

KNOWLEDGE SERIES

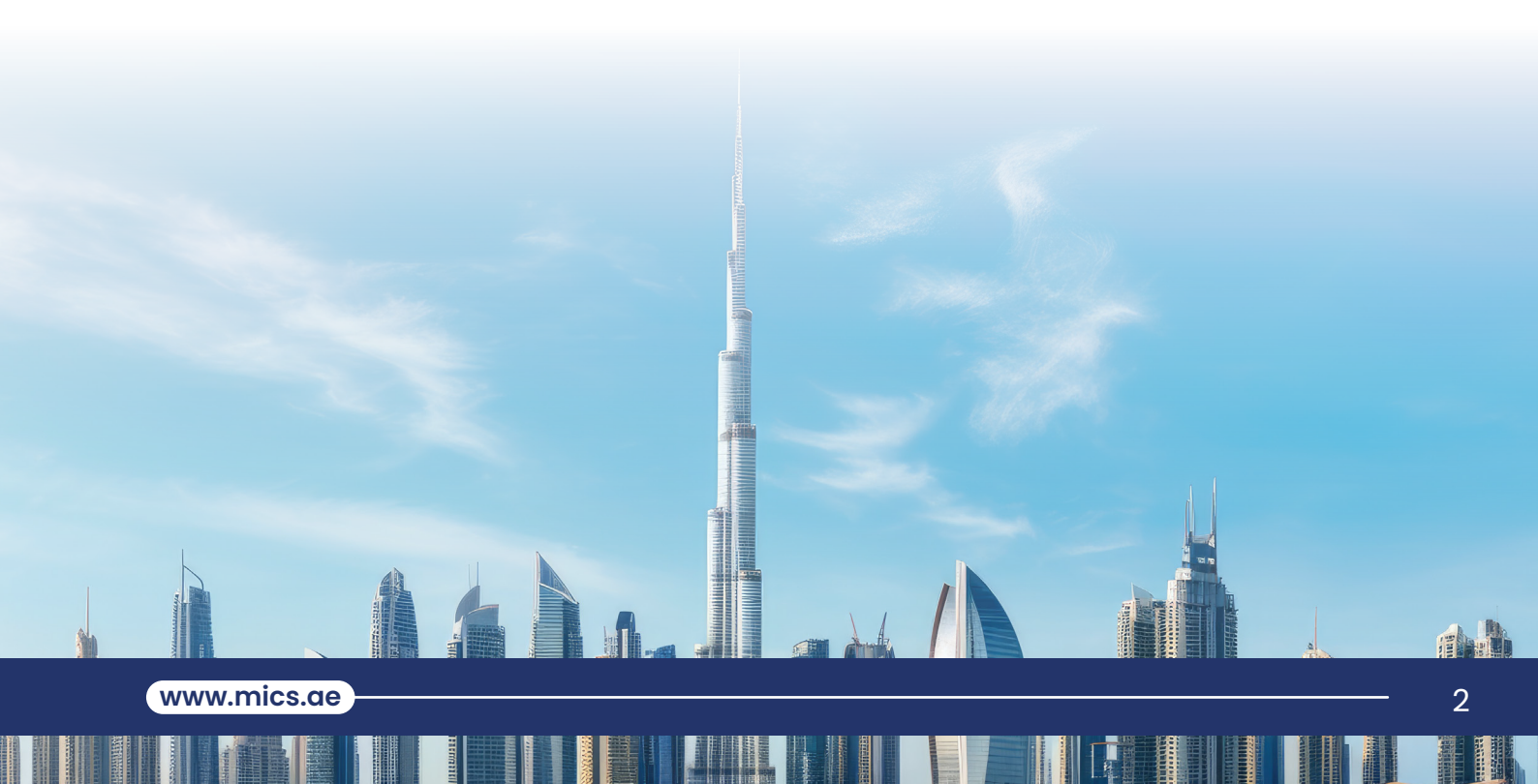
APRIL & MAY – 2024

Providing Comprehensive Financial Services:

Corporate Finance | Audit & Accounting | Tax and Compliance | Risk & Assurance | Debt and Equity Advisory | Investment Advisory | Valuations and Due Diligence | Company Formations | Banking & PRO services | Corporate Tax | Technology Services | ERP Implementation | Cybersecurity

TABLE OF CONTENTS

SL NO.	HEADING TITTLE	PAGE
01	Decoding cross-border transactions Transfer pricing overview	03
02	Director Services and UAE VAT: Recent Changes	12
03	Compliance Essentials: Establishing a Financial Firm in DIFC	14
04	Rise of Contactless Payments in UAE	17
05	The real deal in Real Estate License	21
06	Navigating the Startup Investing in the UAE	23



Article 1

Decoding cross-border transactions | Transfer pricing overview



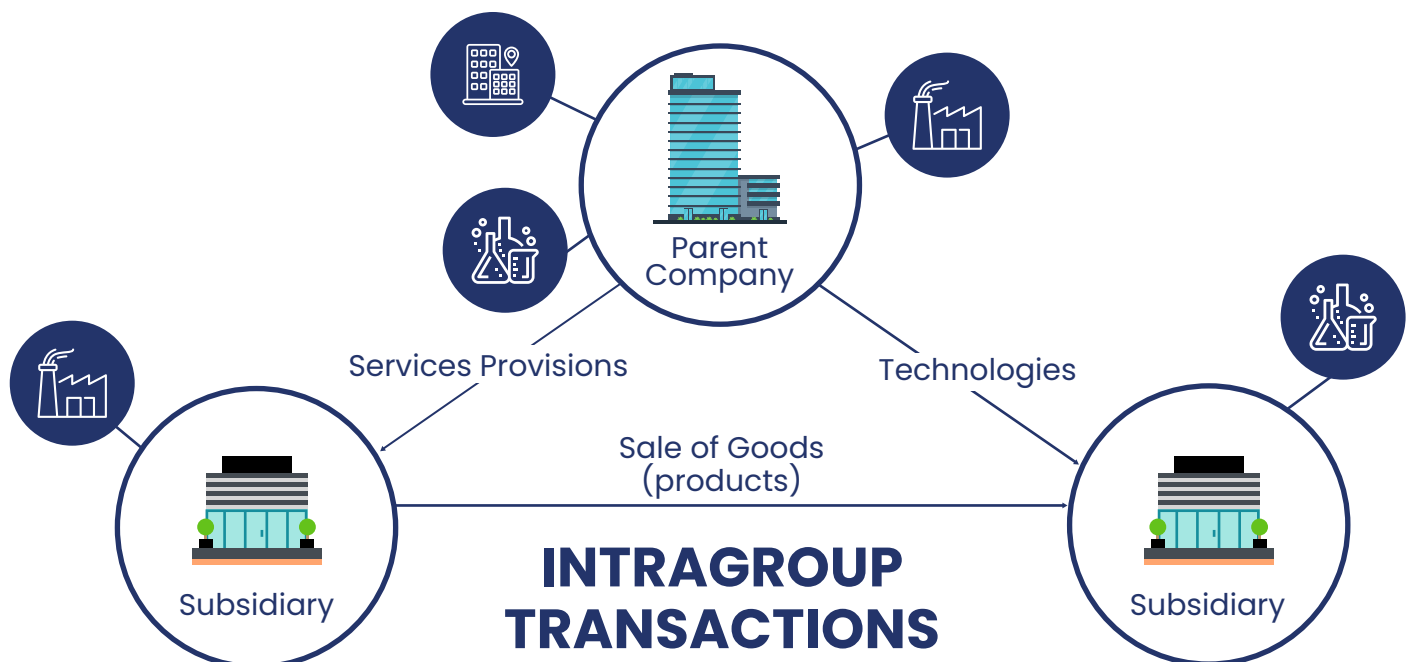
CA Karishma Surwankar
Head Of tax

“Transfer Pricing”, refers to the price at which two related parties transact. In a tax environment, such a transaction is undertaken between two associated enterprises and is often referred to as a “transaction”

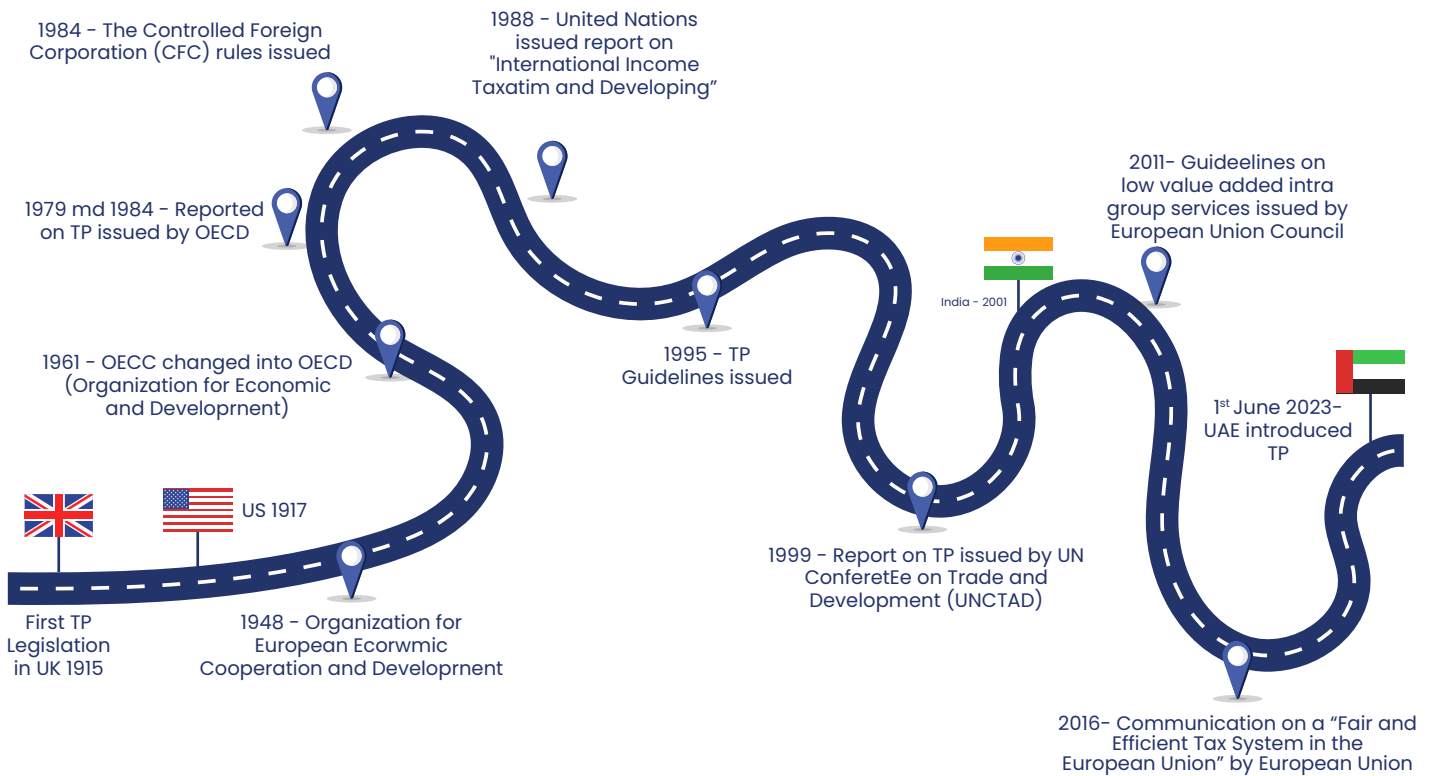
Transactions may include (generally)

