAE accepted the invitation of Special Rapporteur on the promotion and protection of human rights and fundamental freedoms while countering terrorism. However, no UN expert was allowed access to the Gulf country since then. Last year, The UN Working Group on Arbitrary Detention has sent a communication to the UAE expressing concern about certain laws and practices that don't comply with international human rights laws, particularly with regard to enforced disappearances.*<sup>30</sup>

34. Having established a National Human Rights Institution (NHRI) in August 2021, the UAE is yet to be granted membership to the Global Alliance of National Human Rights Institutions (GANHRI). Membership of GANHRI requires an NHRI to be credible and independent in order to effectively promote and protect human rights.<sup>31</sup> In particular, to be recognised by the international community, NHRIs must adhere to the Paris Principles which include developing relations with non-governmental organisations devoted to promoting and protecting human rights.

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<sup>28</sup> <https://www.amnesty.org/en/wp-content/uploads/2021/06/ior510022003en.pdf>

<sup>29</sup> <https://www.hrw.org/world-report/2022/country-chapters/united-arab-emirates#73fccc>

<sup>30</sup> <https://www.icfuae.org.uk/news/uae-continues-refuse-un-experts-visit-its-prisons-10th-year>

<sup>31</sup> <https://ganhri.org/accreditation/>

35. Despite its appearance of embracing Western values through its hosting of cultural and sporting events, the UAE has refused to allow the United Nations to conduct any country visits since 2014. The country's refusal to permit independent monitoring of its human rights practices sits uneasy next to the United Nation's announcement that the UAE will host the COP28 climate summit in December 2023. Meanwhile, reports of human rights violations within the UAE continue. Amnesty International reported in 2022 that:

*The UAE was responsible for dozens of new and ongoing arbitrary detentions. The authorities refused to release at least 41 prisoners who completed their sentences during the year, bringing the total number, including those from previous years, to 48. All 41 were part of the "UAE-94" mass trial of 2012-2013. The government characterized such detentions as ongoing "counselling" for those who have "adopted extremist thought," a procedure authorized under Article 40 of the 2014 counter-terrorism law. The law requires the Office of Public Prosecution to obtain a court order for such detentions, but does not give the detainee the right to challenge their continued detention.*

*In July, in its first review of the UAE, the UN Committee against Torture stated its "concern that reports received detail a pattern of torture and ill-treatment against human rights defenders and persons accused of offences against state security."*

*Authorities held human rights defender Ahmed Mansoor in solitary confinement for the entire year and deprived him of glasses, books, a bed, mattress and pillows, and personal hygiene items.<sup>2</sup> Such prolonged solitary confinement, especially in combination with the degrading and inhuman treatment, rises to the level of torture.*

36. The lack of rights for low-paid workers stands in contrast to legislative reforms designed to attract foreign investment. In recent years the UAE has made a series of legislative reforms aimed at attracting foreign investment and tourism by rebranding the country as modern and global "soft power". The UAE declared 2019 the "Year of Tolerance" and its PR machines fired up to announce changes to its "Personal Status" laws including lifting a ban on the co-habitation of unmarried couples, loosening regulations on alcohol consumption, toughening laws against sexual harassment, and decriminalising suicide

attempts. Yet, international press coverage maintained a degree of scepticism. The New York Times reported at the time:

*The changes to divorce laws did not apply to Emirati women, leaving them subject to laws Ms. Begum called discriminatory. And it was not clear whether the changes that allowed cohabitation of unmarried couples removed so-called indecency laws used to punish extramarital sex, she said. Those laws had disproportionately been used against migrant women, she said, and allowed women who reported being raped to be prosecuted for adultery ... The new laws aimed to improve the country's image ahead of Expo 2020, a global fair that was scheduled to be held in Dubai this October but was postponed until next year because of the coronavirus pandemic, Ms. Begum said. But they needed to be applied equally to everyone in the country. "You can get away with a lot in Dubai," she said. "The problem is that they still have a lot of discrimination depending on who you are."<sup>32</sup>*

37. In March 2023 the UAE's Trade Minister Dr Thani bin Ahmed Al Zeyoudi told Politico that the UK and other Western countries must "separate politics from trade and the economy".<sup>33</sup> The Politico article noted:

*Rosa Crawford, policy officer at the Trades Union Congress, said: "The government should not be giving legitimacy to those countries by starting trade talks ... it is giving them a gloss and a veneer of respectability. The U.K. government shouldn't be negotiating trade deals on this race to the bottom model." ... Independent trade unions are banned in UAE, which uses the kafala sponsorship system of exploitative monitoring of migrant workers, leading to modern slavery and human trafficking.*

38. Freedom of expression, freedom of association and freedom of religion, remain profoundly restricted in the UAE. Human Rights Watch reported in 2022 that:

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<sup>32</sup> <https://www.nytimes.com/2020/11/09/world/middleeast/united-arab-emirates-laws-tourists.html>

<sup>33</sup> <https://www.politico.eu/article/uk-trade-deal-human-rights-uae-minister-thani-bin-ahmed-al-zeyoudi-gulf-cooperation-council/>

*Scores of activists, academics, and lawyers are serving lengthy sentences in UAE prisons following unfair trials on vague and broad charges that violate their rights to free expression and association.*

