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Comprehensive Financial Services

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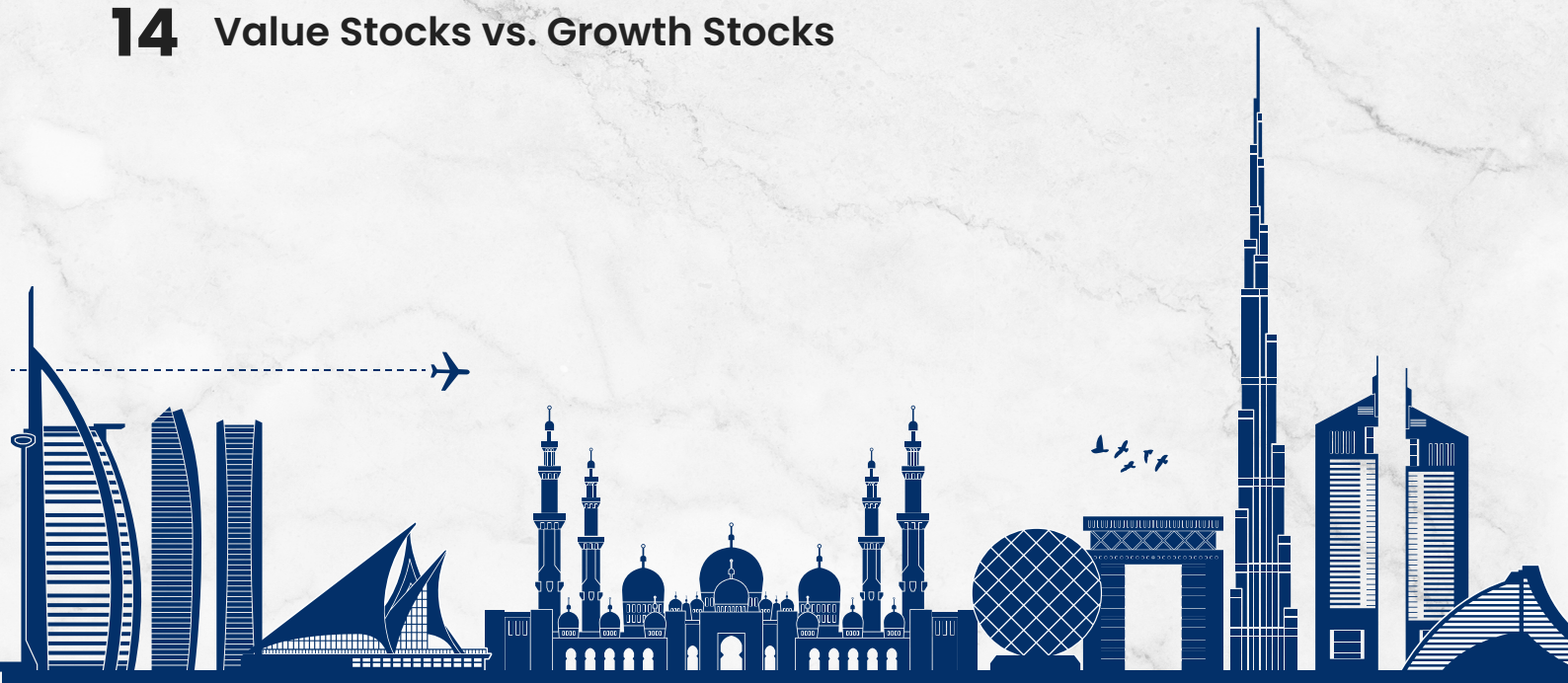
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Calculation of Corporate Tax Payable



Corporate Tax is imposed on **Taxable Income earned by a Taxable Person in a Tax Period.**

Corporate Tax would generally be imposed annually, with the Corporate Tax liability calculated by the Taxable Person on a self-assessment basis. This means that the **calculation and payment of Corporate Tax is done through the filing of a Corporate Tax Return with the Federal Tax Authority by the Taxable Person.**

The starting point for calculating Taxable Income is the Taxable Person's accounting income (i.e. net profit or loss before tax) as per their financial statements. The Taxable Person will then need to make certain adjustments to determine their Taxable Income for the relevant Tax Period. For example, adjustments to accounting income may need to be made for income that is exempt from Corporate Tax and for expenditure that is wholly or partially non-deductible for Corporate Tax purposes.

The Corporate Tax Law also exempts certain types of income from Corporate Tax. This means that a Taxable Persons will not be subject to Corporate Tax on such income and cannot claim a deduction for any related expenditure. Taxable Persons who earn exempt income will remain subject to Corporate Tax on their Taxable Income.
The main purpose of certain income being exempt from Corporate Tax is to **prevent double taxation** on certain types of income. Specifically, dividends and capital gains earned from domestic and foreign shareholdings will generally be exempt from Corporate Tax.