- Trade of Services
- Trade of Tangible Goods/ Intangibles
- Financial Transactions

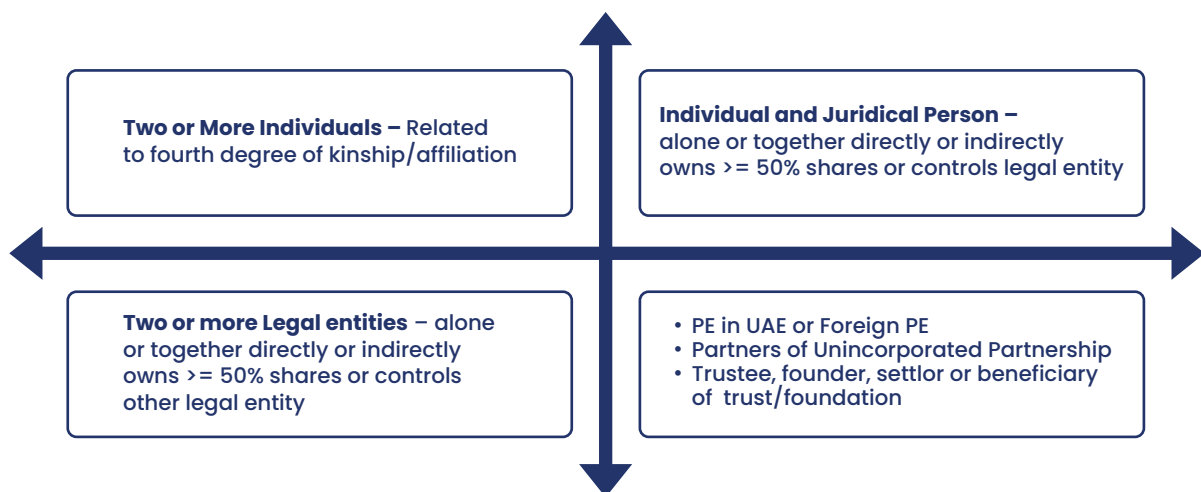
Transfer pricing is the term used to refer to all pricing arrangements between related parties/ connected persons



Emergence of Transfer Pricing



Related Parties



Control means ability on influence –

- 50% or more voting rights
- Appoint more than 50% of Board of directors
- Receive more than 50% of profits
- Determine or exercise significant influence over conduct of business