*Ahmed Mansoor, a leading Emirati human rights defender, remained imprisoned in an isolation cell for a fourth year. New details regarding UAE authorities' persecution of Mansoor emerged in 2021 revealing grave violations of his rights and demonstrating the State Security Agency's unchecked powers to commit abuses. In July, a private letter he wrote detailing his mistreatment in detention leaked to regional media, sparking renewed concern over his well-being and possible retaliation.*

*Prominent academic Nasser bin-Ghaith, serving 10 years on charges stemming from criticism of UAE and Egyptian authorities, and university professor and human rights lawyer Mohammed al-Roken, serving 10 years following his conviction alongside 68 other people in the grossly unfair "UAE 94" trial, also remained in prison.<sup>34</sup>*

39. MENA Rights Group report that 11 critics and activists are currently confined within UAE's Munasaha Centres, or what are known as "counselling" centres, established by the UAE.<sup>35</sup> During the period spanning from 2016 to 2019, counterterrorism legislation was enacted, which included provisions for the creation of Munasaha Centres charged with executing rehabilitation programs for individuals with 'terrorist, extremist or deviant ideologies'. MENA Rights Group underscored the vague legal definition of 'terrorism', a classification that encompasses the mere expression of dissent against the State. Of considerable concern is the absence of a maximum detention duration for those placed within Munasaha Centres, whereby critics and leaders of opposition movements face the ominous prospect of indefinite confinement, even after serving their original sentences.

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<sup>34</sup> <https://www.hrw.org/world-report/2023/country-chapters/united-arab-emirates>

<sup>35</sup> [https://menarights.org/sites/default/files/2020-06/UAE\\_General\\_Allegation\\_Report\\_18062020.pdf](https://menarights.org/sites/default/files/2020-06/UAE_General_Allegation_Report_18062020.pdf)



40. The UAE deploys extensive surveillance technology on its own citizens as well as part of a campaign of transnational repression.<sup>36</sup> Le Monde, reported in January 2023 that:

*Over time, surveillance has grown tighter, using increasingly sophisticated technology. Pegasus spyware, developed by the Israeli NSO Group and currently under the spotlight because it was used to tap the phones of a number of Western politicians and journalists, was used notably against Ahmed Mansoor, who in 2018 was sentenced to ten years in prison for ‘harming the reputation of the state’ among other offences. Tel Aviv was fully aware that the spyware might be used in this way when NSO sold it to the UAE. One of the group’s founders, Hudio Shalev, told the New Yorker, ‘Everything that we are doing, we got permission from the government of Israel [to do]’.*

*Marwa Fatafta, head of digital civil rights defence association Access Now, says, ‘This surveillance is not only used extract information. It is also, and above all, a tactic of repression and intimidation. Intruding into private life and intimate spaces, spying on communications with family and loved ones, is a form of psychological violence which aims to silence victims. It makes you wonder: What did I say? What do they know? How can the personal information they have be used against me later? Women are particularly vulnerable in this regard.’ Al Jazeera journalist Ghada Oueiss’s phone was hacked and a private photo of her in a swimsuit was circulated on Twitter; she filed a lawsuit in the US against Saudi crown prince Muhammad Bin Salman (MBS) as well as MBZ (in charge of the UAE after his half-brother Khalifa’s stroke) and DarkMatter.<sup>37</sup>*

41. The strength of the UAE’s diplomatic relations despite widespread reporting of human rights abuses against its own citizens as well as foreign nationals may be explained in part by the UAE’s management of other countries’ foreign policy, as reported recently by The Washington Post:

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<sup>36</sup> <https://foreignpolicy.com/2016/08/25/the-uae-spends-big-on-israeli-spyware-to-listen-in-on-a-dissident/>; <https://www.alkarama.org/en/articles/un-warns-dangers-using-spyware-undermine-rights-and-repress-activists>

<sup>37</sup> <https://mondediplo.com/2023/01/05uae>

*The activities covered in the report, described to The Washington Post by three people who have read it, include illegal and legal attempts to steer U.S. foreign policy in ways favorable to the Arab autocracy. It reveals the UAE's bid, spanning multiple U.S. administrations, to exploit the vulnerabilities in American governance, including its reliance on campaign contributions, susceptibility to powerful lobbying firms and lax enforcement of disclosure laws intended to guard against interference by foreign governments, these people said. Each spoke on the condition of anonymity to discuss classified information.*

*... The UAE has spent more than \$154 million on lobbyists since 2016, according to Justice Department records. It has spent hundreds of millions of dollars more on donations to American universities and think tanks, many that produce policy papers with findings favorable to UAE interests.*

*... One U.S. lawmaker who read the intelligence report told The Post that it illustrates how American democracy is being distorted by foreign money, saying it should serve as a wake-up call. "A very clear red line needs to be established against the UAE playing in American politics," said the lawmaker. "I'm not convinced we've ever raised this with the Emiratis at a high level."<sup>38</sup>*

42. Reports of mistreatment and arbitrary detention by Emirate authorities are numerous. The United Nations has called repeatedly on the UAE to release individuals, often political critics, who remain arbitrarily detained and mistreated:

*A UN expert has expressed serious concern at the long-term imprisonment of five human rights defenders in the United Arab Emirates and has urged the Government to release them immediately.*