Furthermore, a Resident Person can elect, subject to certain conditions, to not take into account income from a foreign Permanent Establishment for UAE Corporate Tax purposes.

In principle, **all legitimate business expenses** incurred wholly and exclusively for the purposes of deriving Taxable Income **will be deductible**, although the timing of the deduction may vary for different types of expenses and the accounting method applied.

For capital assets, expenditure would generally be recognized by way of depreciation or amortization deductions over the economic life of the asset or benefit.

Expenditure that has a dual purpose, such as expenses incurred for both personal and business purposes, will need to be apportioned with the relevant portion of the expenditure treated as deductible if incurred wholly and exclusively for the purpose of the taxable person's business.

Certain expenses which are deductible under general accounting rules may not be fully deductible for Corporate Tax purposes. These will need to be added back to the Accounting Income for the purposes of determining the Taxable Income.

Calculation of Corporate Tax Payable

Examples of expenditure that is or may not be deductible (partially or in full) include:

Types of Expenditures	Limitation to deductibility
• Bribes • Fines and penalties (other than amounts awarded as compensation for damages or breach of contract). • Donations, grants or gifts made to an entity that is not a Qualifying Public Benefit Entity. • Dividends and other profits distributions • Corporate Tax imposed under the Corporate Tax Law • Expenditure not incurred wholly and exclusively for the purposes of the Taxable person's Business • Expenditure incurred in deriving income that is exempt from Corporate Tax	No deduction
• Client entertainment expenditure	Partial deduction of 50% of the amount of the expenditure
• Interest expenditure	Deduction of net interest expenditure exceeding a certain de minimis threshold up to 30% of the amount of earnings before the deduction of interest, tax, depreciation and amortisation (except for certain activities)

Corporate tax will be calculated after making adjustments to Accounting profits as follows:

Particulars	Amount (AED)
Net Profit/loss as per the financial statement	500,000
Add/Less: Adjustments as per the CT legislations	100,000
Taxable Income	400,000
Taxable Income up to AED 375,000	@0% (A)
Taxable Income above AED 375,000	@9% (B)
CT Liability	2,250
Less: Foreign Tax Credit	0
CT Payable	2,250

Amendments to VAT

VAT Public Clarification Amendments to Emirates' Reporting Electronic Commerce Supplies by Qualifying Registrants

Registered business required to keep records of their standard rated supplies and keep a record of them to prove the supply. Now according to the general rule supplies should be reported in the Emirate in which the taxable person's establishment that is most closely related to the supply, is located.
Cabinet Decision No. 99 of 2022 on the Amendment of Some Provisions of Cabinet Decision No. 52 of 2017 on the Executive Regulation of Federal Decree-Law No. 8 of 2017 on Value Added Tax has amended Article 72 of the Executive Regulation, and requires certain taxable persons to report, and keep records of e- commerce transactions according to the Emirate in which these supplies are received.
Special rules have been introduced to determine the Emirate against which e-commerce supplies are to be recorded and reported for VAT purposes.
For the purposes of Emirates reporting, the term "e-commerce" is defined as "the process of selling goods or services through electronic means, an electronic platform, a store in social media, or electronic applications in accordance with criteria and conditions determined by the Minister".
Electronic Commerce Medium therefore covers a broad range of concepts, such as website, portal, gateway, interface, platform, stores in the metaverse, smart kiosks, robotic devices, etc.

- Electronic means, an electronic platform, a store in social media, or electronic applications are included under the definition of "Electronic Commerce Medium" whereby this definition further covers a website, portal, gateway, interface, platform, marketplace, API and similar applications

- Electronic Commerce supply made through an Electronic Commerce Medium

- The goods and services are listed or advertised on the Electronic Commerce Medium

- The goods and services are ordered through the electronic commerce medium, regardless of whether the payment is made online or not



- In the case of a supply of goods, the goods are delivered to a location specified by the customer whereby this location is not owned by the supplier nor operated by that supplier and that will determine the place of supply

- In the case of a supply of services, the services are provided, or the right to receive the services is granted to the customer with minimal or no human intervention.

For the purposes of the requirement under Article 72(4) of the Executive Regulation, the Emirate in which the services are received, shall be determined in accordance with the
relevant factors. As a default factor, the FTA will accept the place of residence, i.e. the residential address of a consumer, or the establishment most closely connected to the service for a business customer, as the location where the services are received, taking precedence over, for example, billing address or IP address.

Amendments to VAT

Other Regulations:

1. Threshold for Qualifying Registrants
From 1 July 2023, Qualifying Registrants, including registrants acting as undisclosed agents, are required to notify the FTA via the first VAT return to be submitted after exceeding the AED 100 million threshold. The Registrant is also required to also confirm the date when the AED 100 million threshold was exceeded.