Four Degrees of Kinship

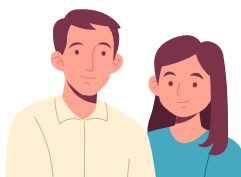
First Degree Relative



Individual



Spouse



Parent



Child

Second Degree Relative



Grandparent



Sibling, i.e., individual's
Brother/Sister



Grandchildren

Third Degree Relative



Great Grandparent



Uncle/Aunt



Niece/Nephew



Great
Grandchildren

Fourth Degree Relative



Great
Great Grandparent



Uncle/Aunt

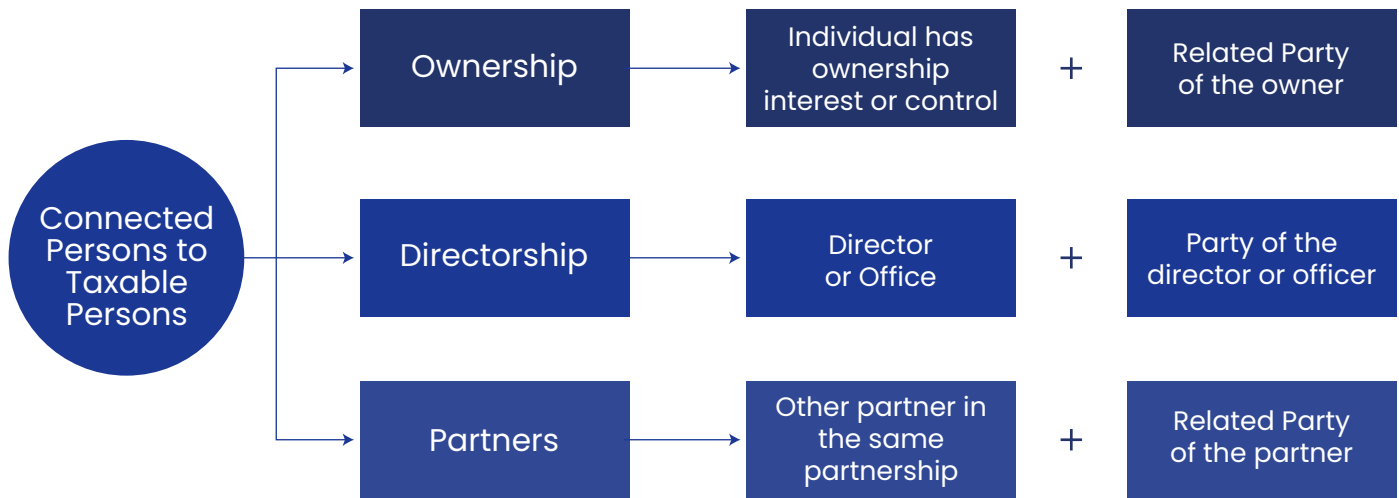


Great Niece/
Nephew Cousin



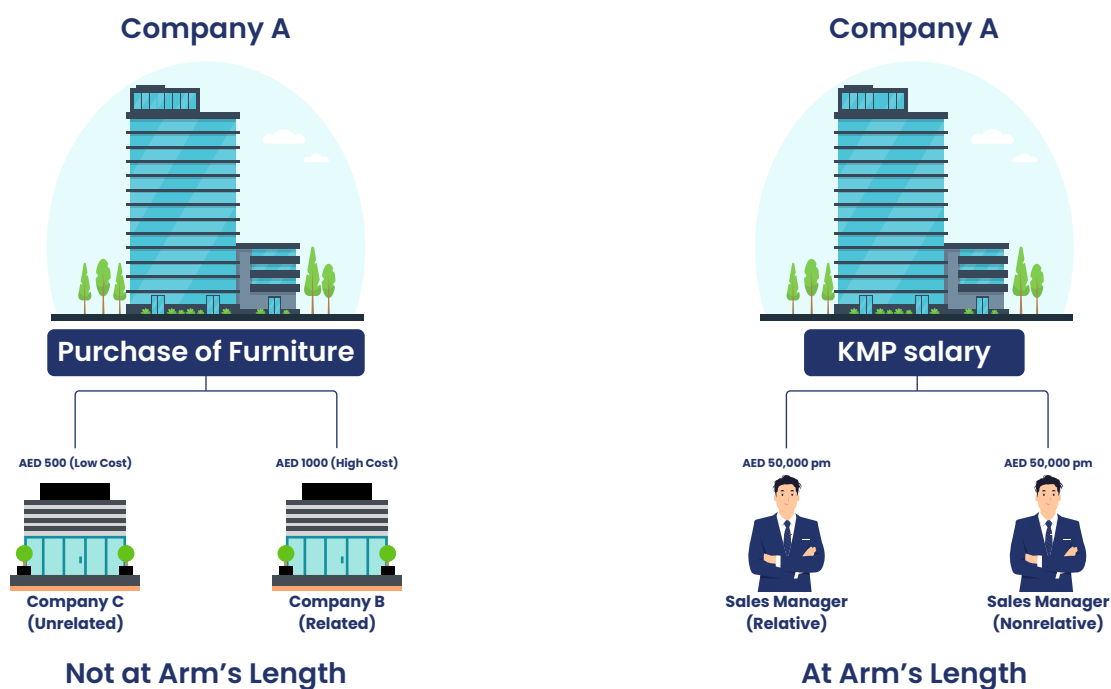
Great
Great Grandchildren

Connected Persons

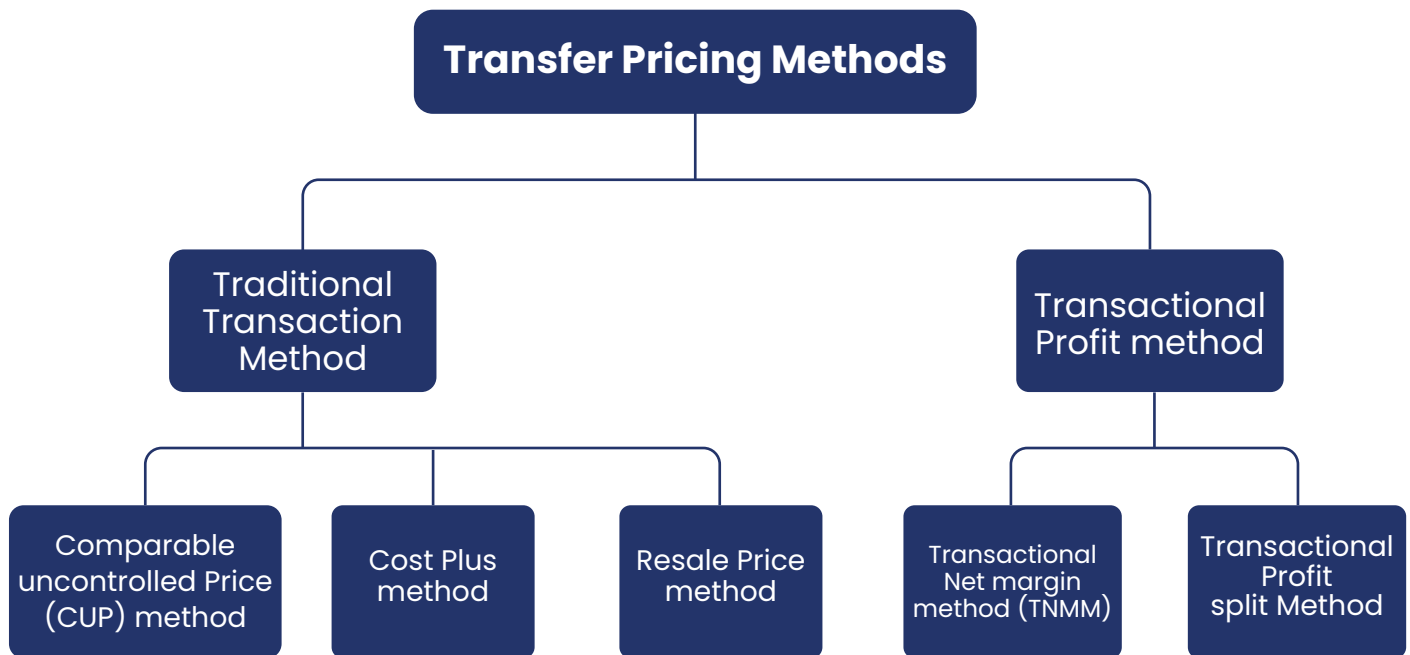


Arm's Length Principle

A transaction or arrangement between Related Parties meets the arm's length standard if the results of the transaction or arrangement are consistent with the results that would have been realized if Persons who were not Related Parties had engaged in a similar transaction or arrangement under similar circumstances.



Transfer Pricing Methods



Transfer Pricing Documentation

• Transfer Pricing Documentation (Master File/Local File)

Entity of Multinational Group whose Consolidated group revenue > AED 3.15 billion
Taxable Person Revenue > AED 200 million

} Submit within
30 days upon
request

MNEs are large corporations operating globally with a central head office and subsidiaries in multiple countries. They manage cross-border transactions with a master file for global operations and a local file for transfer pricing compliance.

Consequences of Non Compliance

UAE businesses failing to adhere to the TP requirements may face the risk of:



Potential TP adjustments by the FTA which, in turn, may lead to an increase in the tax base of the UAE business

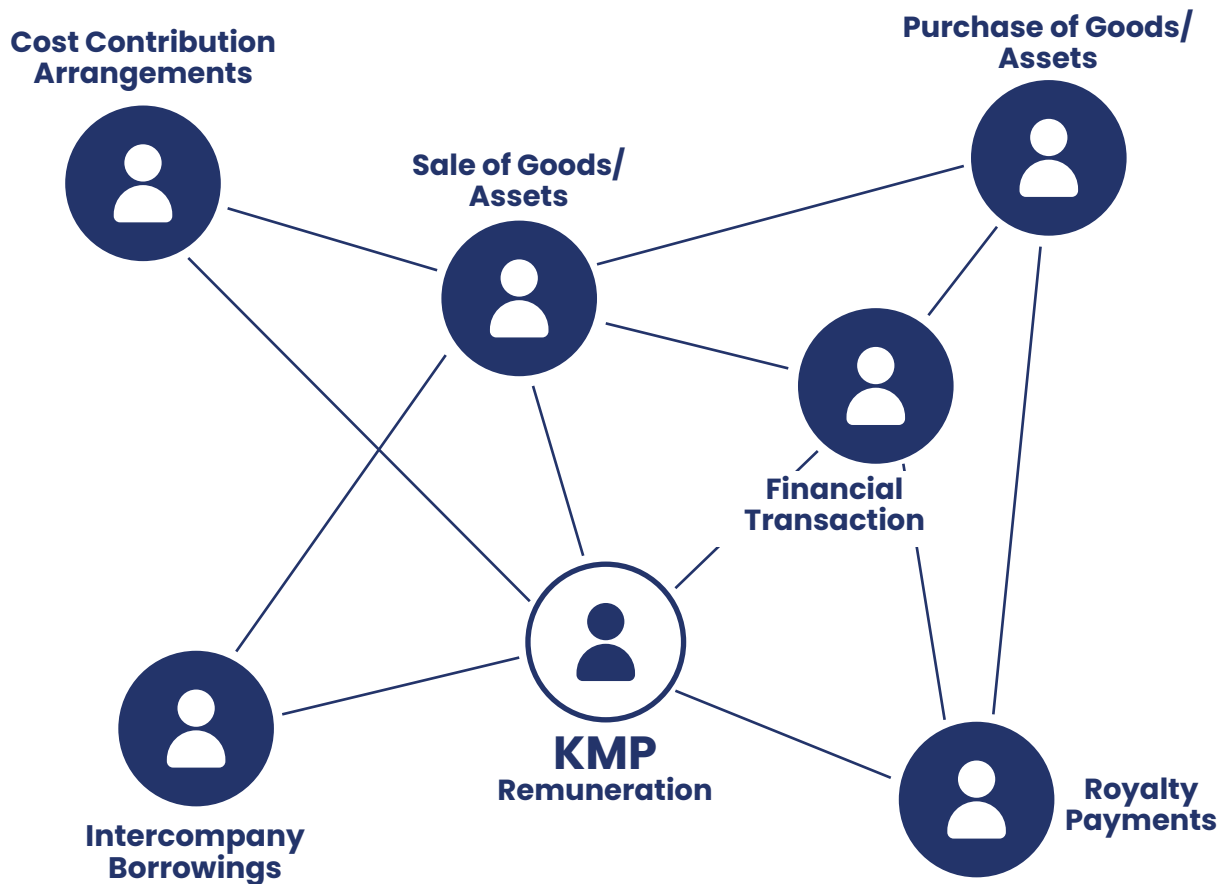


Potential loss of CT rate applicable to QFZP businesses



Potential penalties for noncompliance or artil/inaccurate compliance (details on applicable penalties are expected to be announced in due course)

Applicability of TP - Scenarios



Managerial Remuneration

	Sole Establishment/Proprietorship : Remuneration – Not Deductible/Allowable (Article 33 of the Federal Decree Law)	Deductible payments to connected persons limited to ALP; excess disallowed
	Company/ LLC/FZC : Remuneration to KMP – Allowable , if at ALP (Article 34 of the Federal Decree Law)	Payments/benefits must be reasonable and business-related Fair tax treatment by preventing overpayment to closely connected individuals, maintaining integrity in business taxation.

Benchmarking under Transfer Pricing

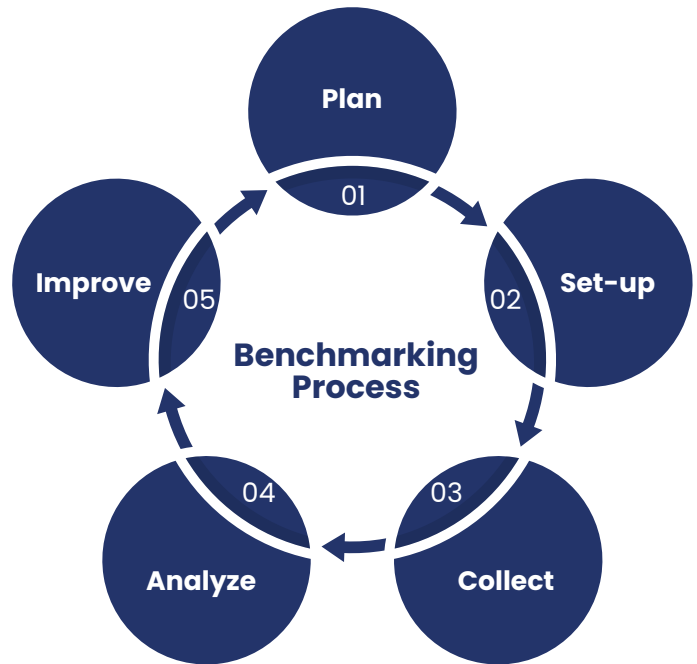
Any payment to owners (or relatives) will be subject to a transfer pricing analysis. Benchmarking of salaries paid to owners could take the following approaches to ensure the salaries are not in excess of:

Objective Comparison

Market Rate Alignment

Need for Detailed Guidance

Subjectivity in Benchmarking



Benchmarking under Transfer Pricing Managerial Remuneration



Compliance

Benchmarking ensures remuneration aligns with unrelated party standards, meeting transfer pricing regulations and avoiding penalties.



