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Exempt Income

Dividends and Participation Exemption

CT guide issued by FTA on 16-October 2023



Purpose of the Guide

This guide provide users the overview of the following:

- How Dividends and other profit distributions are defined?
- Which income (and related expenditure) from a Participation is exempt?
- Who is eligible for the exemption?
- How the Participation Exemption operates; and ?
- What are the related implications in terms of Tax Groups?

Exempt Income

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Dividend: What does it mean?

The definition of a Dividend includes several important concepts listed below:

Ordinary Dividend

- Payment paid/declared in respect of shares/other rights in profits
- Paid out of profits/retained earnings/any legal reserve

Dividend in Kind

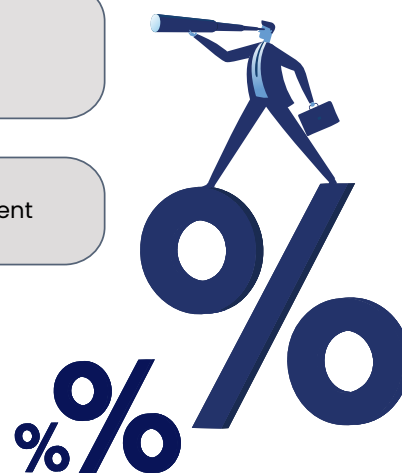
- Includes Stock dividend, bonus shares, other form of profit distributions

Other Distributions

- Payment/benefit in connection with acquisition of shares, redemption/cancellation of shares or termination of other ownership interests

Non-arm's length payments

- Payment /Benefit to Related/connected party(Shareholder) extent to which it is not at arms length



Taxability of Dividend

Personal Investment Income(Natural Person)

- Personal investment income are excluded from Business or business activities.
- Hence **Not Taxable**.

Dividend from Resident Person

- Dividend from Resident Juridical Person is **always Exempt**.

Foreign Dividends

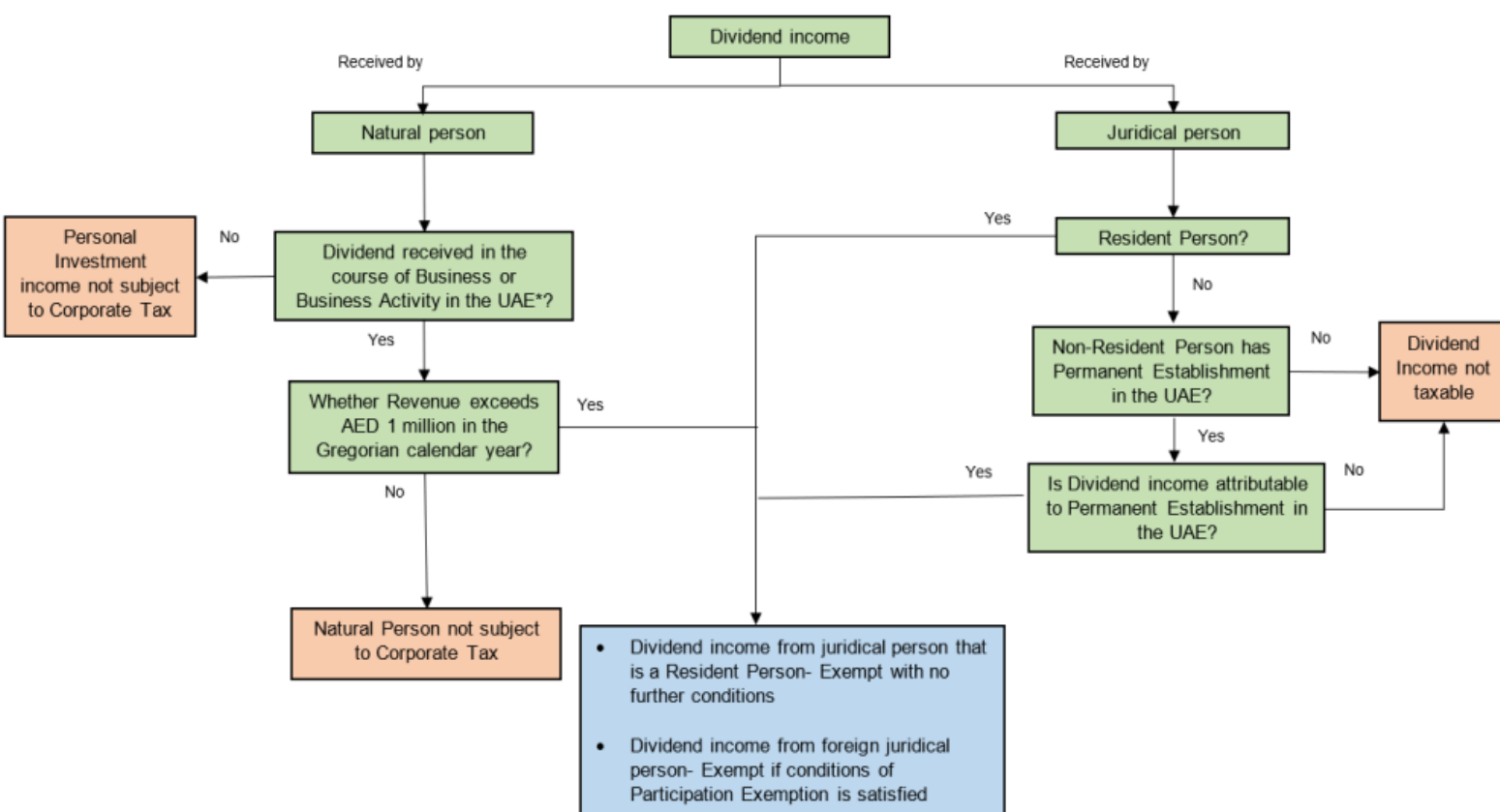
- Exempt if condition of Participation Exemption are satisfied. If Not, then
- Resident Juridical Person: Will be included in Taxable Income.
- Resident Natural Person: Included in taxable income unless represent Personal Investment Income.
- Non-Resident Juridical Person: Taxable if attributable to Permanent Establishment, However will exempt if conditions for participation Exemption are satisfied

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Taxability of Dividend



Participation Exemption

Meaning: Participating Interest is a significant, long-term ownership interest in a juridical person (the "Participation") that suggests some degree of control or influence over the Participation.