*Mr. Mohamed al-Mansoori, Mr. Hassan Mohammed Al-Hammad, Mr. Hadif Rashed Abdullah al-Owais, Mr. Ali Saeed Al-Kindi and Mr. Salim Hamdoon Al-Shahhi are part of the so-called "UAE94", a group of 94 lawyers, human rights*

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<sup>38</sup> <https://www.washingtonpost.com/national-security/2022/11/12/uae-meddled-us-politics-intel-report/>

*defenders and academics who were sentenced to 10 years in prison in July 2013 for plotting to overthrow the Government.*

*The proceedings against them were initiated in the context of an escalated crackdown by the authorities of the United Arab Emirates against individuals and organisations calling for peaceful political reform.*

*“Their sentences were excessively severe and their detentions have been declared arbitrary according to the UN Working Group on Arbitrary Detention,” said Mary Lawlor, the UN Special Rapporteur on the situation of human rights defenders. “They should have never been detained in the first place for legitimately exercising the freedoms that all people are entitled to.*

*“There are worrying allegations that they are subjected to long periods in solitary confinement, which could amount to torture,” Lawlor said. Other allegations include authorities turning off the air conditioning as temperatures rose above 40°C, and windows being covered, preventing prisoners from seeing sunlight.<sup>39</sup>*

43. The UNCAT’s 2022 findings on the UAE raised serious concerns of torture practices by state agents:

*Concerning the involvement of the United Arab Emirates in the conflict in Yemen and its anti-terrorism efforts, the Committee expressed concerns over allegations of torture and ill-treatment by the State party’s regular armed forces, state security agencies, and related non-state armed groups. The Committee placed a special onus on the investigation and prosecution of offences of torture and ill-treatment in these situations, and called for a viable pathway for victims to seek justice, redress and rehabilitation.*

*The Committee was also concerned about the continued practice of female genital mutilation in the UAE and the lack of legislation criminalizing it. It called upon the State party to strengthen its efforts to stamp out gender-based violence*

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<sup>39</sup> <https://www.ohchr.org/en/press-releases/2021/06/uae-un-expert-condemns-long-term-detention-human-rights-defenders>

*and harmful practices by introducing new legislation and awareness-raising campaigns.*<sup>40</sup>

44. During the 71st Session of the UN Committee Against Torture in June 2020, a collaborative submission authored by four international human rights organisations collectively conveyed:

*The customary response of UAE authorities to allegations of torture involving human rights defenders has invariably encompassed denials of the claims or complete disregard, even in instances where these concerns have been raised by the United Nations.*<sup>41</sup>

45. The UK's Permanent Representative to the UN in Geneva, Ambassador Simon Manley, delivered a speech for the UAE's 43rd Universal Periodic Review at the Human Rights Council this year, stating:

*We recommend that the UAE:*

- 1. Implement existing laws to ensure detainees are informed of all charges against them and of their rights to a translator and legal representation; to inform someone known to the detainees of their whereabouts; and to investigate immediately and impartially if a complaint about the detainees' treatment is made.*
- 2. Guarantee the rights to freedom of opinion, freedom of expression and peaceful assembly, in line with international human rights law.*
- 3. Ensure the political independence of its National Humans Rights Institute and its full compliance with the Paris Principles.*<sup>42</sup>

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<sup>40</sup> <https://www.ohchr.org/en/press-releases/2022/07/un-committee-against-torture-publishes-findings-botswana-nicaragua-state>

<sup>41</sup> [https://www.omct.org/files/2020/06/25925/uae\\_joint\\_ngo\\_submission\\_to\\_cat\\_26\\_june\\_2020\\_en.pdf](https://www.omct.org/files/2020/06/25925/uae_joint_ngo_submission_to_cat_26_june_2020_en.pdf)

<sup>42</sup> <https://www.gov.uk/government/speeches/43rd-universal-periodic-reviewstatement-on-united-arab-emirates>

46. The UAE was one of 42 countries highlighted by the UN in which people faced reprisals and intimidation for cooperating with the UN on human rights. The British academic Matthew Hedges, who was arbitrarily detained for six months in the UAE in 2018, accused the Gulf state of launching a smear campaign against him by sharing the contents of a confidential legal dossier including psychiatric report and photos of him in solitary confinement. The leaked dossier had been submitted to the United Nations following Mr Hedges gave evidence to the Committee Against Torture about his ordeal. The ICFUAE reported on the gross invasion of privacy:

*The dossier comes four years after his detention, in which time Mr Hedges has consistently detailed his time spent in solitary confinement, including being forced-fed medications, repeatedly interrogated and being deprived of sleep by being kept on the floor of a windowless cell where the lights were not turned off for months.*<sup>43</sup>

47. The ICFUAE has highlighted the "utilization of indefinite detention underscores the persistent systemic suppression of political dissent by UAE authorities".<sup>44</sup> Following the completion of a dissident's sentence, the public prosecution solicits a verdict from the Federal Appeal Court—leveraging anti-terrorism laws—to transfer the inmate to a Munasaha Centre for an initially stipulated period, which can subsequently be extended ad infinitum. According to the ICFUAE's documentation:

*In certain cases, detainees are not afforded the opportunity to appear before a judge, and the decision for their indefinite detention rests solely on administrative edicts. When a detainee does stand before a judge, the conventional attributes of a trial are conspicuously absent: the proceedings are hastily concluded within a single day, and legal representation for the detainee is rendered impossible. In essence, the public prosecution mandates that the detainee provide evidence disavowing any lingering 'terrorist ideology'.*