Decision Support

Benchmarking offers market insights for informed employee compensation decisions, aiding competitiveness in talent retention.



Risk Mitigation

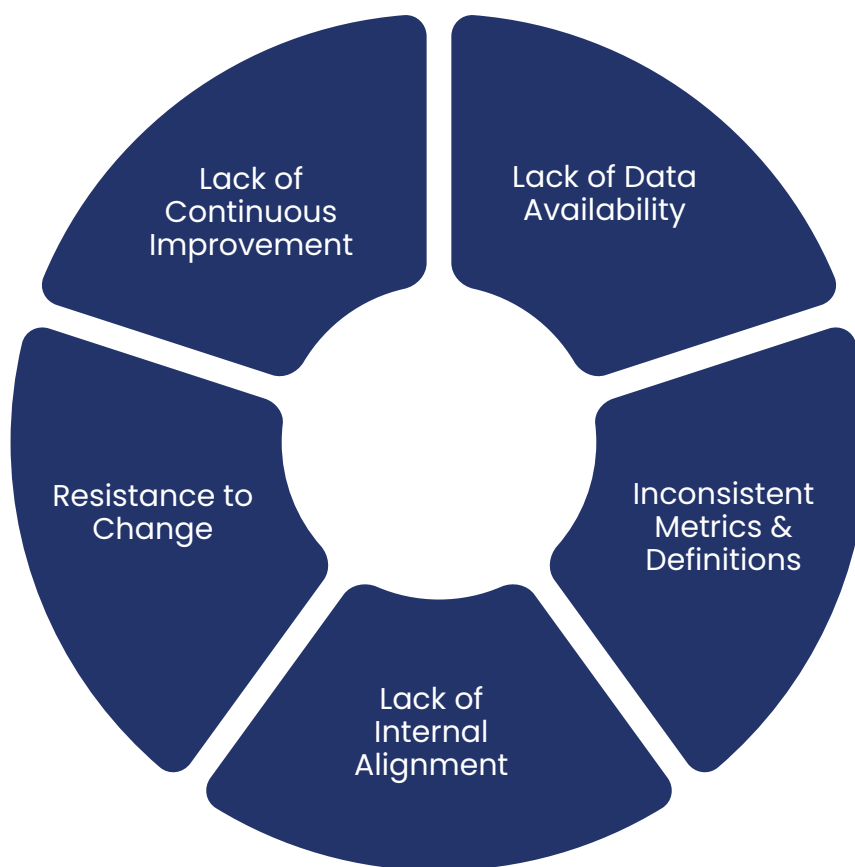
Benchmarking salaries reduces tax audit risks, showing remuneration decisions were objective and not for tax avoidance.



Transparency

Benchmarking provides clear rationale for remuneration, building trust with tax authorities and stakeholders.

Benchmarking Challenges



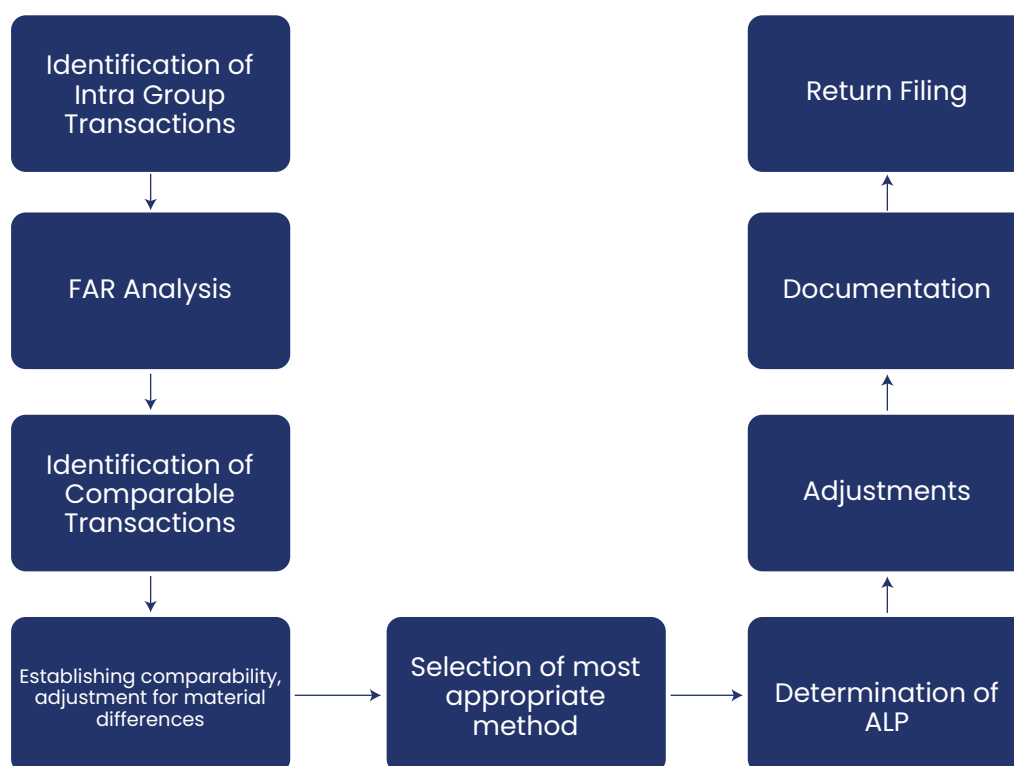
Benchmarking Challenges under Transfer Pricing Managerial Remuneration

Detailed information on the determination of compensation for key management personnel.

Benchmarking analyses comparing the compensation of key management personnel to similar positions in comparable companies.

Explanations and justifications for the arm's length nature of the transactions involving key management personnel

Transfer Pricing Process



Article 2

Director Services and UAE VAT: Recent Changes



Tarun Aggarwal

Head of Accounting, Tax and Compliance

PERFORMING THE FUNCTION OF DIRECTOR ON A BOARD OF DIRECTORS BY A NATURAL PERSON

In the UAE, significant changes were introduced regarding VAT on director services effective from January 1, 2023. According to the amendments, services performed by natural persons as members of a board of directors are no longer considered taxable supplies under the VAT regime. This applies to both government entities and private sector establishments. The change means that natural persons acting as directors do not need to register for VAT or charge VAT on their services unless they are providing other types of taxable services.

However, if a legal person (e.g., a corporation) appoints a natural person to act as a director, the VAT obligations remain. The legal person must still register for VAT and comply with all VAT requirements. Additionally, any other services provided by a director that are not related to their directorial duties are still subject to VAT.

Regarding the transitional rules, the Federal Tax Authority (FTA) provided guidance that directors must review their VAT obligations for services provided before and after January 1, 2023. The tax treatment of fees earned under such services will depend on the date of supply, as defined in the VAT regulations.

Transitional Rule:

The date of supply rules will need to be considered for determining whether performance of director services take place before or from 1st January 2023.

For the director's functions performed in 2022 whereby the directorship fees were already known, VAT would be applicable even if the payment is received after January 1, 2023.

where a natural person functions as a director in 2022 but the fee payable to directors will be determined only at the conclusion of the annual general meeting to be held in 2023. If no tax invoices have been issued, or advance received, before the AGM, the fee received by the individual for the functions performed in 2022 will be outside the scope of VAT.

If the Director is appointed for 2 years period of 2022 and 2023 and directorship fee is scheduled to be paid according to periodic milestones, such as quarterly then date of supply will be determined as per periodic payments or consecutive invoices. If receipt of payment being the earliest condition in this case will trigger the date of supply, then payments received in 2022 will fall within scope of UAE VAT whereas those in 2023 will not be within the scope of UAE VAT

Deregistration:

A natural person who is registered for VAT is not meeting the requirements of the mandatory registration anymore, such natural person must deregister for VAT Purposes. In case the natural person has another activity other than performing the function of director, the value of these supplies must still be taken into account for VAT registration threshold purposes.



Article 3

Compliance Essentials: Establishing a Financial Firm in DIFC



Zorawar Singh
Manager Licensing, Legal & Compliance

In the ever-evolving landscape of global finance, regulatory compliance stands as the bedrock upon which stability, security, and trust are built. For entities aspiring to establish a financial services firm in the Dubai International Financial Centre (DIFC), compliance with regulatory frameworks is not merely a legal obligation but a strategic imperative. We delve into the details of compliance, explaining key regulatory aspects and procedural considerations essential for navigating the regulatory landscape of DIFC.

1. Regulatory Framework and Legal Compliance

- **Legal and Regulatory Framework:**

The DIFC's robust legal framework serves as the cornerstone of its regulatory ecosystem, facilitating seamless cross-border activities and fostering an environment conducive to international business. Central to this framework is the provision for 100% foreign ownership, eliminating barriers to entry for global firms. Moreover, the absence of restrictions on talent or capital repatriation underscores DIFC's commitment to fostering a business-friendly environment.

- **Tax Compliance:**

Compliance with DIFC's tax regulations is imperative for entities operating within its jurisdiction. The allure of zero tax on profits, capital, and employee

income for up to 50 years presents a compelling proposition for businesses seeking tax efficiency. However, compliance entails meticulous adherence to tax obligations, ensuring full compliance with regulatory requirements.

- **Key Principles**

In accordance with the guidelines set forth by the Dubai Financial Services Authority's General Rule Book, entities operating within the Dubai International Financial Centre (DIFC) are required to establish and uphold robust compliance frameworks. These frameworks encompass documented procedures aimed at ensuring adherence to all pertinent legislation. It is imperative that the Compliance Officer has access to ample resources and unrestricted entry to records and management. Furthermore, entities must implement monitoring and reporting mechanisms to promptly

identify and address any instances of non-compliance, accompanied by thorough documentation of such occurrences. Adhering to these principles not only guarantees regulatory compliance but also cultivates trust and integrity within the financial ecosystem of the DIFC.