Conditions must all be satisfied in order to qualify as a Participating Interest

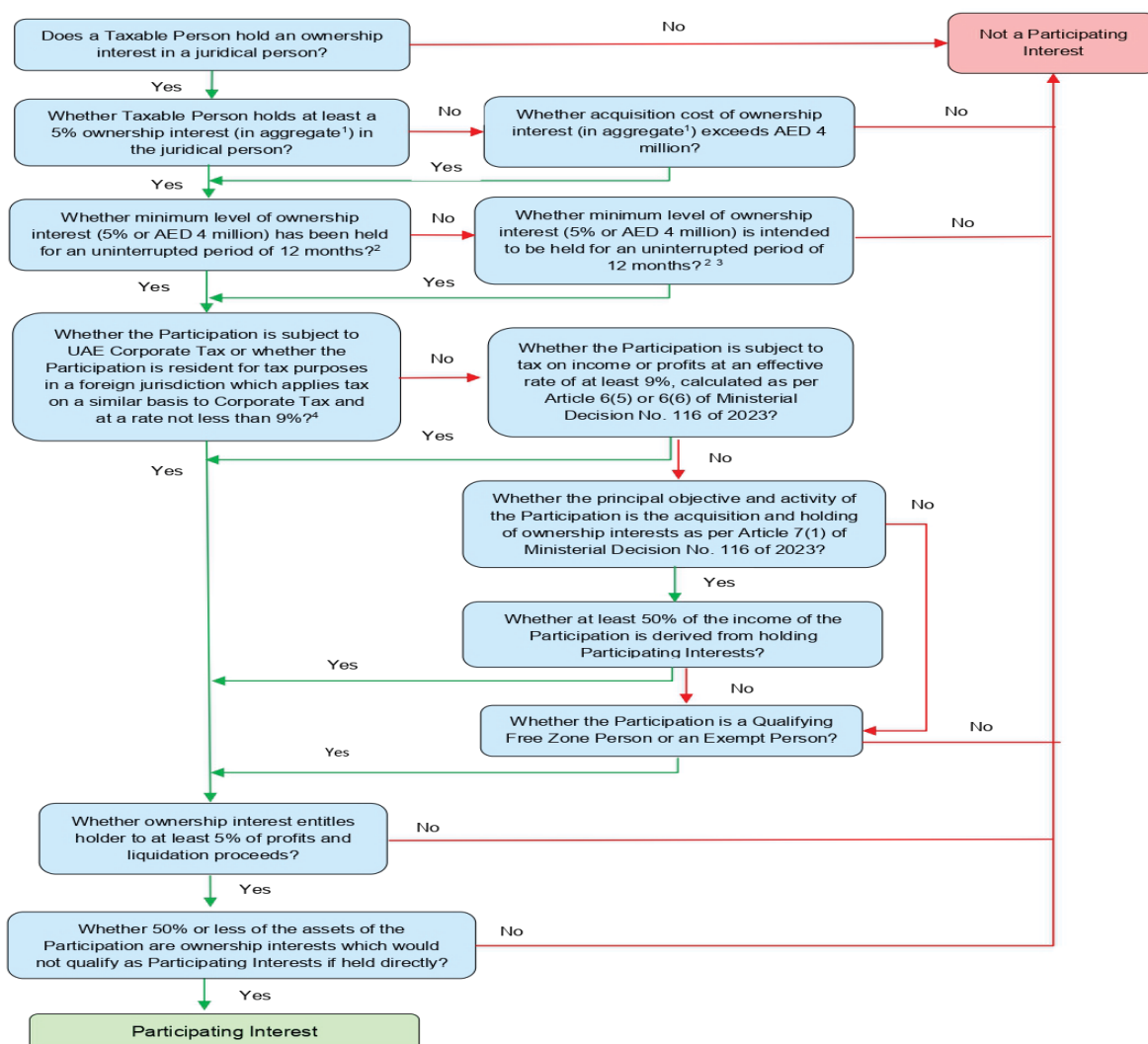
- **Minimum ownership test:** 5% or greater ownership interest in a Participation
- Or
- **Minimum acquisition cost test** acquisition cost of the ownership interest is equal to or exceeds a specific threshold (AED 4 million)
- **Holding period test:** must be held, or intended to be held, for an uninterrupted period of at least 12 months
- **Subject to tax test:** Participation must be subject to Corporate Tax, or equivalent foreign corporate tax at a rate of 9% or more
 - Qualifying Free Zone Persons, Exempt Persons and holding companies, subject to certain conditions, are treated as having met the subject to tax test
- **Entitlement to profits and liquidation proceeds test:** Participation must entitle the holder to receive at least 5% of the profits and liquidation proceed
- **Asset test:** Not more than 50% of the direct and indirect assets of the Participation must consist of ownership interests which would not qualify for the Participation Exemption if held directly

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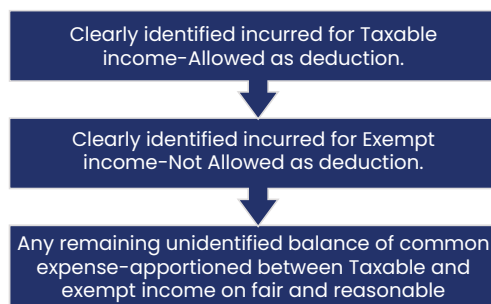
Participation Exemption



Expenditure Related to Exempt Income

Meaning of Related Expenditure:
Any Expense which have clear and direct nexus or connection which can be establishment between expense and exempt income.
Related Expenditure are **not deductible** for corporate tax purpose

Taxability of Common Expenses



Interest Expense:

Interest paid in relation to exempt income is allowed as deduction from Taxable Income.

But deduction is limited to General Interest Deduction Limitation Rule i.e., Maximum 30% of EBITDA.

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Expenditure in relation to Participating Interest

A) Expenditure in relation to acquisition and disposal of a Participating Interest:

Meaning: Expenditure incurred in relation to acquisition, Sale, Transfer or disposal of an entire participating Interest or part of participating interest.

Taxability:

Not allowed as deduction

Should be capitalized as part of cost of acquisition of participation interest.

Capitalization for purpose of corporate tax is required whether capitalized in financial statements or not.

B) Expenditure in relation to a failed acquisition of a Participating Interest :

Meaning: Expenses that are incurred with the intention of acquiring a Participating Interest but ultimately the acquisition is not completed.

Taxability:

Such Expense cant said to be related to Participating interest

So allowed as deduction

Tax Groups

Meaning : Taxable Person (referred to as "Parent Company") can make an application to form a Tax Group with one or more Resident Persons (referred to as "Subsidiary") and, therefore, be treated as a single Taxable Person

Income from a Participating Interest within a Tax Group

- All members if tax group are treated as single taxable person
- Any intragroup transactions will be eliminated while determining taxable income
- So,Participation exemption is not relevant in this case

Income from a Participating Interest outside a Tax Group

- Application of participation exemption must be applied in relation to entire tax group and its members on aggregate basis.

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Illustrations

Example

1

Amount not received in capacity of shareholder

A parent company receives a payment of Interest in respect of a loan to a wholly owned subsidiary. This is not a Dividend because the payment is not received by the parent company in relation to its shares held in the subsidiary, but rather in its capacity as a lender.

Distribution on cancellation of shares

Company A (a company incorporated and resident in the UAE) wholly owns Company Z (a company incorporated and managed outside the UAE).

Example

2

Out of 100 shares issued to Company A, Company Z cancels 50 shares by paying AED 450 to its shareholder, Company A. This represents the Market Value of those shares. The distribution on cancellation of shares is paid out of capital contributed and Company Z's retained earnings.

The balance sheet of Company Z just before cancellation of shares is as follows:

Equity and Liabilities	Liabilities Amount (AED)	Assets	Amount (AED)
Capital (100 shares of AED 5 each)	500	Cash	700
Distributable profits	200		
Total	700		700

Balance sheet of Company Z after cancellation of shares is as follows:

Equity and Liabilities	Liabilities Amount (AED)	Assets	Amount (AED)
Capital (100 shares of AED 5 each)	250	Cash	250
Total	250		250

The taxation of AED 450 received by Company A will be as follows:

- AED 250 represents the capital initially subscribed and is not taxable.
- AED 200 is a Dividend because it is sourced from distributable profits. This Dividend is exempt provided the conditions of the Participation Exemption are satisfied.

Exempt Income

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Example 3

Natural person as a shareholder

Mr A and Mrs B are both shareholders in Company A (a company incorporated and resident in the UAE). Mr A purchased his shares as a Personal Investment, while Mrs B did it as part of her Business Activity. Company A makes a Dividend distribution to both shareholders.

The Dividend income received by Mr A is Personal Investment income and not subject to Corporate Tax. The Dividend income received by Mrs B is specifically exempted as a Dividend received from a juridical person that is a Resident Person

Computing percentage of holding

Company A has paid-up share capital of AED 10,000: AED 1,000 towards Ordinary Shares and AED 9,000 towards Preferred Shares. Company B holds 20% of the Ordinary Shares in Company A and does not hold any Preferred Shares.

Example 4

Paid-up capital of ownership interest held by Company B (X): 20% of AED 1,000 Ordinary Shares = AED 200.

- Total paid-up capital of the Participation (Y): AED 10,000 (Ordinary and Preferred Share capital together)
- Company B's percentage ownership: $200 / 10,000 * 100 = 2\%$

Accordingly, Company B's ownership interest amounts to only 2% of the total paidup share capital in Company A, i.e. Ordinary and Preferred Share capital together. In this case, Company B does not meet the 5% ownership interest threshold required for the Participation Exemption.

Example 5

Sale of ownership interests in tranches

Company A (a company incorporated and resident in the UAE) adopts a Tax Period of 1 January to 31 December. Company A has acquired shares in Company Z (a company incorporated and managed outside the UAE) and has the following transactions with respect to the investment:

Date	Transaction
1 November 2022	Acquired 20% of shares of Company Z below AED 4 million
1 March 2024	Sold 17% of shares of Company Z for proceeds exceeding original cost
1 June 2024	Received Dividend from Company Z
1 August 2024	Acquired additional 2% of shares of Company Z
1 August 2025	Acquired additional 2% of shares of Company Z
31 December 2025	Received Dividend from Company Z

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Assuming that the other relevant conditions are satisfied, the tax treatment of the various income items is as follows:

- **Gain from sale of shares on 1 March 2024:** At the time of sale, Company A held more than 5% ownership interest for more than 12 months, so the gain on sale is exempt. (If the sale had resulted in a loss, the loss would have been excluded from the Taxable Income of Company A).
- **Dividend received on 1 June 2024:** At the time the Dividend income is received, Company A holds only 3% of the shares in Company Z with an acquisition cost of less than AED 4 million. This is below the required 5% ownership and minimum acquisition cost threshold, and consequently, the Dividend is not exempt.
- **Dividend received on 31 December 2025:** At the time the Dividend income is received, Company A holds 7% of the shares in Company Z so the ownership threshold condition is met. Further, a shareholding of 5% has been held for more than 12 months (the additional 2% acquired on 1 August 2024 resulted in a 5% holding – the 2% acquired on 1 August 2025 would be considered for the purpose of this test if there is an intention to hold these shares for at least 12 months). Thus, the 12-month holding period test is also met. Therefore, the Dividend received on 31 December 2025 is exempt

Example

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12-month holding period not satisfied subsequently

Company A (a company incorporated and resident in the UAE) purchases 10% of the shares of Company Z (a company incorporated and managed outside the UAE) in October 2024 with the intention of holding them as a long-term investment. Company A receives a Dividend from Company Z in November 2024.