2. Undisclosed agent arrangements
If the e-Commerce Medium does not disclose the name of the supplier of the relevant goods or services, it shall be regarded as an undisclosed agent. In such an arrangement, the operator of the e- Commerce Medium shall be responsible to account for VAT on the supply to the customer if the e-Commerce Medium is a taxable person, unless the supply is out of scope or exempt from VAT. Therefore, the operator of the e-Commerce Medium, and not the supplier, is required to consider the supply to the end customer when determining the value of the taxable supplies made by it through e-commerce.

3. Incidental supplies to the electronic commerce supplies
Activities that support online transactions, such as payment systems, logistics for the delivery of goods fall within the remit of an electronic commerce supply of goods.

4. Revised Reporting Mechanism for Qualifying Registrants
From 1 July 2023 or the first tax period following the calendar year in which the AED 100 million threshold was exceeded, Qualifying Registrants will be required to separately identify the Emirate in which e- commerce and non-e-commerce standard rated supplies are to be reported, per tax period. This information shall be submitted as an underlying declaration and split between e-commerce and non-e-commerce standard rated supplies.

Once a registrant has been classified as a Qualifying Registrant and is subject to the related reporting obligations, it will be required to abide by the reporting mechanism clarified above for the following period(s):

- Eighteen (18) months starting from the first tax period commencing on or after 1 July 2023 for registrants that have exceeded the AED 100 million threshold during the calendar year 2022.

- Two (2) years starting from the first tax period of the calendar year commencing after the date on which the registrant has exceeded AED 100 million threshold for any year after 2022.

The registered applicants who excepts to be Qualifying under the new amendment have to inform FTA by 15th March 2023

FTA collaborates with Etisalat by e& to offer support services on Muwafaq package



The collaboration comes in the lead-up to the launch of the programme, designed to facilitate tax compliance for SMEs

The Federal Tax Authority (FTA) has signed a collaboration agreement with Etisalat UAE, branded as Etisalat by e& to offer a bundle of facilities and privileges for registrants in the Muwafaq package initiative soon to be launched this year to facilitate tax compliance for Small and Medium-sized Enterprises (SMEs).

This initiative aligned with the authority's continuous efforts aims to spearhead major transformation projects that seek to build the most dynamic economy in the world.

The agreement was signed at the Federal Tax Authority's headquarters in Dubai by Khalid Ali Al Bustani, Director General, FTA and Abdulla Ebrahim Al Ahmed, Senior Vice President, Government Business, etisalat by e&.

The collaboration comes ahead of FTA's launch of the Muwafaq package initiative that will bring together both entities to **support SMEs and encouraging tax compliance among them.**
As part of the partnership with etisalat by e&, support services will be offered as a bundle to encourage registrants in the Muwafaq package to comply with tax regulations.

The Muwafaq package was specifically designed to cater to the SMEs sector enabling them to unleash their potential and be a driving force in the national economy, further strengthening the culture of entrepreneurship and innovation.

Preparations to launch the Muwafaq package form part of the Federal Tax Authority's plans to maintain an ideal tax environment that encourages compliance, in accordance with the highest standards of governance and transparency. This contributes to the government's continuous efforts to encourage entrepreneurs and SMEs, considering the central role they play in the success of policies to diversify sources of income and develop the national human capital.

Al Ahmed highlighted the relevance of this partnership to etisalat by e&, he said: "It is an honour to be working closely with the FTA on the Muwafaq package initiative that will support entrepreneurs and small businesses. At etisalat by e&, we have always worked closely with the SMEs encouraging them with our various dedicated initiatives and also services that will help them focus on their business objectives as well as become a driving force in the economic development of the country. Thanks to the UAE leadership's vision to position the country among the best in the world in ease of doing business, Innovation, and entrepreneurship."

MoF launches the third phase of the Digital Procurement Platform

Dubai – United Arab Emirates, 20 February 2023: The Ministry of Finance (MoF) launched the third phase of the Digital Procurement Platform (DPP) in Dubai on this day, and 32 ministries and federal entities started deploying the DPP.

This was announced during a forum that the ministry organized, in the presence of representatives from the government entities and in tandem with the UAE Innovation Month.

The Ministry organized the forum as part of its endeavors to achieve the highest levels of efficiency and transparency in managing federal government procurement, and in line with its efforts to instill a culture of innovation in supporting government work. The DPP digitalizes the procurement process across the UAE federal entities. It brings together the federal entities and registered suppliers on a single platform, where all the stages of the procurement process including announcement, bidding and following up on tenders, placing purchase orders, and generating invoices, can be completed online.