2. Licensing and Regulatory Oversight

- **DIFC Fund Manager License:**

Obtaining a DIFC Fund Manager License is a pivotal step in establishing a financial services firm in DIFC. This entails navigating a rigorous licensing process overseen by the Dubai Financial Services Authority (DFSA), requiring adherence to stringent regulatory standards. Compliance involves satisfying regulatory requirements related to corporate governance, risk management, and capital adequacy. There are different categories of licenses as defined in the PIB module of the DFSA new businesses can check which one is best suited as per their operations.

- **Appointment Requirements:**

Compliance with regulatory appointment requirements is essential for ensuring effective governance and oversight within the organization. This includes the appointment of a diverse Board of Directors comprising independent directors to uphold corporate governance standards. Additionally, key officers such as the Senior Executive Officer, Finance Officer, Risk Officer, Compliance Officer, Money-Laundering Reporting Officer,

Internal Auditor, and External Auditor play pivotal roles in ensuring regulatory compliance across various functional areas.

- **Capital Adequacy:**

Maintaining adequate capital reserves is fundamental to financial stability and regulatory compliance. While DIFC mandates minimum capital requirements for licensed entities, actual capital needs may vary depending on the scale, nature, and risk profile of the firm's operations. Compliance with capital adequacy standards ensures resilience against financial risks and enhances regulatory confidence in the firm's stability.

3. Expansion and Market Reach

- **Regulatory Permissions:**

Compliance extends beyond licensing to encompass operational activities, including client servicing and market expansion efforts. DIFC-registered entities have the opportunity to service clients outside the centre, subject to compliance with regulatory requirements and marketing regulations. Leveraging passporting regimes enables entities to access broader markets within the UAE and ADGM, facilitating cross-border business activities while ensuring regulatory compliance.

4. Embracing Fintech and Digital Assets

- **Regulatory Preparedness:**

In an era marked by rapid technological advancements, regulatory

preparedness is paramount for entities operating in the fintech and digital asset space. DIFC's commitment to fostering innovation is evident through initiatives like the DIFC Fintech Hive, which provides a conducive environment for fintech startups to thrive. Compliance with evolving regulatory standards, including the regulation of digital assets, demonstrates the firm's readiness to embrace innovation while ensuring regulatory compliance and consumer protection.

5. Application Process and Cost Considerations

• Compliance with Procedures:

Successful navigation of the application process requires meticulous adherence to procedural requirements outlined by the DFSA and DIFC ROC. This entails formal introductions, comprehensive regulatory submissions, and the preparation of detailed documentation, including regulatory business plans and financial projections. Compliance with procedural requirements is essential for expediting the licensing process and obtaining regulatory approval.

• Cost Considerations:

Compliance extends to cost considerations, encompassing application fees, licensing fees, and operational expenses associated with establishing and maintaining a presence in DIFC. Entities must factor in the costs of office spaces, visa facilitation, and ongoing regulatory compliance efforts when evaluating the financial implications of establishing a presence.



Article 4

Rise of Contactless Payments in UAE



AQUILA NOEL
Banking Analyst

A quiet revolution is happening at checkout lines and payment terminals in the United Arab Emirates (UAE), a country known for its bustling cities and colorful markets. It's the emergence of contactless payments, a revolutionary movement that is changing how people make purchases in their daily lives. As consumer preferences and technology progress, contactless payments have become a viable, safe, and hygienic substitute for conventional payment methods. In this piece, we examine the advantages of contactless payments and their significant influence on the banking industry as they become more and more common in the United Arab Emirates. In the age of global health concerns, contactless payments are paving the way for a more seamless and effective payment experience by expediting transactions and reducing physical contact.

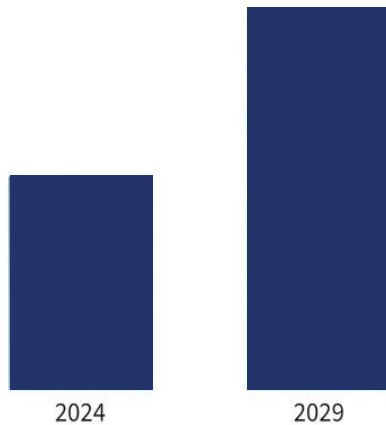
There has been a notable movement towards digital payments for daily expenses, as seen by the 20% increase in value and over 50% increase in volume of card and digital payment transactions throughout the Middle East and North Africa. Expecting continuous growth, they identified the need for speed, convenience, and security among customers as the main factors driving the growth of digital payments, reaffirmed Mastercard's dedication to improving payment efficiency and streamlining transactions in the area, emphasizing collaborations to provide all-inclusive digital payment features, insights from Mastercard's payment index that were shared, showing that 85% of people in the area accept new payment methods, indicating a strong rate of acceptance.



UAE Mobile Payments Market Size

United Arab Emirates Mobile Payments Market
Market Size

CAGR 12.30%



Source : Mordor Intelligence



Study Period 2019 - 2029

Base Year For Estimation 2023

Forecast Data Period 2024 - 2029

Historical Data Period 2019 - 2022

CAGR 12.30 %

Market Concentration High

Major Players



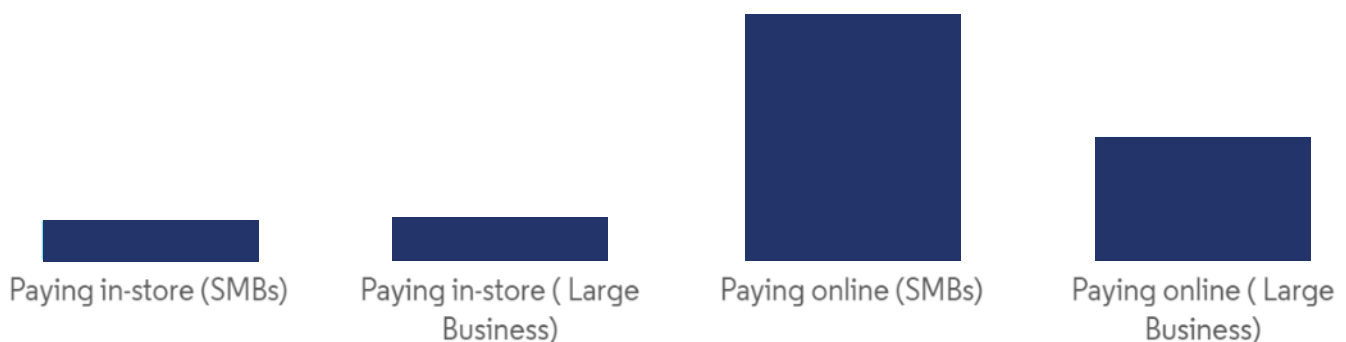
*Disclaimer: Major Players sorted in no particular order

Over the course of the forecast period, the UAE mobile payments market is anticipated to grow at a CAGR of 12.3%. Key factors influencing the market's growth are the growing usage of mobile devices, open banking, contactless payments, and digital currency.

In the United Arab Emirates, digital banking has advanced dramatically. In comparison to other major nations, mobile banking in the United Arab Emirates is at an advanced stage because of the country's high smartphone penetration rate, rapid innovation rate, and widespread availability of sophisticated digital infrastructure. In the United Arab Emirates, 99.0% of people had access to the internet in the start of 2022, according to datareportal.

In addition, the government's efforts to make the United Arab Emirates a cashless and digital nation, the rise of Bring Your Own Device (BYOD), rising smartphone usage, and the large number of people without bank accounts are some of the significant factors that are anticipated to present lucrative growth opportunities for mobile wallet providers in the country over the course of the forecast period.

UAE Mobile Payments Market Size

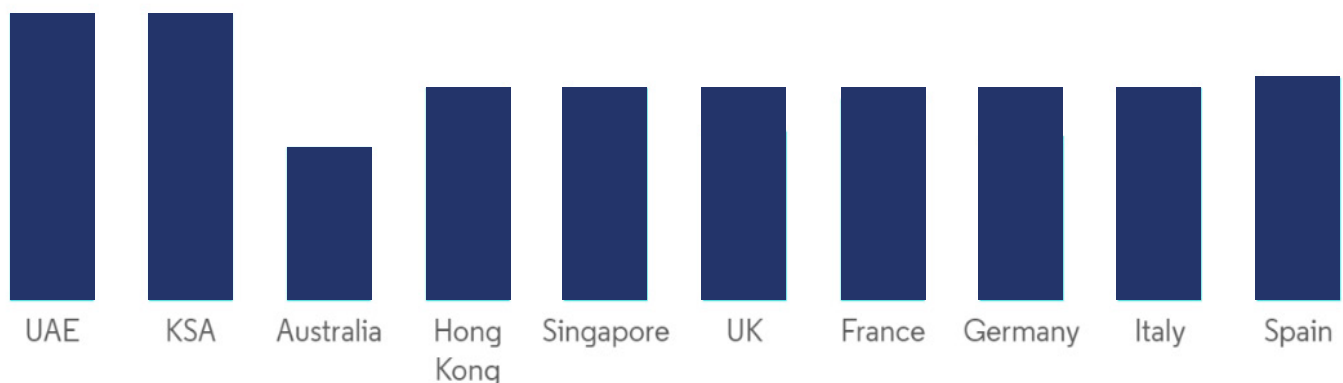


In order to increase their market share in the United Arab Emirates, banks are collaborating with digital payment providers due to the growing popularity of Buy Now Pay Later (BNPL) solutions. Customers also view BNPL as a suitable option for large-ticket purchases and emergencies, as well as a tool for budgeting and financial planning. Payit, a digital wallet located in the United Arab Emirates, and PLATX, an omnichannel conversational commerce platform, teamed in September 2021 to enable retailers to accept payments via WhatsApp.