For the 2024 Tax Period, Company A treats the Dividend income as exempt on the basis that it intends to hold the shares for at least 12 months. However, due to commercial reasons, in March 2025, Company A sells 8% of the shares of Company Z. In such a case, the Dividend income treated as exempt in 2024 will be added to the Taxable Income of Company A in the 2025 Tax Period. The reason why Company A was unable to satisfy its intention of holding the shares for at least 12 months is not relevant.

Disposal of part of ownership interest

Company A (a company incorporated and resident in the UAE) purchases and sells shares of Company Z (a company incorporated and managed outside the UAE) as follows:

Example

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Transaction	Holding %	Holding Period
Purchase of Ordinary Shares of Company Z	6%	5 Years
Purchase of Preferred Shares of Company Z	3%	3 Months
Sale of Preferred Shares of Company Z	2%	N/A

Exempt Income

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In this case, even though the Preferred Shares sold have been held for only 3 months, the holding period test is satisfied based on Company A's overall ownership interest in Company Z, which is over 12 months.

Example

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Participation acquired in exchange for transfer of an ownership interest that is not a Participating Interest

Company A (a company incorporated and resident in the UAE) holds 10% of the shares of Company F (a company incorporated and managed outside the UAE). The shares do not carry the right to liquidation proceeds of Company F and hence do not satisfy one of the necessary conditions to qualify as a Participating Interest.

Company X (a company incorporated and resident of the UAE) holds 6% of the Ordinary Shares in Company G (a company incorporated and managed outside the UAE). The shares of Company G satisfy the conditions to be a Participating Interest.

Company A transfers shares held in Company F to Company X in exchange for shares of Company G. In this case, even if Company A has the intention to hold shares of Company G for more than 12 months, the Participation Exemption will not be available with respect to income derived from Company G shares for 2 years from the date of acquisition of the shares. This is because the shares of Company G were acquired in exchange for an ownership interest (i.e. the

Example

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Determining acquisition cost on aggregate basis

A Taxable Person has acquired the following ownership interests in Company A (a company incorporated and resident in the UAE):

- Firstly, Ordinary Shares for **AED 1 million;**
- Secondly, Preferred Shares for **AED 2 million;** and
- Thirdly, Redeemable Shares for **AED 2 million.**

In this case, the minimum acquisition cost test is met when the Redeemable Shares are acquired since the aggregate acquisition cost of all ownership interests held in Company A exceeds AED 4 million.

Determining cost on partial sale

A Taxable Person holds the following interests in a juridical person.

Type of interest	Cost
Preferred Shares	AED 2 million
Ordinary Shares	AED 1 million
• Tranche 1: 10,000 shares	AED 5 million
• Tranche 2: 20,000 shares	

Example

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The Taxable Person sells 5,000 Ordinary Shares. In this case, the cost will be average acquisition cost attributable to the Ordinary Shares

$[(5,000 / 30,000) * 6 \text{ million}] = \text{AED 1 million.}$

Exempt Income

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Example

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Actual effective tax rate (calculated based on the rules as applied by the foreign Participation)

Company A (a company incorporated and resident in the UAE) holds 100% of shares of Company B (a company incorporated and managed outside the UAE). Company B is resident in Country B, which levies corporate tax at the rate of 5%. In order to benefit from the Participation Exemption, Company A would need to demonstrate that the income of the Participation is subject to effective taxation of at least 9%. In respect of the current period, Company B paid total corporate tax of USD 5,500 in Country B and the entity has an accounting profit before tax of USD 50,000. Whilst the statutory tax rate for Company B is less than 9%, the effective tax rate is 11% (i.e. USD 5,500 / USD 50,000), therefore the subject to tax test is met.

Theoretical effective tax rate (calculated based on UAE rules)

Company A (a company incorporated and resident in the UAE) holds 100% of shares of Company B (a company incorporated and managed outside the UAE). Company B is resident in Country B, which levies a statutory corporate tax at the rate of 5.5%. Company A needs to provide evidence that the income of Company B is subject to effective taxation of at least 9% according to the basis provided for in the UAE Corporate Tax Law.

Example

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For the current Tax Period, Company B paid taxes of total USD 4,000 and the entity has an accounting profit before tax of USD 50,000 according to local accounting standards, so the actual effective tax rate of 8% (i.e. USD 4,000 of USD 50,000) is below the 9% threshold.

When applying IFRS, the accounting net profit of Company B would have been USD 40,000. Thus, the theoretical effective tax rate is 10% (i.e. USD 4,000 of USD 40,000), therefore the subject to tax test is met.

Example

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Participation taxed on net worth

Company A (a company incorporated and resident in the UAE) holds 100% of shares of Company B (a company incorporated and managed outside the UAE). Company B is resident in Country B. Under the corporate tax regime of Country B, local companies are charged a levy at the rate of 2% on the company's net worth. For the current Tax Period, Company B paid USD 5,000 on its net worth and has an accounting profit before tax of USD 50,000 according to local accounting standards. Thus, the effective tax rate is 10% (i.e. USD 5,000 of USD 50,000) and therefore the subject to tax test is met.

Exception to the subject to tax test – holding company

Company A (a company incorporated and resident in the UAE) holds 100% of the shares of Company D (a company incorporated and managed outside the UAE and resident in a foreign country) and subject to 7% corporate tax. Company D respectively holds 100% of the shares of Companies X, Y and Z. Company D also holds 3% of the shares in Company P with an acquisition cost of less than AED 4 million. Company D provides management functions to subsidiaries and takes the strategic investment decisions. Further, Company D owns an office building and has 15 employees, including a board of directors. All strategic decisions are taken in the country of residence of Company D. All involved entities comply with the local rules.

Example

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For the purpose of the Participation Exemption, Company D will be treated as having satisfied the subject to tax test if the principal objective is the holding of Participating Interests and more than 50% of its income is from Participating Interests. Based on the facts above, it could be said that the principal objective of Company D is the holding of the Participating Interests.

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Since the shares in Company P do not qualify as a Participating Interest due to the holding being below 5% and the minimum acquisition cost, its income will not be counted for the purpose of the calculation. Only Companies X, Y and Z will be considered as Participating Interests. Therefore, only income from these companies will be considered for the purpose of assessing whether the 50% threshold is met

Description	Current Tax Period	Previous Tax Period	Total
	AED in Millions		
Dividend income from Companies X, Y and Z	8	3	11
Interest income received from Companies X, Y and Z	3	3	6
Dividend income from Company P	2	1	3
Interest income received from Company P	4	4	8
Total Income	18	20	38
Total income from Participating Interest	11	6	17
% of income from Participating Interest	61%	30%	45%

Therefore, Company D has only 45% income from Participating Interests. This is below the requirement of 50% and so it will not be considered as having met the subject to tax test in the current period. Thus, the Participation Exemption would not apply when Company A received, for example, Dividends from Company D.

Example 15

Entitlement to profits and liquidation proceeds test

Company A (a company incorporated and resident in the UAE) holds 6% of the shares of Company D (a company incorporated and managed outside the UAE and resident in a foreign country). Based on a specific clause in the shareholder agreement, Company A is entitled to receive 6% of the profits available for distribution, but only 3% of the liquidation proceeds in the event Company D is liquidated.

Although Company A is entitled to receive at least 5% of the profits available for distribution, the 5% requirement to receive liquidation proceeds is not satisfied. Thus, Company A cannot benefit from the Participation Exemption when it receives income from or in relation to Company D.