48. The United States Department of State 2022 Country Report on the UAE concludes that:

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<sup>43</sup> <https://www.icfuae.org.uk/news/matthew-hedges-accuses-uae-launching-smear-campaign>

<sup>44</sup> <http://icfuae.org.uk/sites/default/files/ICFUAEMunasaha%20Centres.pdf-23-04-2021.pdf>

*The constitution provides for an independent judiciary; however, court decisions remained subject to review by the political leadership. Authorities often treated noncitizens differently from citizens. The judiciary consisted largely of contracted foreign nationals subject to potential deportation, further compromising its independence from the government ...*

*Although defendants have the right to be present at their trials and to have legal counsel in court for cases that carry punishment other than a fine, observers reported that this right was not always respected. Some defendants said they did not have adequate time to prepare a defense, sometimes due to limited telephone access or incomplete information from authorities regarding their rights. Verdicts were announced in open court, even if the case was heard in a closed session.*

*When authorities suspected a foreigner of crimes of “moral turpitude,” they sometimes deported the individual without recourse to the criminal justice system.*

*Women continued to face legal discrimination because of the government’s interpretation of sharia ...<sup>45</sup>*

49. During the last UN country visit to the UAE in 2014, the former UN Special Rapporteur on the independence of judges and lawyers expressed concern that the separation of powers is not explicitly guaranteed in the UAE’s Constitution and was ‘especially concerned that the judicial system remains under the de facto control of the executive branch of government’.<sup>46</sup> Further, it was noted that:

*The Special Rapporteur is concerned reported instances in which judges appear to have lacked impartiality and show bias, especially with regard to non-nationals of the United Arab Emirates. Among foreigners residing in United Arab Emirates, there seems to be perception that the domestic courts cannot be trusted, and more specifically that judges do not treat nationals in the same way as non-*

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<sup>45</sup> <https://www.state.gov/reports/2022-country-reports-on-human-rights-practices/united-arab-emirates/>

<sup>46</sup> [A/HRC/26/32 - E - A/HRC/26/32 -Desktop \(undocs.org\)](#)

*nationals. ... foreigners lack of confidence in the justice system is such that many of them don't report crimes or abuses.*

50. This chapter is not intended to be an exhaustive evaluation of the human rights situation in the UAE. Detailed work has been done by many NGOs focusing on the UAE and cited above. However, it is clear that despite the progress that the UAE has made in recent years, the UAE's human rights record is one which still remains subject to particular scrutiny and challenge. It is clear that the human rights landscape in the UAE is one in which dissent is routinely suppressed, and fundamental rights are frequently breached. There remain real and valid concerns that the UAE has a poor record on human rights.

# NATIONAL SECURITY CONCERNS



## NATIONAL SECURITY CONCERNS

51. The acquisition by e& of a significant stake in Vodafone has resulted in concern within the UK Government, leading to heightened scrutiny and the implementation of precautionary measures.
52. The UK Government is concerned that an Emirati backed telecoms group does in fact pose a national security risk to the UK.<sup>47</sup>
53. The Deputy Prime Minister, Oliver Dowden, issued a statement, “*on the Notice of the Final Order relating to the rights of interests conferred to Emirates Telecommunications Group Company PJSC under the Strategic Relationship Agreement with Vodafone Group plc*”.<sup>48</sup> Whilst the Government approved the strategic relationship between Vodafone and e&, it nevertheless indicated that it had used the National Security and Investment Act and has “*put in place important measures to address any potential national security concerns*”. As set out by the UK Government<sup>49</sup>, the Final Order imposed requires Emirates Telecommunications Group Company PJSC to:
- (i) Meet certain notification requirements in relation to any alteration to, or termination of the terms of the Strategic Relationship Agreement;
  - (ii) Meet certain requirements relating to Vodafone’s board composition, board committee membership, and board committee functions;
  - (iii) Establish a National Security Committee to oversee sensitive work that Vodafone and its group perform which has an impact on or is in respect of the national security of the United Kingdom.
54. The UK government action represents the exercise of government powers pursuant to the National Security and Investment Act 2021 (“the NSI Act”). This illustrates that minority investments can give rise to concerns within the Act, and that “*national infrastructure*” is

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<sup>47</sup> <https://www.theguardian.com/business/2024/jan/25/emirates-backed-stake-vodafone-security-risk-uae-uk-government>

<sup>48</sup> <https://www.gov.uk/government/news/a-statement-from-the-deputy-prime-minister-oliver-dowden>

<sup>49</sup> <https://www.gov.uk/government/publications/the-rights-and-interests-conferred-to-emirates-telecommunications-group-company-pjsc-under-the-strategic-relationship-agreement-with-vodafone-group-pl/the-rights-and-interests-conferred-to-emirates-telecommunications-group-company-pjsc-under-the-strategic-relationship-agreement-with-vodafone-group-plc>

plainly a matter of concern for the UK government with reference to matters relating to national security. Although the NSI Act primarily relates to control over qualifying entities and the potential risk to national security in circumstances where the relevant entity acquires an interest of at least 25%<sup>50</sup>, in the instant circumstances it is likely that the UK government triggered the NSI Act requirements under aspects of the Act.<sup>51</sup>