After the pandemic, the number of mobile wallet-based payments made with Google Pay, Apple Pay, and Samsung Pay more than doubled. Indicating the rise in consumer ease in using contactless payment options, the percentage of contactless payments in the total amount transacted also doubled.

RISE IN THE POPULARITY OF CRYPTOCURRENCY

Percentage of People Preferring Crypto as Payments (Aged 18–35)



Internal Auditor, and External Auditor play pivotal roles in ensuring regulatory compliance across various functional areas. identify and address any instances of non-compliance, accompanied by thorough documentation of such occurrences. Adhering to these principles not only guarantees regulatory compliance but also cultivates trust and integrity within the financial ecosystem of the DIFC.

People in the United Arab Emirates between the ages of 18 and 34 are linked to cryptocurrencies as a means of payment and money transfer, per a YouGov survey. On the other hand, the majority of persons over 55 are ignorant of it, suggesting that adult faith in cryptocurrencies in the United Arab Emirates is strong. Additionally, local companies that take cryptocurrency payments include YallaMarket, the grocery delivery service, and real estate companies. These developments in the United Arab Emirates have contributed to the acceptability of mobile payments by increasing the popularity of cryptocurrencies.

In summary, the rise in digital payments in the Middle East and North Africa highlights a significant change in customer behaviour towards the adoption of technologically advanced financial services. Consumers' increasing preference for speed, convenience, and security in their everyday transactions is reflected in this trend, which is characterised by a noticeable growth in both transaction volume and value.

According to Mastercard's observations, the majority of people in the region are using new payment solutions, which indicates that the adoption of new payment methods is not only common but rapidly accelerating

The results underline once more how crucial partnerships and collaborations are to the development of digital payments. Mastercard's dedication to expediting transactions and augmenting payment efficacy highlights the crucial function that industry participants perform in fulfilling the constantly changing demands of consumers.



Article 5

The real deal in Real Estate License



Muhammed Shamlan
Operations Head

A real estate license is a legal necessity in the UAE (United Arab Emirates) for persons or businesses who buy, sell, lease, or manage real estate properties in the country. Obtaining a real estate license indicates that the holder has met particular requirements, norms, and rules established by the UAE's government or competent authorities.

The exact requirements for acquiring a real estate license differ based on the emirate (e.g., Dubai, Abu Dhabi, etc.) and the sort of real estate operation to be pursued. In general, the procedure includes completing specific educational courses, passing exams, and meeting other experience and integrity-related requirements.

TYPES OF REAL ESTATE LICENSE IN UAE

- **Mortgage Consultation Activity:** This license allows individuals to provide advice and direction on mortgage finance for real estate transactions.
- **Real Estate Consultation Activity:** This license allows professionals to provide expert advice on real estate concerns such as property appraisal, investment plans, and market trends.
- **Real Estate Development Activity:** Developers who seek to create or manage real estate projects must get this license. Brokers that facilitate property sales and purchases require this license.
- **Brokerage for Renting Real Estate Activity:** Under this license, brokers can assist in the rental of residential or commercial properties.
- **Real Estate Registrar Activity:** This license allows individuals to handle property registration and documentation.
- **Real Estate Promotion Registrar Activity:** This license allows you to market and promote real estate.
- **Real Estate Public Auctions Organization Activity:** This license is required to organize property auctions. Professionals that organize real estate shows and events obtain this license.
- **Real Estate Administrative Supervision Services Activity:** This license enables professionals to oversee real estate administrative operations.

REAL ESTATE LICENSE IN MAINLAND

Mainland refers to locations beyond the UAE's designated free zones.

To get a mainland real estate license, you must normally associate with a UAE native who will serve as a local sponsor or local service agent, depending on your company's legal structure.

- The prerequisites for acquiring a mainland real estate license often include:
- Meeting the educational and experience requirements established by the Real Estate Regulatory Authority (RERA) or other applicable regulatory organizations.
- Passing exams that demonstrate your understanding of real estate rules, regulations, and procedures.
- Submitting all relevant papers, such as proof of identification, educational credentials, and experience certifications.
- Paying the requisite licensing payments.
- After meeting all requirements and obtaining approval from the necessary authorities, you can operate your real estate business in the mainland.

REAL ESTATE LICENSE IN FREE ZONE

- Free zones are designated regions in the UAE that have specific restrictions and incentives to attract foreign investment and business formation.
- Each free zone may have its own authority in charge of business regulation and licensing.

- The process for getting a real estate license in a free zone differs based on the free zone authority. The process normally includes registering your firm with the free zone authority and getting a trade license.
- Meeting any educational or experience requirements set by the free zone government.
- Provide the requisite papers and pay the applicable fees.
- Some free zones allow for full ownership of firms, eliminating the necessity for a local sponsor. Free zones frequently provide additional perks, such as 100% foreign ownership, tax breaks, and streamlined business registration requirements.



Article 6

Navigating the Startup Investing in the UAE



JASSIM KARIM
Financial Analyst

Welcome to the dynamic world of startup investing in the United Arab Emirates! Positioned as a hub of innovation and entrepreneurship in the Middle East, the UAE has attracted global interest from investors worldwide. In this article, we'll delve into the realm of startup investing in the UAE, exploring its vibrant ecosystem, strategic initiatives, and emerging trends.

The UAE Startup Ecosystem:

The startup ecosystem in the UAE benefits from proactive policies implemented by Dubai and Abu Dhabi governments, aimed at fostering innovation and entrepreneurship. Dubai's recent initiatives, such as the Dubai Future District and Dubai Future Accelerators, provide startups with access to cutting-edge technologies, mentorship, and funding opportunities. Similarly, Abu Dhabi's Hub71 initiative offers support through financial incentives, co-working spaces, and access to a global network of investors. These forward-thinking policies, coupled with a favorable business environment and robust infrastructure, position the UAE as a prime destination for startups seeking growth and success in the region.

Several startups in the UAE have achieved unicorn status, indicating a valuation of \$1 billion or more. Some examples include:

Careem: A ride-hailing and delivery company acquired by Uber for \$3.1 billion.
Property Finder: A real estate platform valued at over \$1 billion.

Souq.com: An e-commerce platform acquired by Amazon for \$580 million (prior to its rebranding as Amazon.ae).

Bayut: A real estate platform valued at over \$1 billion.

Funding Initiative and Startup Support Strategy:

Intellectual Property and Funding Initiatives Critical to this endeavor are initiatives like the Intangible Assets Finance Committee and the Patent Incubator, which empower startups to leverage their intellectual capital for funding and growth. These initiatives streamline the process of patent registration and provide invaluable support to startups navigating the complex terrain of intellectual property.

The UAE's appeal reaches far and wide, attracting startups from all over the world. In the past two-and-a-half years, there has been a big increase of 284% in applications from startups outside the Middle East and North Africa (MENA) region, especially from places like Eastern Europe, Russia, and India.

Startup Support Strategy:

Global Blockchain Challenge: Digital Dubai has been hosting the Global Blockchain Challenge since last few years, inviting Blockchain startups worldwide to pitch their latest innovations for potential implementation in Dubai. The challenge attracted 200 applications from companies across 85 cities and 53 industries.

Dubai Smart City Accelerator:

The Dubai Smart City Accelerator, operated by Startupbootcamp, is a leading accelerator supporting innovative companies in various sectors such as IoT and Connectivity, Urban Automation and Mobility, Artificial Intelligence, Blockchain, Sustainable Cities and Living, Smart Government, and Smart Retail. The program targets startups developing solutions to address urban challenges, including congestion, waste, and energy consumption, to enhance the quality of life for residents.

Dubai Future Accelerators:

The Dubai Future Accelerators (DFA) program, spanning nine weeks, pairs the world's most promising technology companies with leading government organizations to develop transformative solutions.



STARTUP

KNOWLEDGE Series

MICS is a team comprising of experts who work together to serve clients on a broad range of advisory services including: Corporate Finance | Audit & Accounting | Tax and Compliance | Risk & Assurance | Debt and Equity Advisory | Investment Advisory | Valuations and Due Diligence | Company Formations | Banking & PRO Services | Startup Advisory and Funding.

Our team has decades of combined experience and a track record of successfully delivering solutions in diversified market conditions. Our presence in the region and deep relationships with the eco- system allows us to provide our Clients with efficient business solutions across various industries and client segment.

OTHER USEFUL RESOURCES

- www.mics.ae/mic-ct-freezones-taxability
- www.mics.ae/tax-and-compliance-handbook
- www.mics.ae/understanding-freezones-mainland-of-uae
- www.mics.ae/mic-uae-ct
- www.mics.ae/doing-business-in-uae-v4/
- www.mics.ae/company-formation
- www.mics.ae/startup-valuations-more-art-than-science/
- www.mics.ae/latest-vat-updates-and-opportunity-to-benefit-from-significant-penalty-waiver-from-fta
- www.mics.ae/understanding-of-economic-substance-regulation-esr/
- **UAE Corporate Tax Simplified:**
www.youtube.com/watch?v=Tp9fKHQaTn8

OUR Previous Webinars

**19 MAY, 2022**

Understanding Public
Consultation
Document

**23 JUNE, 2022**

Understanding
UAE CT
with SMEsouk

**19 DEC, 2022**

UAE CT Law
Simplified (Federal
Decree Law)

**25 MAY, 2023**

Unravelling
UAE CT

**14 JUNE, 2023**

UAE CT:
Taxability of Free
Zone Entities

**21 JUNE, 2023**

Seminar at Dubai with
ICAI Dubai Chapter/
Khaleej Times

**10 AUG, 2023**

UAE CT:
Simplifying freezone
taxation

**17 AUG, 2023**

UAE CT:
"Revaluation of
Assets/Liabilities"

OUR Previous Webinars



26 AUG, 2023

Seminar at Abu Dhabi
with ICAI Dubai
Chapter/Khaleej
Times



31 AUG, 2023

UAE CT: Investment
Fund & Fund Manager
Taxation



12 SEPT, 2023

Staff Training for
Shipping industry



14 SEPT, 2023

Decoding UAE CT In
partnership with **Tally
Solutions**



15 SEPT, 2023

Staff Training for
real estate
industry



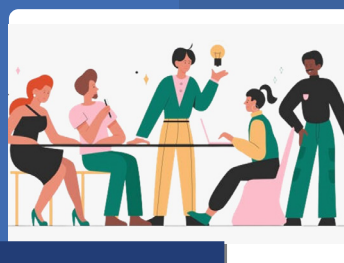
27 SEPT, 2023

Simplify UAE CT In
association with **Dubai
eye & EY**



21 DEC, 2024

UAE Corporate Tax:
Taxation on
Natural Person



21 JAN, 2024

Tax Groups
Simplified

OPENING OF OUR NEW OFFICE



OPENING OF OUR NEW OFFICE



GLIMPSE OF TAX PARTY



Last Tax Free day celebrated on 31st May 2023

Client testimonials

“

“The team was really professional, timely and made sure that customer satisfaction is always the priority”

”



“

“The experience was amazing; they always try the best to meet your demands at the earliest convenience.”