Asset test – Consolidated balance sheet

Company A (a company incorporated and resident in the UAE) holds 10% of the shares of Company D (a company incorporated and managed outside the UAE). Company D in turn directly and indirectly holds shares in several subsidiaries. The consolidated balance sheet of Company D shows the following values (book values):

- Total assets: **AED 100,000**
- Investments (ownership interests): **AED 60,000 consisting of:**
 - qualifying ownership interest: **AED 20,000**
 - non-qualifying ownership interest: **AED 40,000**

Since less than half of the Participation's total direct and indirect assets consist of ownership interests that do not qualify for the Participation Exemption (only 40%, i.e. AED 40,000 of AED 100,000), the threshold of the asset test of the Participation Exemption is met.

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Example 17

Asset test – Failing the condition within a Tax Period

Company B (a company incorporated and resident in the UAE) holds 10% of the shares of Company E (a company incorporated and managed outside the UAE). Company E in turn directly and indirectly holds shares in several subsidiaries. All companies have a Financial Year that is the Gregorian calendar year. Company E's consolidated balance sheet as of 31 August and 31 October shows the following values (book values) in AED.

Particulars	31 Aug	31 Oct
Total Assets	100,000	100,000
Investments (ownership interests) consisting of:	70,000	50,000
-qualifying ownership interest:	10,000	30,000
-non-qualifying ownership interest:	60,000	20,000
% of direct and indirect assets consisting of non-qualifying ownership interest	60%	20%

Company E resolves to distribute a Dividend as of 31 October. Although the asset test is met at the time of the Dividend distribution (i.e. 31 October), the test is not fulfilled for the whole Tax Period of Company B. As such, the asset test according to Article 23(2)(d) of the Corporate Tax Law is not satisfied. Thus, the Dividend is not exempt from Corporate Tax under the Participation Exemption. Assuming the non-qualifying percentage stayed below 50% until the end of the following Tax Period, the asset test could be met in that subsequent period.

Example 18

Back-to-back Dividends

Company A (a company incorporated and resident in the UAE) holds 100% of the shares in Company B (a company incorporated and resident in the UAE). Company B holds 100% of the shares in Company C (a company incorporated, resident and managed outside the UAE). Company C and Company B both declare Dividends.

The Dividend received by Company B from Company C is exempt under the Participation Exemption, provided all conditions of the Participation Exemption are satisfied.

The Dividend received by Company A from Company B, being a Dividend from a juridical person that is a Resident Person, is exempt with no further conditions.

Sale in exchange of shares

Company A (a company incorporated and resident in the UAE) holds 50% of the shares of Company D (a company incorporated and resident in the UAE). The ownership interest in Company D qualifies as a Participating Interest. The book value of the shares amounts to AED 100,000, the Market Value amounts to AED 500,000. Company A agreed to transfer the shares in Company D in exchange for new shares in Company X. Company X recognises the shares in Company D at their Market Value.

The Market Value would be considered as the sale price for Company A. Thus, a capital gain arises of AED 400,000 (sale price of AED 500,000 less book value of AED 100,000) that is exempt from Corporate Tax.

It is assumed that this is not a transfer eligible for Qualifying Group relief and that Business Restructuring Relief is not available.

Example 19

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Example 20

Liquidation loss

Company A holds 100% of the shares of Company D, both are resident and incorporated in the UAE. The acquisition cost of the Participating Interest in Company D is AED 50,000, and the Market Value of Company D's net assets is AED 10,000.

During the Tax Period ending 31 December 2024, Company D paid a Dividend of AED 10,000 to Company A. In addition to this, Company D transferred Tax Losses of AED 20,000 to Company A, who deducted this from their Taxable Income. On 15 June 2025, Company A resolves to liquidate Company D. It is removed from the commercial register on 30 June 2025, and ceases to have legal existence. Legal fees incurred in relation to the liquidation are AED 5,000.

In the course of the liquidation, all assets will be transferred to Company A at their Market Values for tax purposes (no application of reliefs). The liquidation loss is calculated as follows:

- Acquisition cost of the Participating Interest in Company D: **AED 50,000**
- **Less:** liquidation proceeds received by Company A (Market Value of the net assets of Company D less liquidation costs borne by Company D): AED 10,000 - AED 5,000 = AED 5,000
- **Equals:** liquidation loss of AED 45,000

The liquidation loss that can be deducted from Taxable Income, however, must be adjusted for the following items: • Exempt Dividend received in 2024 (i.e. preceding Tax Period): AED 10,000 • Transferred Tax Losses received in 2024: AED 20,000 Thus, the liquidation loss (after adjustment) amounts to AED 15,000 (i.e. AED 45,000 - AED 10,000 - AED 20,000).

Example 21

Currency fluctuation between date of sale of Participating Interest and receipt of foreign currency (realised gain)

Company A (a company incorporated and resident in the UAE) sold shares held in Company F (a company incorporated and managed outside the UAE) which qualified for the Participation Exemption. The sale price was fixed at GBP 10,000. At that time, the value of GBP 1 was equal to AED 4.5, so Company A recorded sale proceeds of AED 45,000 in its Financial Statements. The sale consideration was only received after 2 months. At the time of receipt, the value of GBP 1 was AED 5, meaning Company A received the equivalent of AED 50,000. The additional gain of AED 5,000 is attributable solely to foreign currency fluctuation and is, therefore, exempt from Corporate Tax under the Participation Exemption.

Revaluation of Participating Interest (unrealised gain)

Company A (a company incorporated and resident in the UAE) acquired shares in Company F (a company incorporated and managed outside the UAE which is a Participation Interest) for GBP 1,000. At the time of purchase, the value of GBP 1 was equal to AED 4.5, and so Company A recorded the shares at AED 4,500 in its Financial Statements.

Example 22

At the end of the following year Company A revalued Company F's shares in its Financial Statements to their market price. At that time, the market price of Company F shares has increased to GBP 2,000, and the value of GBP 1 is AED 5. Accordingly, in Company A's Financial Statements, the value of the Participating Interest in Company F is increased from AED 4,500 to AED 10,000. Out of total revaluation gain of AED 5,500, a gain of AED 1,000 is attributable solely to foreign currency fluctuations which is exempt from Corporate Tax under the Participation Exemption.

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Example 23

Capital gain and impairment loss in relation to a Participating Interest

Company A holds 100% of the shares of Company D (acquisition cost AED 100,000), both are incorporated and resident in the UAE. Company A performs a write-down on the shares of Company D in the amount of AED 70,000. At this time Company D does not qualify as a Participating Interest and Company A treats the impairment loss as deductible for Corporate Tax purposes.

In the following year, the shares of Company D are sold for AED 120,000. By this time Company D qualifies as a Participating Interest. The capital gain resulting from the disposal of the shares of Company D of **AED 90,000** (AED 120,000 – AED 30,000) is treated as follows:

- **AED 70,000** is not exempt from Corporate Tax due to the impairment loss being treated as deductible.
- The remaining gain of **AED 20,000** is exempt from Corporate Tax under the Participation Exemption

Deductible and non-deductible impairment loss

Company A owns shares in Company D, both are incorporated and resident in the UAE. Company A records an impairment loss of AED 30,000 (tax deductible) and subsequently an impairment loss of AED 10,000 (not tax deductible) in respect of Company D. Company A later sells the shares of Company D realising a capital gain of AED 50,000. At the time of disposal Company D meets the conditions to be Participating Interest. The gain is treated as follows:

- The first AED 30,000 of the capital gain cannot benefit from the Participation Exemption due to the tax-deductible impairment loss, and so is subject to Corporate Tax;
- The remaining capital gain of AED 20,000 can benefit from the Participation Exemption.

Example 24

Example 25

Impairment on loan receivable and subsequent reversal

Company A (a company incorporated and resident in the UAE) holds 100% of the shares in Company F (a company incorporated and managed outside the UAE) and grants a loan to Company F of AED 100,000. Subsequently, due to the financial distress of Company F, Company A makes a 50% provision against the loan in the current year and treats this impairment loss of AED 50,000 as tax deductible.

In the following year, Company A receives a Dividend from Company F of AED 20,000. Due to the recognition of a tax-deductible impairment loss of AED 50,000 in the previous year, the Dividend is not treated as exempt from Corporate Tax and thus is fully taxable. Due to an improvement in the financial situation of Company F one year later, Company A fully reverses its provision against the loan and recognises a gain of AED 50,000.

The gain resulting from the reversal is treated as Exempt Income to the extent the Dividend income in the previous year has been treated as subject to Corporate Tax due to the non-application of the Participation Exemption in relation to the initial loan impairment. Hence, AED 20,000 of the reversal gain will be Exempt Income and accordingly, the remaining AED 30,000 will be taxable.