55. It is worth noting that, as set out on the relevant section of the government’s guidance on acquisitions in relation to national security:

*“You are not legally required to tell the government about your qualifying acquisition if it is not covered by a mandatory notification. You can submit a voluntary notification if you are a party to a completed or planned qualifying acquisition that is not covered by mandatory notification and want to find out if the government is going to call it in.*

*Even if you do not notify an acquisition, if the government reasonably suspects it may give rise to a national security risk it may still be called in for a national security assessment. The government can assess acquisitions up to 5 years after they have taken place and up to 6 months after becoming aware of them if they have not been notified.”*

56. Vodafone has contracts with a number of sensitive government departments including the Ministry of Defence and the Ministry of Justice, amongst others.<sup>52</sup>
57. The government has now ordered that a National Security Committee be instituted at Vodafone, which will likely oversee and monitor sensitive work carried out which may have an impact upon national security. By way of response, Vodafone indicated that it was *“pleased to receive clearance in our home market for our strategic relationship with e&, and for e& to take a seat on our board”*. The Financial Times reported an Emirati analyst as saying *“This is not really very specific, saying that it carries a national security*

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<sup>50</sup> <https://www.legislation.gov.uk/ukpga/2021/25/section/8/enacted>

<sup>51</sup> <https://www.gov.uk/guidance/national-security-and-investment-act-guidance-on-acquisitions>

<sup>52</sup> <https://questions-statements.parliament.uk/written-questions/detail/2024-01-19/10586/>

risk – on what grounds? The UAE is a business-oriented country and it values its relationship with the UK, so it's not going to do anything to weaken that"<sup>53</sup>.

58. There are significant concerns that ownership ultimately controlled by the Emirates government is a real threat to the UK.<sup>54</sup> As the Telegraph reported, ***“The UAE’s swoop on Vodafone was part of a wave of oil rich states buying into sensitive industries in the west, which sparked alarm amongst some security officials”***.<sup>55</sup> The UK government is concerned about Emirati links to China and there have been significant press reports of late indicating UAE connections with Russia. Only a few weeks ago, the UAE President, Sheikh Mohamed bin Zayed al Nahyan, *“vowed to further develop their friendly relations”* between Russia and the UAE.<sup>56</sup> Sheikh Mohamed has been reported as describing Putin as his *“dear friend”* and recently Putin recognised *“unprecedented relations”* between the UAE and Russia, last December.<sup>57</sup> Further, and as set out in more detail below, the UAE has a history of spying on the UK, and it is notable that a Member of Parliament was said to be amongst several hundred people whose mobile phone numbers had emerged in a list of numbers said to have been part of the Pegasus Project spying ring.<sup>58</sup> It is worthwhile noting that since February of this year, Vodafone is now cooperating with a national security review into its proposed merger with Chinese owned telecoms business Three.<sup>59</sup>
59. The underlying basis for UK concerns at Emirati ownership of a business so closely linked to UK government critical infrastructure is simple. Just as these sorts of partnerships have given rise to US suspicion<sup>60</sup> where US officials are concerned at the acquisition of US critical infrastructure due to Sino-Gulf links and Russo-Gulf links, the same is true in

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<sup>53</sup> <https://www.ft.com/content/cbbfc2bc-7034-4be3-92f0-edc2f14adf14>

<sup>54</sup> <https://www.telegraph.co.uk/business/2024/01/25/uae-vodafone-trigger-national-security-intervention-dowden/>

<sup>55</sup> <https://www.telegraph.co.uk/business/2024/01/25/uae-vodafone-trigger-national-security-intervention-dowden/>

<sup>56</sup> <https://www.telegraph.co.uk/world-news/2024/02/05/uae-president-calls-russia-putin-pledge-friendly-relations/>

<sup>57</sup> <https://www.telegraph.co.uk/world-news/2023/12/06/putin-eau-abu-dhabi-flypast-sanctions-sheikh-mohamed/>

<sup>58</sup> <https://www.theguardian.com/world/2021/jul/21/uae-linked-to-listing-of-hundreds-of-uk-phones-in-pegasus-project-leak>

<sup>59</sup> <https://www.telegraph.co.uk/business/2023/03/16/three-unsustainable-without-vodafone-merger-bosses-admit/>

<sup>60</sup> <https://www.telegraph.co.uk/business/2024/01/25/uae-vodafone-trigger-national-security-intervention-dowden/>

the United Kingdom. Further, as noted in the Telegraph, ***“Deals involving Abu Dhabi funds are viewed as particularly worthy of scrutiny because investment decisions are made by a small number of royals”***.<sup>61</sup>

60. The UAE has a history of installing spyware and conducting espionage operations on friend and foe alike. The potential for foreign influence is clear and there can be little doubt that the UK government is concerned that e& could exert undue influence on Vodafone. There is a risk that influence may emerge in areas such as network infrastructure management, data access as well as policy decisions. The risk must also be that the Emirati government may have access to sensitive information across Vodafone’s network, giving rise to potential espionage activities and, for example, unauthorised data collection.
  
61. As a result, the UK government’s use of the NSI Act to scrutinise the deal clearly demonstrates a significant level of concern. Whilst, of course, the UK government will plainly recognise foreign investment, it is incumbent upon the government to protect national security interests and the e& stake in Vodafone highlights the complex challenges that the government faces in balancing the benefits of foreign investment with a need to protect national security.