”

“

“Highly recommend MI Capital and will surely deal with them if any new opportunity comes up in the future”

”

“

“The work MI CAPITAL does is reliable and was completed ahead of schedule”

”

“

“Very success driven team. Once promised a job, they always deliver. Highly recommend working with them”

”

“

“Their high level of professionalism is spot on”

”

OVER
50+ FIVE
STAR REVIEWS
FROM SATISFIED
CLIENTS

Events | Media Presence | Recognitions



FOCUS BUSINESS

MI CAPITAL SERVICES: Bringing a touch of innovation to financial needs of Global Giants with exceptional services in field of Corporate Financial Services, International Tax Structuring and Transaction Support Services

Established in 2018, MI CAPITAL Services was founded by Mr. Sheetal Soni and later joined by Mr. Prateek Toshwal as partner. Sheetal is a CFA Charter holder and Chartered Accountant who comes in with 18+ years of experience in the field of Corporate Finance, Strategic finance, Investments, Debt Advisory, M&A, Private Equity Advisory, Project Financing, Trade and Working Capital Financing, Alternative Finance, Treasury, Financial Management and Controls, Financial Modelling, Valuations and Feasibility studies. The field of debt finance, Startup Advisory, and Investments, International Tax Advisory. He possesses 7 years of Experience in the field of International Advisory and Structuring and has served many government organizations back in India.

MI CAPITAL Services was built with an aspiration to rule the business side and help the fraternity get the right business support at every juncture. Today, the company is a growing team boasting of 25+ qualified professionals (CFAs, CAs, MBAs) delivering best-in-class comprehensive financial services across prominent areas like corporate finance, audit, tax and compliance, risk, debt and equity, and much more.

Well-known as the best business destination in World – UAE offers splendid opportunities to enterprises and aspiring startups to set up base here. Thanks to its flexible commercial and federal tax structure and business-friendly environment. Competitive tax facilities at UAE offers rebate and relaxations for corporates. UAE has led the MENA (Middle East and North Africa) region for last 12 years and is a universal monetary base for approximately over 1,500 international companies.

Nominal Taxation: UAE's attractive tax system is the primary reason various enterprises are exploring business opportunities here. No tariffs are levied on personal income and corporate tax is only applicable to oil companies and foreign bank branches. "The administration of taxes in the UAE is governed by Federal Tax Authority. It is noteworthy that UAE's 47+ free zones facilitate exemptions in Personal income tax, Value-added Tax, Capital gains tax, Corporate Tax and Withholding Tax to boost foreign investment," says Sheetal Soni.

Global Business Hub: Cited as one of the world's richest nations with its GDP per capita almost 80% higher than Organizations for Economic Co-operation and Development. According to recent data Foreign Direct Investment rose from \$17.9 billion to \$19.9 billion in 2020 and increased to \$20.7 billion in the FY 2021-2022. Due to its promising fiscal future, approximately 90% of MENA conglomerates and their CEOs are based in UAE.

Growing across nations: MI CAPITAL Services caters to the needs of Large public and private sector corporates, Mid-Corporates, SMEs, and Startups with 'Strategic financial' matters.

Corporate Finance and Investment Advisory services are slowly becoming a priority for the business sector, globally given the rise in the startup ecosystem. Moreover, well-known as the best business destination in World – UAE offers splendid opportunities for enterprises and aspiring startups to set up a base in the country to mark more growth. Thanks to its flexible commercial and federal tax structure and business-friendly environment. Driving growth with innovation, headquartered in Dubai, MI CAPITAL Services is a financial advisory company that is driven by ethics of efficiency and time-bound delivery.

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MI CAPITAL
Comprehensive Financial Services

BRAND CONNECT:

MI CAPITAL Services: Bringing a touch of innovation to financial needs of Global clients with exceptional services in field of Corporate and Strategic Finance | Audit & Accounting | Tax and Compliance | Risk & Assurance | Debt and Equity Advisory | Investment Advisory | Valuations and Feasibility Studies | Startup Investing | Company Formations | Banking & PMS services

Services across prominent areas like corporate finance, audit, tax and compliance, risk, debt and equity, and much more. Well-known as the best business destination in World – UAE offers splendid opportunities to enterprises and aspiring startups to set up base here. Thanks to its flexible commercial and federal tax structure and business-friendly environment. Competitive tax facilities at UAE offers rebate and relaxations for corporates. UAE has led the MENA (Middle East and North Africa) region for last 12 years and is a universal monetary base for approximately over 1,500 international companies.

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Our latest feature on
Forbes

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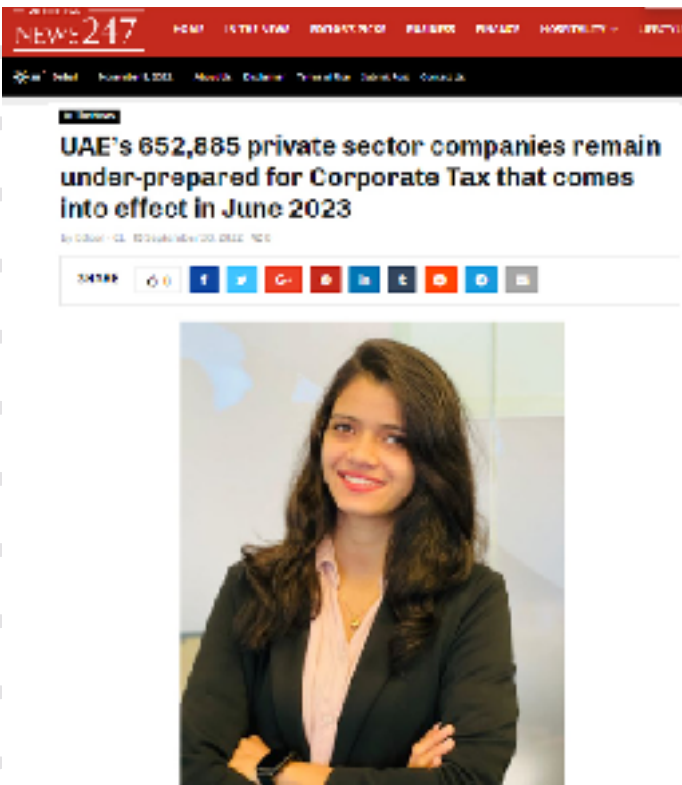
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Business Outlook



Sheetal Soni, Founder & Partner

A Qualified Chartered Accountant as well as CFA Charter holder, Sheetal Soni holds over 18 years of rich expertise in Capital Raising, Project and Corporate Financing / Funding, Treasury, Investments, Trade Finance, Financial Modeling, Feasibility Studies, Financial Structuring, M&A and Valuations. Over the years Sheetal has worked with numerous clients across UAE, India, Thailand, Africa, China, Hong Kong, Japan, UK, and Germany. Other leadership roles handled by Sheetal include Executive Committee Member, ICAI Dubai Chapter, while he is also the speaker at various platforms: ICAI Dubai Chapter, RBPG-Dubai, KSA IMA Chapter.

Making Trust-worthy Corporate Financial Advisory Solutions Accessible through Experience & Innovation

With speeding growth across sectors and industries, as well as increase in high net-worth individuals in the region, large, mid and small-size organizations, especially startups, are now actively seeking Corporate Finance and Investment Advisory services for their growth objectives. Additionally, increased awareness about economies, markets and financial tools are driving discerning businesses and individuals to look for advisory across an array of verticals such as tax, risk management, and transaction services to name a few. However, given the lack of knowledge of comprehensive financial products and involvement of large sums, businesses want to rely on trustworthy financial advising partners for consultation and execution of capital investments.

Headquartered in Dubai, MI CAPITAL Services is a financial advisory company that is driven by ethics of efficiency and time-bound delivery. With a combined professional experience spanning decades and a track record of successfully delivering solutions in diversified market conditions, MI CAPITAL Services has managed to build trust and reliance in the industry for their effective & high-yielding corporate financial services.

Established in 2018, MI CAPITAL Services was founded by Mr. Sheetal Soni and later joined by Mr. Prateek Tosniwal as partner. Sheetal is a Charter holder and Chartered Accountant who comes with 18+ years of experience in the field of Corporate Finance, Strategic finance, Investments, Debt Advisory, M&A, Private Equity Advisory, Project Financing, Trade and Working Capital Financing, Alternative Finance, Treasury, Financial Management and Controls, Financial Modelling, Valuations and Feasibility studies. Prateek Tosniwal is a Chartered Accountant with rich experience in the field of debt finance, Startup Advisory and In-

vestments, International Tax Advisory. He possesses 7 years of Experience in the field of International Advisory and Structuring and has served many government organizations back in India.