Common expense incurred towards Exempt Income and Taxable Income

Mr A, as part of his Business, paid fees of AED 1,000 to a financial consultant for investment related consultancy. Mr A purchased shares of Company B (a company incorporated and resident in the UAE) for AED 8,000 and debentures of Company C (a company incorporated and managed outside the UAE) for AED 2,000. The Dividend income from Company B is exempt but the Interest income from the debenture is taxable. Based on the proportionate cost of the investments:

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- 20% of the consultant's fees are deductible: **AED 2,000** / (AED 8,000 + AED 2,000); and
- 80% of the consultant's fees are non-deductible: **AED 8,000** / (AED 8,000 + AED 2,000).

Example 27

Expenditure in relation to a failed acquisition of shares

Company A (a company incorporated and resident in the UAE) wants to invest in shares of Company F (a company incorporated and managed outside the UAE) as a long-term strategic investor. In this regard, Company A pays professional fees to carry out due diligence before investing in Company F. Based on the due diligence report, Company A decides not to invest.

In this case, the professional fees expense will be taken into account while determining Taxable Income and will be deductible if it is a Business expense and it is not capital in nature.

Example 28

Dividend from a Participating Interest outside the Tax Group A Multinational Group has the following entities:

A Multinational Group has the following entities:

Entity name	Place of incorporation/formation	Place of effective management and control	Whether UAE Resident Person under Article 11	Whether member of the Tax Group under Article 40
Company F	Country X	Country X	No	No (not a UAE resident)
Company A	UAE	UAE	Yes	Yes
Company B	UAE	UAE	Yes	Yes
Company C	Country Y	UAE	Yes	Yes
D LLP (incorporated partnership)	UAE	UAE	Yes	Yes
UAE			Yes	Yes
Company E	UAE	UAE	Yes	Yes
Company G	Country Z	Country Z	No	No (not a UAE resident)

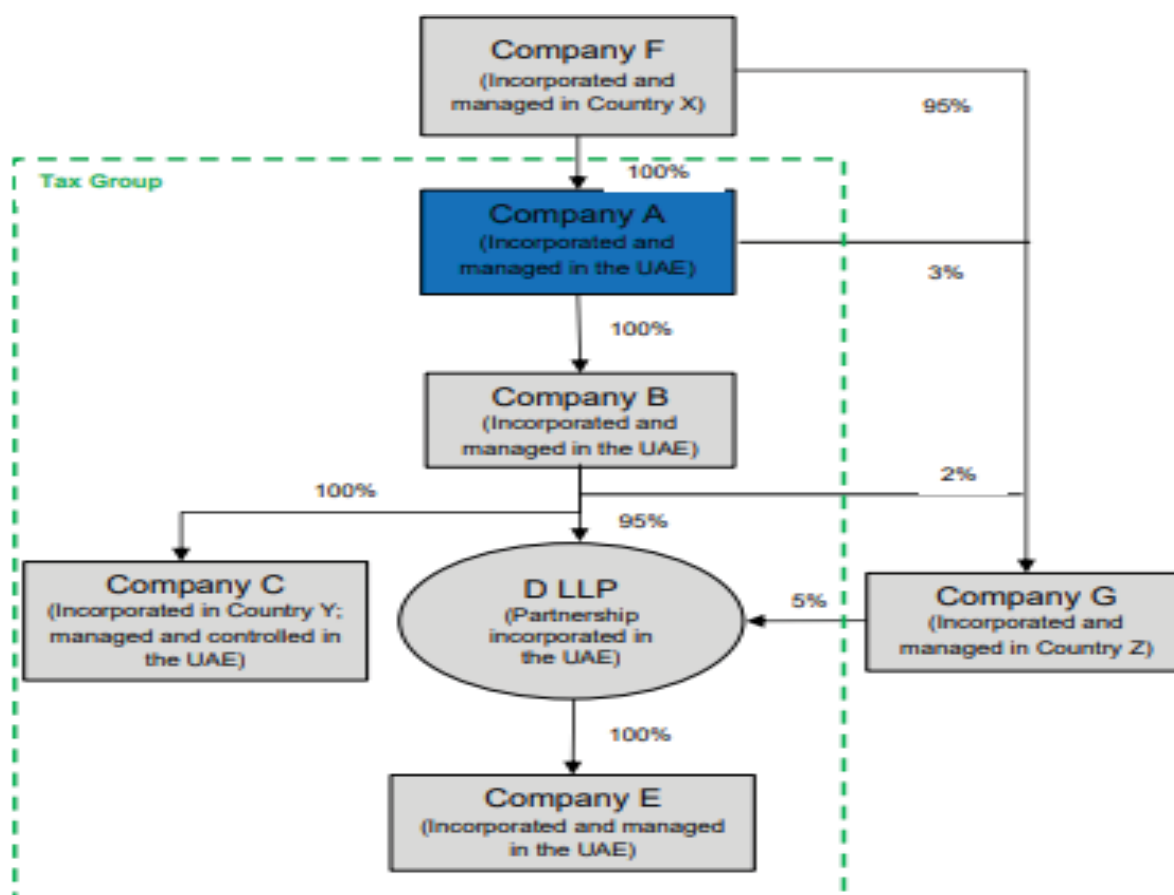
Provided the relevant conditions are met, Company A (Parent Company) can make an application to form a Tax Group with Company B, Company C, D LLP and Company E (Subsidiaries).

Exempt Income

Dividends and Participation Exemption

CT guide issued by FTA on 16-October 2023

The group structure is as follows:



- Company A acquired 3% of the shares of Company G on 1 June 2024
- Company B acquired 2% of the shares of Company G on 1 December 2024
- Company G paid a Dividend on 1 July 2025

Company A and Company B do not individually satisfy the 5% minimum ownership test in respect of Company G. However, the Tax Group is the Taxable Person in this case, and it satisfies the 5% minimum ownership test considering the aggregation of the ownership interests held by Company A (3%) and Company B (2%). The minimum holding period could be satisfied if the intention is to hold the aggregate 5% for 12 months, i.e. until at least 1 December 2025.

Assuming the other conditions of Article 23 of the Corporate Tax Law are met, the Dividend paid by Company G to Company A and Company B is excluded from the Taxable Income of the Tax Group by virtue of the Participation Exemption.

TAX RESIDENCY CERTIFICATE in UAE

A Tax Residency Certificate (TRC) is a document issued by a tax authority of a country, which certifies that the holder is a tax resident of that country. Tax residency refers to the country where a person or a company is liable to pay tax on their worldwide income.

Who can apply for a TRC:

Individuals

Individuals who spend 183 or more days in the UAE during relevant twelve (12) consecutive months are considered tax residents. They can obtain Tax Residency Certificates (TRCs) and benefit from Double Tax Avoidance Agreements (DTAA) signed by the UAE with a number of countries.

Further if an Individual is physically present in the country for a period of (90) ninety days or more, during the relevant twelve (12) consecutive months, and holds the nationality of the State or holds a valid residence permit in the State or holds the nationality of any of the member states of the Gulf Cooperation Council, and meets any of **the following shall also be considered as Tax Resident in UAE:**

1. He has a permanent place of residence in the country.
2. Exercising a job or business in the country.

Documents required for the Application:

1. Entry exit report from Federal Authority of Identity and Citizenship showing the individual has stayed for more than 183 days.
2. A certified copy of residential lease agreement.
3. Bank statements of at least 6 months for the respective financial year
4. Salary certificate or proof of source of income

Legal Person

Legal Entities can apply for the Tax Residency Certificate if:

1. A legal person established, formed or recognized in accordance with the legislation in force in the UAE shall be considered as a UAE tax resident
2. A legal person considered as a tax resident under the applicable tax law in the country, shall also be considered as tax resident.

Documents required for the Application:

1. Trade License
2. Proof of Authorization (Establishment Contract or the Power of Attorney)
3. Copy of the audited financial report certified by an independent auditor, stamped and signed by the auditing company
4. Certified Lease agreement / tenancy contract.
5. A bank statement issued by a local bank covering 6 months within the financial year related to the request
6. Certified copy of the Memorandum of Association



NEW GUIDELINES: AML LAW UAE

With the increasing frequency of fraudulent activities and transactions within UAE, the country aims to continually update the guidelines within the AML Law in order to mitigate these risks.

Recently, a new guideline was brought forward with respect to **customs declaration** as an Anti-Money Laundering (AML) effort – to combat the attempts to move illicit money or assets (precious metals and stones) across the border. So as per the UAE Customs, travellers entering or leaving UAE carrying currencies, negotiable bearer financial instruments, precious metals, or precious stones of value exceeding AED 60,000 will now have to submit a declaration form to the UAE Customs.