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<sup>61</sup> <https://www.telegraph.co.uk/business/2024/02/20/uae-sovereign-wealth-fund-plots-heathrow-investment/#:~:text=A%20wave%20of%20investment%20by%20oil%2Drich%20Gulf%20states%20into,a%20small%20band%20of%20royals.>

# ESPIONAGE AND SURVEILLANCE CONCERNS

## ESPIONAGE AND SURVEILLANCE CONCERNS

62. **That the UAE is known to possess well developed intelligence gathering apparatus, and is prepared to use it, is beyond any sensible doubt.** The UAE has been reported to have invested heavily in sophisticated surveillance technologies. Likewise, the UAE government maintains close relationships with telecoms companies and in this case e& is a state-owned telecoms company.

### **Documented UAE Espionage Activities**

63. It is important to set out publicly available examples of previous occasions where the UAE has engaged in espionage, and in particular, against individuals and/or states who might be considered to be allies. In its approach to intelligence gathering, the UAE has a history of targeting dissidents, using its surveillance apparatus to target regime opponents and human rights activists, both outside and inside its borders. Similarly, there are credible examples of cyberespionage attacks by the UAE, demonstrating possible threats to sensitive information. Emirati espionage activities appear to move well beyond what might be termed to be traditional intelligence gathering. The examples below tend to suggest an appetite and certainly an ability to engage in cyber-intelligence, using new and sophisticated technologies to monitor individuals as well as access data. The open-source examples set out below tend to suggest that the UAE has both the technical capabilities at its disposal but also has an appetite to use those technologies where necessary.
64. The following is of note:

- (i) **Manipulation of US politics:** A classified report setting out extensive Emirati attempts to manipulate the US political system was widely reported in November 2022<sup>62</sup>. Of note, and as reported in the Washington Post was that the evidence was “*remarkable in that it focuses on the influence operations of a friendly nation rather than adversarial power such as Russia, China or Iran*”. The article also sets out a widely reported figure indicating that the UAE has spent more than \$154 million on lobbyists since 2016.

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<sup>62</sup> <https://www.washingtonpost.com/national-security/2022/11/12/uae-meddled-us-politics-intel-report/>

- (ii) **Karma Spyware:** In 2019, it was widely reported that former US government intelligence agents working for the UAE hacked the phones of activists, diplomats as well as foreign leaders with the help of a spy tool called Karma.<sup>63</sup>
- (iii) **Pegasus Spyware:** The NSO Group, an Israeli technology company, terminated its contract with the UAE in 2021 after the High Court revealed that Sheikh Mohamed Bin Rashid Al Maktoum, Ruler of Dubai, had used the notorious Pegasus software to spy on his ex-wife.<sup>64</sup>
- (iv) **Qatari Hacking:** Reports circulating in 2017 indicated that the UAE engaged in the hacking of Qatari government news and social media websites.<sup>65</sup>
- (v) **Project Raven:** In 2019, reports circulated that various journalists were surveilled within “Project Raven” said to be a UAE cybersurveillance and hacking operation.<sup>66</sup>
- (vi) **Other digital surveillance:** As recently as November 2023, Amnesty International’s Disrupting Surveillance Team said “It is no secret that targeted digital surveillance has long been weaponized in the United Arab Emirates to crush dissent and stifle freedom of expression. Prior to his arrest in 2017, human rights defender Ahmed Mansoor faced a string of cyber-attacks facilitated by mercenary surveillance companies. Known as ‘the last human rights defender’ in the UAE, Mansoor, who openly criticized the authorities, has been languishing in an Emirati prison for over six years.”<sup>67</sup>
- (vii) **Alp Services Campaign:** In July 2023, reports indicated that “the UAE was involved in a smear campaign that targeted over a thousand people and hundreds of organisations, alleging they had links to the Muslim Brotherhood. Based on 78,000 confidential documents obtained by the French online newspaper MediaPart, the Abu Dhabi Secrets case reportedly involved people from 80 different European countries being spied on by Alp Services...”<sup>68</sup>

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<sup>63</sup> <https://www.nbcnews.com/tech/security/how-uae-used-u-s-mercenaries-cyber-super-weapon-spy-n964436>

<sup>64</sup> <https://www.adhrb.org/2022/05/uae-and-the-impact-of-spyware-on-human-rights-defenders/>

<sup>65</sup> [https://www.washingtonpost.com/world/national-security/uae-hacked-qatari-government-sites-sparking-regional-upheaval-according-to-us-intelligence-officials/2017/07/16/00c46e54-698f-11e7-8eb5-cbccc2e7bfbf\\_story.html](https://www.washingtonpost.com/world/national-security/uae-hacked-qatari-government-sites-sparking-regional-upheaval-according-to-us-intelligence-officials/2017/07/16/00c46e54-698f-11e7-8eb5-cbccc2e7bfbf_story.html)

<sup>66</sup> <https://cpj.org/2019/01/cpj-concerned-by-report-that-uae-project-raven-sur/>

<sup>67</sup> <https://www.amnesty.org/en/latest/news/2023/11/uae-concerns-around-authorities-use-of-digital-surveillance-during-cop28/>