MI CAPITAL Services now has team of 25+ qualified professionals (CFAs, CAs, MBAs) delivering best in class comprehensive financial services in following areas: Corporate Finance, Audit & Accounting, Tax and Compliance, Risk & Assurance, Debt and Equity Advisory, Investment Advisory, Valuations and Due Diligence, Company Formations, Banking & PRO services.

Talking about the factors that are driving growth in the acquisitions consulting space in Asia, Sheetal mentions, "Mergers & Acquisitions in Asia-Pacific remains robust despite strong geopolitical and financial headwinds. Majority of the global M&A deals in Q2 2022, affecting the Technology, Media & Telecom (TMT) sector, were driven by several themes including AI, cloud, cybersecurity, carbon emissions, renewable energy, ESG, and big data. M&A can be a painful process for clients and they feel the need of qualified and experienced professionals to help through the process. This is where MI CAPITAL Services comes in with our experienced team and professionally manages the overall process on behalf of the clients be it sell side or buy side."

Strategic Support for Growing Businesses

MI CAPITAL Services caters to the needs of Large public and private sector corporates, Mid-Corporates, SMEs and Startups with "strategic financial" matters. Throughout their professional careers, the founding members analysed that CEOs and CFOs are capable of handling experienced teams to manage operational finance of the organization, however when it comes to strategic finance matters like valuation, financial modelling, feasibility studies, pre-merger negotiations, post-merger integration etc. they feel the need of external qualified and experienced advisors. Therefore, the team at MI Capital Services has designed an effective blueprint to help CFOs with such support services.

Shedding light on the support strategy utilized to help client, Prateek mentions, "To help companies grow through effective advisory MI Capital Services has developed a 3P support strategy. First being 'people' - we hire and nurture qualified professionals to help deliver best results. Second being 'process' - Well managed international best practice processes that include financial due diligence, pre-merger negotiations, and post-merger integration. And the third virtue being 'product' - A typical



Prateek Tosniwal, Partner

M&A process involves understanding of business, working out valuation models, carrying out detailed due diligence, negotiations, drafting term sheets, and drafting agreements. We see each step involved as a product and work on delivering the best quality "product" to help for an efficient and successful M&A process."

On A Path of Unstoppable Growth

Although MI Capital Services is relatively a young entity; however, the firm has been able to scale and capture decent market share in a very short span of time. The credit goes to the guidance provided by their highly reputed and veteran Advisory BOD and passion to perform within experienced partners. Currently, MI CAPITAL Services operates from their offices in UAE and India, with a roadmap to build their presence in 3 more major financial cities covering Europe and America in near future.

Sheetal sheds light on how MI CAPITAL Services plans on expanding its business in light of the boom that the start-up culture has witnessed in the past decade. "Apart from driving market share in traditional M&A space, we aim to contribute to the new age and evolving start-up ecosystem in the region. The Global Startup Ecosystem has witnessed a dramatic growth in the past one decade with over 1000+ Unicorns and the reason behind it is the contribution of developing countries that have come forward to create next gen technological advancements and wealth creation opportunities. We at MI CAPITAL Services have developed a proprietary fintech platform called "Funding Possibilities," with this we wish to contribute to the startup ecosystem with a number of initiatives which will help startups from angel stage till IPO," signs off Sheetal.

33

MI CAPITAL Services provides solutions to clients throughout the entire M&A deal life cycle including Valuations, Due Diligence, Term sheet negotiations, and other transaction support activities for both buy side and sell side

Asia Business Outlook

recognizes

MI CAPITAL SERVICES

as one of

Asia Business Outlook TOP 10
MERGERS & ACQUISITIONS
CONSULTANTS FROM ASIA 2022

This certificate is awarded for the stellar performance in the industry. It works as a testament to the competence and excellent application of industry standards & methods combined with a strive towards brilliance.



Emmanuel Christi Das
Managing Director

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Partner, Sheetal Soni – At ICAI Abu Dhabi Chapter 2024



At IOD UAE Global Convention-2024



Sponsors at ICAI Abu Dhabi Chapter Conference 2024



Meeting one of leading FMCG brand – Nature choice office



Binod Shankar– Leading voice on leadership & finance

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At ICAI Abu Dhabi Chapter 2024



At World Blockchain Summit



At BNI unlimited



Team Bonding





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Part 1 – Taxable Persons & Basis of Taxation

<https://youtu.be/Tp9fKHQaTn8>

Part 2 – Exempt Persons & Free Zone Persons

<https://youtu.be/I7-BpTYJL8E>

Part 3 – Calculation of Taxable Income

<https://youtu.be/HKhC3OWzq44>

Part 4 – Transfer & Set Off of Losses and Calculation of Corporate Tax Liability

<https://youtu.be/qcZg5wDM5FE>

Part 5 – Groups & Tax Groups

<https://youtu.be/f4rJmR89WEQ>

UAE CT Law – Revaluation of Assets/ Liabilities

<https://www.youtube.com/watch?v=zQL2dsK-IFc>

UAE CT Law – Investment Fund Fund Manager Taxability

<https://www.youtube.com/watch?v=xbZrg9QyDyA>

MIC – Applicability of Corporate Tax on Free Zones

https://www.youtube.com/watch?v=Np6q_B7nRi8

Board Advisor



Khalid Abdulla Janahi

Chartered Accountants in England and Wales, Mr. Janahi holds a BSc in Computer Science and Accountancy from the University of Manchester, UK 18 years of experience in business advisory services. Chairman of Faisal Private Bank (Switzerland), DMI Administrative Services and Islamic Investment Co. of the Gulf (Bahamas) Ltd.



Ala Khannak

A fellow CA from Institute of Chartered Accountants in England & Wales (ICAEW). Graduate in Economics. American University of Beirut (AUB). Monitoring and controlling Investments & Responsible for many Investment & Corporate Banking as well as Treasury functions. Worked with many Organizations at a senior level.



Dr. Jamil El Jaroudi

The first chief Executive Officer of Bank Nizwa, the first Islamic Bank in Oman. Holds an MBA from Columbia University in New York and a PhD in Finance from Kellogg School of Management. He was named 'Islamic Finance Personality of the Year' at the 4th Annual Global Islamic Finance.

Partners



Sheetal Soni, CFA, FCA
Partner

CFA Charter holder as well as Qualified Chartered Accountant 16+ years of accomplished experience. Expertise in Capital Raising, Project and Corporate Financing/Funding, Treasury, Investments, Trade Finance, Financial Modeling, Feasibility Studies, Financial Structuring, M&A and Valuations.



Prateek Tosniwal, CA
Partner

Strong accounting professional with a Bachelor of Commerce (BCom) focused in International Business/Trade/Commerce from Narsee Monjee College of Commerce and Economics. Experienced Senior Tax Accountant with a demonstrated history of working in the financial services industry. Chartered Accountant with experience in Financial Reporting & Accounting.



Shweta Soni
Partner

Shweta is an experienced professional, with 4-years of experience. Her work at MI CAPITAL Services includes researching on various regulations and their impact on companies, preparing marketing collaterals such as Information Memorandum (IM), Investment Decks, Information packs and so on.

Directors



Khaleefa AlQubaisi
Director

Graduated from The American University from Washington, Mr. Khaleefa is a veteran leader serving as a Chief Financial Officer at ADNOC. He has rich experience of more than 17 years in finance and audit and has been working as a senior leader for the company.



Mohammad Saleem
ED - Client Coverage

33 years' experience in the Banking sector. Experience across Project & Corporate Financing/Funding, Trade Finance, Equipment Financing under the Lease Structure & many more. Identifying new opportunities and cross selling various products for the bank.



Ramdin Osman
Director - Mauritius

With 17 years of experience in the consultancy industry working as a Managing director at Allfinanz Consulting Ltd, Mr. Osman brings rich experience in Corporate Finance, Business strategy, Mergers and Acquisition and Investment Banking. He has worked with various companies ranging from industries like FMCG, Real estate, IT, health tech etc.



Rachit Poddar
Director

Mr. Rachit is a second generation Entrepreneur & Investor. He is also Co-Founder at IVY Growth Associates and through that have invested in more than 40 startups. He is the President of Della Leaders Club, Surat Chapter and member of esteemed global organizations like TIE, Institute of Directors London etc.



Sumay Banerjee
Director

Commercial banking and corporate finance professional. MBA (Finance) with post graduate diploma in Strategy 16 years of banking & finance experience. Key strengths are in relationship based banking, marketing and identifying new business opportunities across local and international markets

OUR TEAM

Management Team



Shubhangi Tosniwal, CA, CPA
Head Of Audit



Natasha Gupta
Head of Human Resources



Dr. Dimple Bhojwani
Head Of M&A Strategic Advisory



Kinjal Sampat, CA
Associate Director-Corporate Tax



Karishma B. Suwarnakar, CA
Head of Direct Tax



Tarun Agarwal, CA
Head of Accounts and Taxation



Muhammed Shamlan
Operations Head



Zorawar Singh
Manager-Licensing,
Legal & Compliance



Siddharth Singhvi, CA
Manager - Audit



Vidhi Shah
Manager - VAT

Executive Team



CA Kushal Kumar



CA Ashish Kapadia



CMA Shamil VK



CMA Jassim Karim



CMA Arshad VM



CMA Sabik Mon MT



Hafsa Haris



Saurav Kalkal



Umer Farooq



Linomon K L



Muhammed Yasir



**Nibin Benny
Minhaj M**



Pushpa Naik



Suffiyan Ahmed Khan



Aquila Noel



Reena Thakur



Khushi Raj



Thasneem P N

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