An exception is applicable to this rule provided;

- Such precious metals and stones (PMS) is for commercial purposes.
- When a traveller is engaged in PMS trading activities &
- When PMS is transported as a profession by a person frequently visiting the Customs Ports.

Moreover, for a traveller below the age of 18 years, the value of such precious metals and stones shall be counted towards the threshold value of the parent or guardian.

The customs declaration form should be filed with the Federal Authority for Identity, Citizenship, Customs and Ports Security (ICP) and this can be done either through their official website or the AFSEH application.



ISLAMIC BANKING

Islamic banking is a financial system that operates on the principles of Islamic Sharia, which promotes fairness, equality and social justice. In contrast to conventional banking, Islamic banking does not deal with interest-based transactions. Instead, it offers Sharia-compliant financing and investment tools that are based on the principles of profit and loss sharing.

Two fundamental principles of Islamic banking are the sharing of profit and loss and the prohibition of the collection and payment of interest by lenders and investors. Islamic banks make a profit through equity participation, which requires a borrower to give the bank a share in their profits rather than paying interest. Some conventional banks have windows or sections that provide designated Islamic banking services to their customers.

Islamic banking is grounded in the tenets of the Islamic faith as they relate to commercial transactions. The principles of Islamic banking are derived from the Quran, which is the central religious text of Islam. In Islamic banking, all transactions must comply with Shariah, the legal code of Islam (based on the teachings of the Quran).

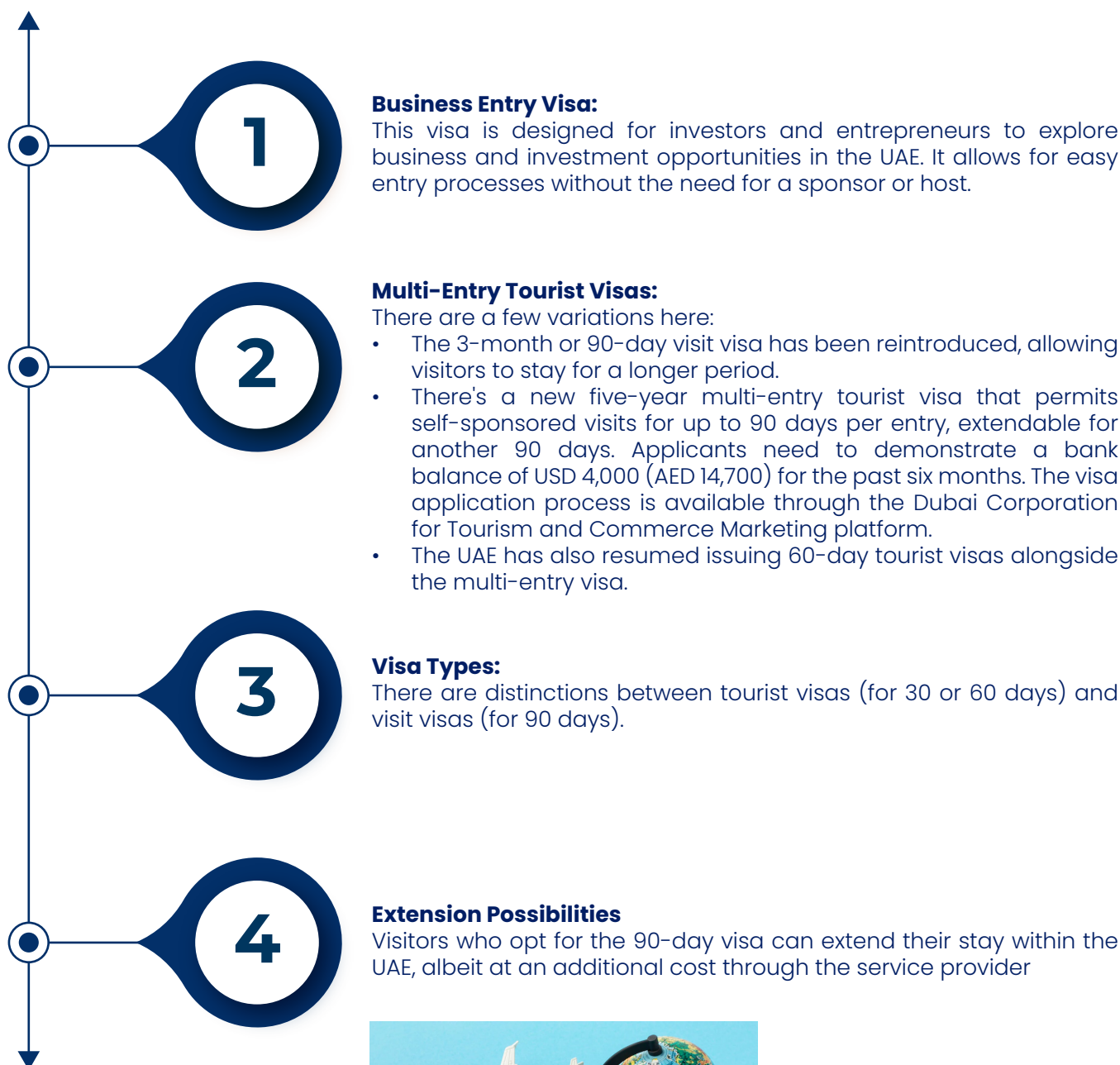
One of the primary differences between conventional banking systems and Islamic banking is that Islamic banking prohibits usury (Usury laws are regulations governing the amount of interest that can be charged on a loan) and speculation. Shariah strictly prohibits any form of speculation or gambling, which is referred to as maiisi.

Shariah also prohibits taking interest on loans. In addition, any investments involving items or substances that are prohibited in the Quran—including alcohol, gambling, and pork—are also prohibited.⁵ In this way, Islamic banking can be considered a culturally distinct form of ethical investing.

Islamic banking promotes ethical and responsible banking practices. It forbids the use of its finances or services for misleading, dishonourable, immoral, and other harmful purposes that would be detrimental to society. Islamic banks are also forbidden from indulging in any practice that may prove harmful to customers.



New UAE visa rule



These changes aim to make entry into the UAE more accessible and offer various options for different purposes and durations of stay.

Changing jobs for UAE golden visa holder

A holder of a UAE golden residency visa can indeed take up employment in the UAE. According to Article 7 of the Employment Law and Article 6(1) (j) of Cabinet Resolution No. 1 of 2022, a work permit known as the **"Golden Visa holder's permit"** is issued by a registered establishment for employees holding a Golden Visa in the UAE.

- Golden Visa holders in the UAE are permitted to work under the "Golden Visa holder's permit."
- Upon resigning from current employment, it's crucial to cancel the existing work permit. This involves applying through designated channels, meeting document requirements, settling any fines, and ensuring entitlements are fulfilled.
- Once the work permit is canceled, obtaining a new employment contract and work permit with a different employer follows the guidelines in Administrative Resolution No. 38 of 2022.

- To obtain a new work permit via MoHRE, certain prerequisites must be met, including providing a photo, a valid passport, and a copy of the Golden Residency Visa, an approved employment contract, attested academic certificates according to skill levels, and relevant professional licenses.
- For self-sponsored Golden Visa residents, altering the residency status of family members might not be necessary. Instead, the focus is on canceling the existing work permit through MoHRE and securing a new one from the prospective employer through the same channel.

This process ensures adherence to UAE regulations for job transitions among Golden Visa holders, facilitating a smooth change of employment.



ABOUT



Comprehensive Financial Services

KNOWLEDGE Series

MIC Corporate Services is an initiative of MI CAPITAL Services comprising of a team 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

- **UAE Corporate Tax Simplified:**
www.youtube.com/watch?v=Tp9fKHQaTn8&list=PL6Hq2B2kB5C0sansuIf-Ng_NUM_rvH4cs
- **Understanding Corporate Tax in the UAE (webinar):**
www.youtube.com/watch?v=8C9Ta0hp0kQ
- **Proposed UAE Corporate Tax Regime Simplified (By MI Capital Services):**
www.youtube.com/watch?v=O5KdVbETdo4
- **OTHER TOPICS**
www.micapitalservices.com/company-formation/
www.micapitalservices.com/startup-valuations-more-art-than-science/
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Last Tax Free day celebrated on 31st May 2023

OPENING OF OUR NEW OFFICE



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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”

”

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FOCUS BUSINESS

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

Established in 2018, MI CAPITAL Services was founded by Mr. Shantel Sani and later joined by Mr. Pratik Talsania as partner. Shantel is a CA 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 Control, Financial Modeling, Valuations and Feasibility Studies. Pratik Talsania is equally equipped and is a Chartered Accountant with rich experience in the field of debt finance, Strategic 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 aptitude to take the business side and help the business get the right business support at every process. Today, the company is a growing team boasting of 25+ qualified professionals (CFAs, CAs, MBAs) delivering best-in-class comprehensive financial services across government and non-government 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 entrepreneurs 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 robust and relevant for corporates. UAE has led the MENA (Middle East and North Africa) region for last 10 years and is a preferred location for being a tax haven for over 1,000 international companies.