<sup>68</sup> <https://www.middleeasteye.net/news/uae-abu-dhabi-secrets-smear-campaign-explained; mpte-des-services-secrets-des-emirats-arabes-unis>

(viii) **New Yorker Investigation:** The well-respected New Yorker magazine reported in depth on the Alp Services campaign using a particular case study in relation to Hazim Nada. *“Rumors destroyed Hazim Nada’s company. Then bankers handed him terabytes of files exposing a covert campaign against him – and the culprit wasn’t a rival, but an entire country”*.<sup>69</sup>

65. The risk for espionage and unauthorised data access associated with the UAE’s stake in Vodafone presents a concerning scenario. With the evidence of the UAE’s sophisticated intelligence apparatus, possible motives and documented instances of past activities set out above, there are significant red flags. Whilst the examples cited above are all open-source matters, it is safe to assume that the full extent of the UAE’s intelligence gathering activities remains largely unknown. The UAE’s demonstrable willingness to engage in espionage activities on its closest allies – including the US and individuals in the UK is deeply troubling.
66. **For the United Kingdom, a major concern rests in the possible compromise of national security matters and Vodafone’s critical infrastructure plainly plays a vital role in facilitating sensitive government communication.** Any compromise or possible risk to the compromise of this infrastructure could have far-reaching consequences, impacting national security interests and possibly causing significant economic or political disruption.
67. Whilst the UAE’s stake in Vodafone represents an economic opportunity it also presents a significant cybersecurity and national security challenge. It will be critical for the UK government to act with caution in approaching this particular investment and ensure that national security and individual privacy are safeguarded in the face of possible espionage threats.

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<sup>69</sup> <https://www.newyorker.com/magazine/2023/04/03/the-dirty-secrets-of-a-smear-campaign>



# RISKS AND RESPONSES

## RISKS AND RESPONSES

68. The Deputy Prime Minister Oliver Dowden, has made “*a Final Order*” within the provisions of the National Security and Investment Act 2021. In short, that Order requires Vodafone to:
- (i) “*Meet certain notification requirements in relation to any alteration to, or termination of the terms of the Strategic Relationship Agreement.*”
  - (ii) “*Meet certain requirements relating to Vodafone’s board composition, board committee membership and board committee functions.*”
  - (iii) “*Establish a national security committee to oversee sensitive work that Vodafone and its group perform which has an impact on or is in respect of the national security of the United Kingdom.*”
69. There are few details in relation to the specifics of these requirements and, in particular, the actions of the “*National security committee*” do not appear to be immediately defined. According to press reports, these steps are “*necessary and proportionate*” to “*mitigate the risk to national security*”.<sup>70</sup>
70. Following the Notice published by the Cabinet Office on 24<sup>th</sup> January 2024, press reports indicated<sup>71</sup> that unnamed government officials formed the view that “***Vodafone should be forced to spin off its most sensitive activities in order to quash national security concerns...***” The Guardian reported in detail that “***officials and sources familiar with operations at Vodafone said that breaking off some operations would still be safest for the UK***”<sup>72</sup> and, in particular, reference was made to the Vodafone Business Security Enhanced division (“VBSE”) which is said to work on sensitive government activities and agencies. That work was reported to be so sensitive that government linked contracts are not publicly listed and staff are vetted to hold high level security clearance. That press reporting further indicated that the Cabinet Office had declined to comment whereas Vodafone stated, “*Vodafone is not considering any change to Vodafone Business*

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<sup>70</sup> <https://www.theguardian.com/business/2024/jan/25/emirates-backed-stake-vodafone-security-risk-uae-uk-government>

<sup>71</sup> <https://www.theguardian.com/business/2024/jan/26/vodafone-should-spin-off-sensitive-work-after-uae-deal-say-uk-officials>

<sup>72</sup> <https://www.theguardian.com/business/2024/jan/26/vodafone-should-spin-off-sensitive-work-after-uae-deal-say-uk-officials>

*Security Enhanced and is not in discussion to spin off the organisation. VBSE is a 24/7 business unit, which has technical operational separation, delivering end-to-end and managed security services to private and public organisations in the UK .”*

71. This document does not purport to be a definitive analysis of all the potential risks and pitfalls associated with the Emirati stake in Vodafone. This document also recognises that much of the UK government’s actions are likely to remain confidential at this stage. Nevertheless, there is public interest in scrutinising the current state of affairs. Not only are significant UK commercial interests at stake but, in addition, there is a moral imperative to ensure that UK businesses such as Vodafone are held to the highest ethical standards. For those reasons, amongst others, this report sets out proposals that might be adopted by both the UK government and Vodafone itself.
  
72. The government has mandated a National Security Committee within Vodafone which will oversee and monitor any of the sensitive work that it carries out. However, it appears that there is a lack of detail as to the precise mandate of that committee as well as its findings. It is notable in the government’s own guidance in relation to Final Orders that *“There are no statutory requirements under the NSI Act for the government to publish information about individual acquisitions prior to a Final Order being made. The government is, however, required to publish notice of the fact that a Final Order has been made.”*<sup>73</sup>
  
73. It is also worth noting that the definition of a Final Order can also be found on the government’s own website<sup>74</sup> and it is stated that *“A Final Order is a legal binding document imposing conditions on an acquisition to mitigate national security risks. The government may also impose a Final Order prohibiting or unwinding an acquisition”*.
  