Nominal Taxation - UAE's attractive tax system is the primary reason various enterprises are registering business operations here. MI CAPITAL Services is a leading financial advisory and corporate tax is only applicable to all companies and foreign bank branches. The administration of taxes in UAE is Federal Tax Authority. It is necessary that the UAE's free zones, facilitate companies in Personal Income Tax, Value-added Tax, Capital gains tax, Corporate Tax and Withholding Tax to boost foreign investment," says Shantel Sani.

Global Business Hub: UAE is one of the world's richest nations with a GDP per capita about 8% higher than Organisation for Economic Co-operation and Development. According to recent data Foreign Direct Investment rose from \$17 billion to \$19.1 billion in 2022 and increased to \$20.7 billion in the FY 2021-2022. UAE has a promising future, approximately 80% of MNCs conglomerates and their CEOs are based in UAE.

Growing across nations: MI CAPITAL Services caters to the needs of Large public and private sector companies, MNC Corporates, SMEs and Startups with "strategic financial" matters. Through their professional careers, the founding members analyzed that CEOs and CFOs are capable of handling operations from the management perspective of the organization, however when it comes to strategic finance matters like valuation, financial modeling, feasibility studies, project management, post merger integration, etc. they find the need of external qualified and experienced advisors. Therefore, the team at MI CAPITAL Services has designed an effective blueprint to help CEOs with such support services.

Shedding light on the support system utilized to help clients, Pratik mentions, "We help companies grow through efficient advisory MI Capital Services has developed a 10-point strategy. First is 'people' - we hire and nurture qualified professionals to help deliver the best results. Second is 'process' - Well managed international best practice processes that include financial due diligence, pre-merger negotiations, and post-merger integration. And the third is 'product' - A product MI Capital Services involves understanding of business, working out valuation models, carrying out detailed due diligence, negotiations, drafting term sheets, and drafting agreements. We use each step involved as a product and work on delivering the best quality 'product' to help for an efficient and successful M&A process."

Beginning a future of growth: 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.

The team is bullish about the growing business sector across Asia and UAE and MI CAPITAL Services plans on expanding its business considering the boom that the real estate market has witnessed in the past decade. "Apart from driving market share in traditional M&A space, we also 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+ startups and the reason behind it is the combination of developing countries that have come forward to create next-gen technological advancement and wealth creation opportunities. We at MI CAPITAL Services have developed a proprietary framework called Funding Feasibility, with the aim to contribute to the startup ecosystem with a number of initiatives which will help startups from angel stage till IPO," says Shantel.

MI CAPITAL
Comprehensive Financial Services

GRAND CONNECT

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



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 Modelling, 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, RDPG-Dubai, KSA IMA Chapter.

66

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

MI CAPITAL SERVICES

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 Toshniwal as partner. Sheetal is a 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. Prateek Toshniwal is a Chartered Accountant with rich experience in the field of debt finance, Startup Advisory and In-

vestments, International Tax Advisory. He possess 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. Through-out their professional careers, the founding members analyzed 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.

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Prateek Toshniwal, 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 800 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."



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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 Editor

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The India-UAE start-up corridor opening new doors

UAE meets India | Target 2040

India - United Arab Emirates (UAE) relations, which have been growing steadily since the 1970s, are now entering a new phase. The two countries have signed a Memorandum of Understanding (MoU) on cooperation in the field of entrepreneurship and start-ups. This MoU is a landmark agreement that will open up new opportunities for Indian entrepreneurs to set up businesses in the UAE and vice versa. The UAE is a hub for start-ups and innovation, and India is a country with a large and growing population of young, tech-savvy people. The MoU will facilitate the exchange of knowledge and expertise between the two countries, and will also provide a platform for Indian entrepreneurs to access the UAE market. This is a significant step towards creating a strong India-UAE start-up corridor, which will open up new doors for growth and development for both countries.

UAE Happenings

652,885 private sector companies in UAE remain under prepared for next year's corporate tax

By Ajay Khokhar

DUBAI: Most UAE businesses are not yet ready for the 9 percent Corporate Tax that will be levied on companies generating more than Dh175,000 net profit per year from 2023, which requires thorough accounting and auditing processes.

The total number of registered active business licenses in July 2022 amounted to 665,246, a 1 percent increase compared to 652,885 licenses issued in December 2021, according to the UAE's National Economic Register (NER).

The register's data showed that over 81 percent of licensed businesses are located in Dubai, Abu Dhabi and Sharjah. Dubai accounts for some 46 percent of the country's total licensed businesses. Abu Dhabi for 23 percent and Sharjah 14 percent. The largest percentage of issued licenses were for limited liability companies, accounting for 40 percent, followed by individual companies accounting for 31 percent.

The UAE Government in January this year said, it will introduce 9 percent corporate tax on businesses with annual net profit of more than Dh175,000 starting from 2023. The move is part of the country's economic diversification strategy to reduce its reliance on oil and gas. The government has also announced that it will provide a 10-year grace period for businesses to prepare for the new tax regime. This means that businesses will have until 2032 to fully comply with the new tax requirements. However, businesses must still maintain proper accounting and auditing practices to ensure they are ready for the transition. The NER data indicates that a significant portion of businesses are still not prepared for this change, highlighting the need for businesses to take proactive steps to ensure compliance by the deadline.

UAE businesses gear up for corporate tax compliance

Vistara unveils new service for Abu Dhabi

High Noon International

Abu Dhabi: Vistara, a leading provider of corporate tax services, has unveiled a new service designed to help businesses in Abu Dhabi prepare for the upcoming 9 percent Corporate Tax. The service, called 'Vistara Tax Ready', is a comprehensive solution that includes a thorough review of a company's financial records, identification of areas for improvement, and the implementation of necessary changes to ensure full compliance with the new tax regime. Vistara's experts will work closely with businesses to understand their specific needs and provide tailored advice and support throughout the process. This service is particularly valuable for businesses that are new to the UAE or those that have not previously undergone a formal tax audit. By utilizing Vistara's expertise, businesses can avoid potential penalties and ensure a smooth transition to the new tax system. The launch of this service demonstrates Vistara's commitment to helping businesses thrive in the UAE's evolving economic landscape.

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IN ICAI ABU DHABI CHAPTER

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Impact of corporate tax on investment funds and managers

Expert View

19 September 2023

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Expert View

19 September 2023

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MI Capital Services Guides on how UAE is the Solution for your Global Business Set-up

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 facilitates at UAE offers rebates 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



Prateek Toshniwal & Sheetal Soni

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 Organisations 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 FYI 2021-2022. Due to its promising fiscal future, approximately 90% of MENA conglomerates and their CEOs are based in UAE.

INFRASTRUCTURE & CONNECTIVITY

Middle eastern nation has invested \$11 billion in the Etihad Rail Project and \$5.9 billion in hyperloop connectivity project connecting the cities of Abu Dhabi and Dubai. Reputed international airlines like Lufthansa, British Airways, Air Canada, and US Airlines operate 24-hour hour clock operations in UAE. The national flag carrier of UAE, the Emirates too connects all the major cities in the world to The Emirates.

"UAE has continuously invested in creating best infrastructure, putting flexible tax laws and opening markets for international trade, making it as the best business destination for entrepreneurs across the globe," says Prateek Toshniwal.

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sheetal.soni@micapitalservices.com

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Part 1-TaxablePersons&BasisofTaxation

<https://youtu.be/Tp9fKHQaTn8>

Part 2- Exempt Persons Free Zone Persons

<https://youtu.be/l7BpTYJL8E>

Part 3-CalculationofTaxableIncome

<https://youtu.be/HKhC3OWzq44>

Part 4 -Transfer&Set Off of Lossesand CalculationofCorporateTaxLiability

<https://youtu.be/qcZg5wDM5FE>

Part 5-Groups&TaxGroups

<https://youtu.be/f4rJmR89WEQ>

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Mi Capital opens doors to India's US\$88.23 bn affordable housing market for GCC investors

July 26, 2018



Sheetal Soni, CEO - Mi Capital



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MI CAPITAL Services at Startup event in INDIA and recognition and meeting with IFZA Authorities



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MI CAPITAL Services presentation about "Doing Business in the UAE" at the Italian Trade Delegation



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MI CAPITAL Services attends meeting held by Mr. Jai Ram Thakur in Himachal Pradesh

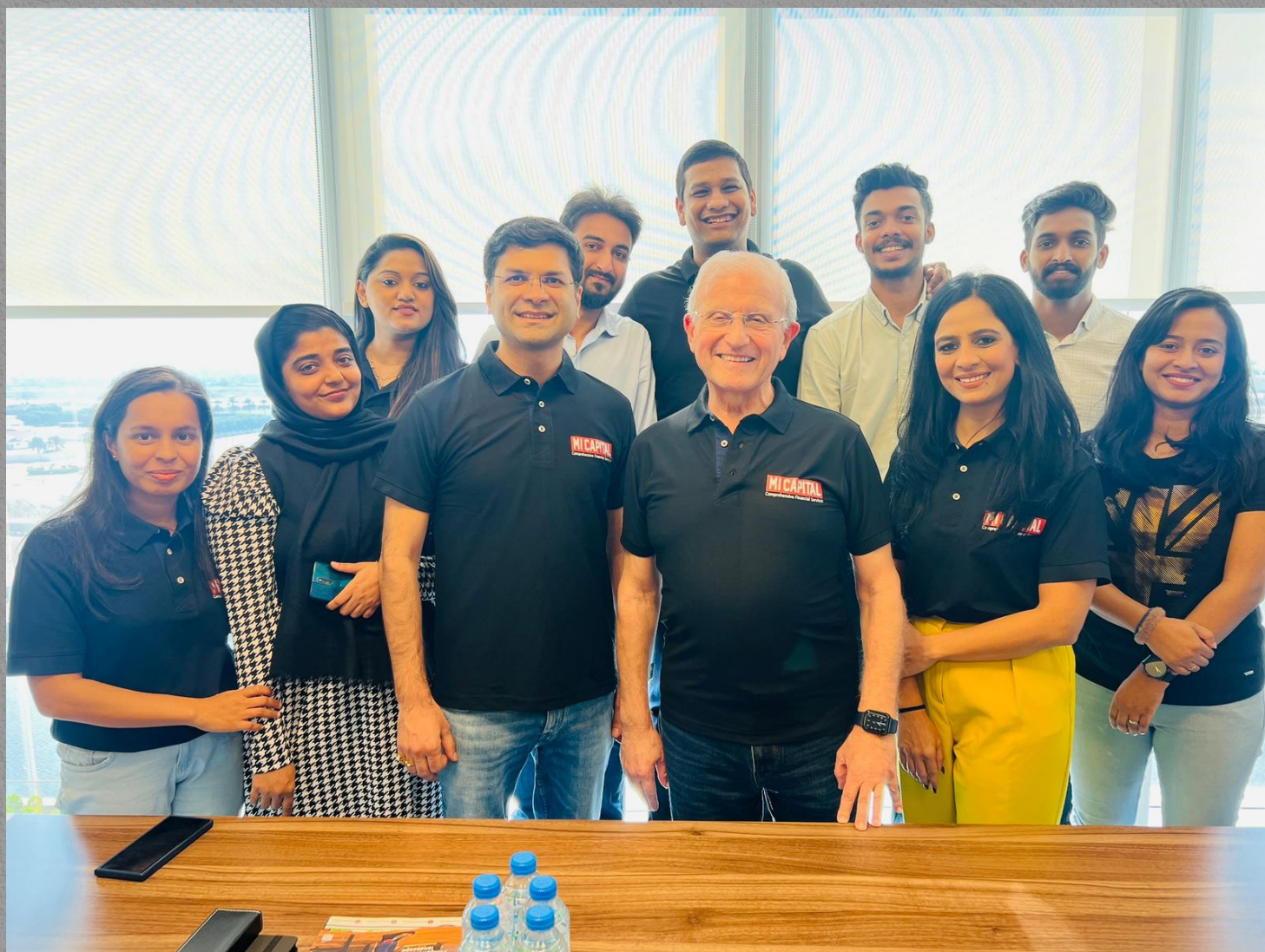


MI CAPITAL Services at UAE Business Leaders meeting with CM of Andhra Pradesh Mr. Chandra Babu Naidu

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Meeting with Advisory Board



Thank you **Mr. Ala Khannak** For visting & guiding us always.

OUR TEAM



OUR TEAM

Advisory Board of Directors



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.

OUR TEAM

MI CAPITAL – Partners & Directors



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, FCA
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.



Khaleefa AlQubaisi
Audit Partner

- 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 Khannak, CFA
Director

- Mr. Mohamed is a CFA charter holder and has completed his graduation from American University of Beirut
- He has rich experience in banking and has managed the portfolios of major Middle Eastern clients.
- He also holds directorships of Julius Baer which is one of the well-known wealth management company

OUR TEAM

MI CAPITAL – Partners & Directors



Chadi El Mekhallalati

Director

- Mr. Chadi is a senior Information & Cyber Security expert with 20 years of experience. In addition to his experience implementing international standards for information and cyber security, his experience also includes project management, business process re-engineering, IT Audit, and risk assessments.
- He has worked with the Ministry of Finance in Lebanon / UNDP for more than 15 years. He has also provided professional services to the World Bank Group, IMF, European Union, OECD, Ministry of Finance in France, Ministry of Finance in France UK and Ericson.



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.



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



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.

OUR TEAM



Shweta Soni
Head of Corporate Services

- 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.



Shubhangi Tosniwal, CA, CPA
Head of Audit

- Shubhangi is a Chartered Accountant, Financial Advisor and Start Up Consultant.
- Former Corporate Financial Advisory Services Officer with 7+ years experience.
- Qualified CPA Australia Graduate with 12th rank from St.Xaviers College, Kolkata.



Karishma B. Suwarnakar, CA
Head of Direct Tax

- Karishma is a Chartered Accountant. She is heading the Accounting, Auditing, Direct, Indirect Taxation & Compliance Department.
- She also assists in Financial Modelling, Valuations, Due Diligence & Corporate Finance, Advisory.
- She also have been working on Transfer Pricing, International Taxation & Structuring.



Sanket Shanishcharya, CA
Head of M&A and Strategic Advisory

- Sanket is a Chartered Accountant having Experience of over 10 years with Debt Syndication, Debt Restructuring, Financial Modeling, Wealth Management.
- He has worked for multiple industries with all sector banks across multiple categories of corporate debt product.



CA Tarun Agarwal
Head of Accounts and Taxation

- Tarun is a highly skilled professional who specializes in conducting independent and objective assessments of an organization's financial records, internal controls, and compliance with applicable laws and regulations. Tarun has led various tax and compliance related projects for entities from industries like Oil and gas, Environmental Consultancy Services, IT services etc.



CA Rajvi Jariwala
Head of Licensing and Compliance

- Rajvi is a highly skilled and accomplished Chartered Accountant with more than 4 years of experience in various domains of accounting, auditing and finance. Her expertise lies in incorporation advisory, structuring and corporate compliance. She brings rich experience in industries like steel, shipping, pharmaceuticals, textile etc.

Executive Team



Anuj Tosniwal



Muhammed Shamlan



Nibin Benny



Pushpa Naik



Remya Sahadeven



Siddhath Singhvi



Aquila Noel



Vivek Kumar Dubey



Mary Grace Sigue



Manjunath Umapathi



Lara Moussawi



Doha Harb



Samisha Ambre



Kushal Kumar



Haifa Haris



Shamil V K



Linomon K L



Umer Farooq



Arshad VM



Amish Mukesh Ramgarhia

Our **New** Initiative



**BANKING
POSSIBILITIES**

Business Banking Simplified

An Initiative of MI CAPITAL Services

- Connections with 40+ banks worldwide
- Guaranteed opening of a Business IBAN account
- Priority lane and Fast Track
- The highest success rate in the UAE
- Free recommendations
- Single application
- Free Banking Profile
- Online status tracking
- Accept High-Risk businesses
- Accepting Non-UAE Owners
- Personal introduction with bankers responsible for opening your account



MI CAPITAL

Comprehensive Financial Services

MICS

Comprehensive Financial Services

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