74. As set out above, the Final Order requires the parties to:

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<sup>73</sup> <https://www.gov.uk/guidance/national-security-and-investment-act-guidance-on-acquisitions#how-and-when-the-government-will-publish-information-related-to-thensiaact>

<sup>74</sup> <https://www.gov.uk/government/collections/notice-of-final-orders-made-under-the-national-security-and-investment-act-2021#:~:text=A%20final%20order%20is%20a,prohibiting%20or%20unwinding%20an%20acquisition>

- (i) Meet certain notification requirements in relation to any alteration to, or termination of the terms of the Strategic Relationship Agreement;
- (ii) Meet certain requirements relating to Vodafone's board composition, board committee membership, and board committee functions;
- (iii) Establish a National Security Committee to oversee sensitive work that Vodafone and its group perform which has an impact on or is in respect of the national security of the United Kingdom.

75. However, beyond those limited requirements, there is no further information indicating, for example, the composition of the National Security Committee and/or its reporting. As has been repeatedly made clear in this document, foreign ownership of UK critical assets is a fact of life and is not something which should necessarily be discouraged. However, when that foreign ownership emanates from states which have a history of repressive activity and espionage and, in particular, when the assets in question may potentially be used as a tool for either repression or espionage, then particular scrutiny is required.

76. The UK government's Final Order is plainly a step to be welcomed and with this in mind we would invite the government to ensure that the following takes place:

- (i) ***Independent oversight:*** the National Security Committee should be independent of Vodafone and ought to be composed of experts in national security as well as experts in human rights and telecommunications. This committee should monitor Vodafone's operations to ensure adherence to basic national security and human rights standards and should mitigate any potential influence from Emirati ownership. It is suggested that the composition and mandate of this committee should be publicly available.
- (ii) ***There should be enhanced data security and audits of Vodafone's activity:*** Vodafone should implement robust data security measures including state of the art encryption protocols and also engage in regular, independent audits to demonstrate its commitment to user data privacy and to build trust with customers and stakeholders.

- (iii) **Human rights partnerships:** Vodafone should actively collaborate with reputable human rights organisations and engage in partnerships that can provide guidance on best practices, ensuring ethical alignment and offering external validation of Vodafone’s human rights commitments. It is noted that Vodafone has a publicly available human rights policy which “*brings together our most significant human rights impacts, outlining our commitment to freedom of expression, privacy, child online safety, labour rights and responsible outsourcing*”.<sup>75</sup> That detailed policy<sup>76</sup> makes it clear that Vodafone seeks ways “*to honour the principles of internationally recognised human rights, even when faced with conflicting requirements. We aim to ensure that we are not, directly or indirectly, in any way complicit in human rights abuses*”. In light of the serious human rights concerns associated with the UAE, it is imperative that Vodafone transparently maintains these impressive ideals, notwithstanding the significant minority stake owned by a regime which is described in many quarters as repressive.
- (iv) **Vodafone should conduct regular human rights impact assessments:** Vodafone should undertake periodic and comprehensive reviews to evaluate the impact of the UAE’s stake on human rights and national security. These assessments should inform long term revisions to policies and operational practices ensuring long term ethical and legal compliance.

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<sup>75</sup> <https://www.vodafone.com/sustainable-business/operating-responsibly/human-rights/our-policy>

<sup>76</sup> <https://assets.ctfassets.net/q7ob9vms4z5k/1bnnUUkG5i74ESwKKgg2dC/5a9cfdb7f8157b1bf17f79f08cc104af/vodafone-group-human-rights-policy-statement-december-2019.pdf>

# CONCLUSION

## CONCLUSION

77. The UAE's stake in Vodafone raises serious concerns. As set out above, the UAE possesses sophisticated intelligence gathering apparatus and has been accused on myriad occasions of espionage activities, raising legitimate concerns about potential motives for leveraging its stake in Vodafone.
78. The UK government has implemented measures through the National Security Investment Act and the establishment of a National Security Committee within Vodafone is encouraging. However, the effectiveness of these measures in mitigating long term risks remains to be fully assessed.
79. The involvement of a foreign state-backed entity in critical telecommunications infrastructure poses a potential national security risk. These risks include the possibility of undue influence, espionage and unauthorised access to sensitive information which requires vigilant oversight and strategic measures to mitigate such risks.
80. Similarly, the Emirati stake in Vodafone raises significant human rights and privacy concerns. Given the UAE's track record in surveillance, censorship and repression, there is a legitimate fear that these practices could influence Vodafone's operations. This report underscores the importance of Vodafone maintaining a strong commitment to human rights standards and privacy protections.
81. Further, there is a critical role for government oversight in addressing the challenges posed by foreign investments in critical infrastructure. This approach applies not only in Vodafone's case but in any case, where a foreign state-backed company, particularly one which has a history of repressive activity, invests in UK critical infrastructure. Strong regulatory oversight alongside transparency is required to ensure that corporate policy is aligned with national security and that human rights standards are maintained.
82. In conclusion, whilst the Emirati investment represents an economic opportunity, it is incumbent that the UK government should continuously evaluate and potentially strengthen its regulatory measures to ensure transparency and accountability. It is

crucial to maintain a balance between fostering foreign investment and safeguarding national security.