Government spending efficiency His Excellency Mohamed Bin Hadi Al Hussaini, Minister of State for Financial Affairs, emphasized the significance of the DPP, which aims to improve procurement processes, enhance government spending efficiency, support entrepreneurs and SMEs, and provide a cutting-edge model for government practices, cementing the UAE's position on global competitiveness indices. His Excellency said: "The Digital Procurement Platform introduces a new concept of government procurement and a flexible procurement policy based on international benchmarking and international best practices. This comes in line with the wise leadership's directives to support the government digital transformation system and achieve the country's vision and comprehensive development plans.

The platform contributes to improving the procurement and contracting processes and enhancing the efficiency of negotiations with suppliers to obtain better prices. It also helps to ensure the quality of procurement at low prices, accelerate procedures, and enhance the efficiency of planning and procurement management at the federal level." Reducing the cost of goods and services Her Excellency Mariam Al Amiri, Assistant Undersecretary for Government Financial Management Sector at MoF, noted that the new platform contributes to reducing the cost of goods and services purchased by government entities.

The 6-minute procurement process The DPP provides an easy and simple user experience and introduces a new concept of government procurement by creating a catalogue of the



MoF launches the third phase of the Digital Procurement Platform

commonly procured goods and services by the federal entities. Buyers can choose the product based on a pre-contract with the supplier, add it to the shopping cart and submit their request to obtain the necessary approvals, helping to reduce procurement process time from 60 days to six minutes. Local businesses, international businesses, free zone companies, national SMEs, freelancers, and SANAA Productive families can register as federal suppliers for free. SMEs get exclusive privileges SMEs get exclusive privileges on the DPP by classifying SMEs through the platform in order to direct government entities and facilitate access to SMEs products by adding the 'SMEs' logo to the platform.

SMEs also get 10% of purchases by monitoring their spending percentage on an annual basis, and during the evaluation process, 10% is added while calculating the final score for SMEs. This is in addition to long-term contracts to supply services and products to federal entities. Moreover, SMEs are exempted from submitting a Performance Bond; instead, a retention amount will be deducted from their initial invoices. The Ministry of Finance developed a new procurement policy based on international benchmarking and best practices adopted by leading countries in the field of digital procurement. The DPP provides smart control features and enables federal entities to extract detailed reports that display all data related to procurement operations and supplier performance, ensuring the highest levels of budget transparency, governance, and control.

The forum honored representatives of the government entities charged with managing procurement processes through the platform. The entities that utilised the catalogue the most frequently in 2022 were also disclosed during the forum. The Ministry of Energy and Infrastructure came in the first place, the National Counselling Center came in second place, and the Ministry of Justice ranked third.

The Ministry of Finance continues to work to achieve maximum benefit from the DPP by enhancing the catalogue to offer specialized services in accordance with best practices and adding new categories to ensure the provision of all requirements of the federal government.



Visit Visa: 90-Day Visit Visa now available for Dubai Residents' Family and Friends

Dubai residents who want to host their friends or family in the country can now get a 3-month visit visa. The host is required to pay a refundable deposit of AED 1,000 for this visa.

In October 2022, sweeping reforms were made to entry visas in the UAE as part of the Advanced Visa System. It introduced one of the largest residency and entry permit reforms in the UAE to date.

However, the travel agencies in the country are unable to apply for these visas in their systems. As of now, only individuals applying on the system can get these visas. The individuals must apply for it online on the GDRFA website General Directorate of Residency and Foreigners Affairs-Dubai (gdrfad.gov.ae), on the app or through an Amer typing centre.

On the GDRFA website, users can also apply for entry permits for business or job opportunities, entry permits for those awaiting their Green Visas, as well as a patient escort permit, among others.

As part of the advanced visa services, an array of new entry permits was introduced. Some of them included a job exploration entry visa, one for business entry, a five-year multi-entry tourist visa, one to seek medical treatment, for temporary work, and for studies and training.
Last week, UAE's Federal Authority for Identity and Citizenship, Customs and Ports Security (ICP) announced the implementation of a new package of updates to improve the services provided to citizens, residents, and visitors through its smart services system.



Non-residents Bank Account

There can be plenty of reasons why a non-resident of UAE wants to open a bank account in the UAE like if they spend a significant amount of time in the UAE or if they get paid in dirhams quite often, or it can also be a part of their savings plan. Despite the various reasons, banks in the UAE provide a facility to open a savings account in their banks for non-residents as well.

Banking in the UAE can be attractive for a few different reasons, namely secrecy, stability, and diversification.

But it's important to note that all UAE banks comply with FATCA and CRS. In fact, the UAE started participating in the automatic exchange of information (AEOI) in 2019. So if you bank here, expect your information to be automatically shared with tax authorities in your home country or country of residence.

Additionally, non-residents are drastically limited in the types of accounts, services, and products they can access in the UAE. And, these restrictions are mandated by the Central Bank, so they're something you can negotiate your way out of.

On a positive note, banks in the UAE have IBANs. This means you can easily manage transactions to and from partners in Europe. Simply having a bank with an IBAN can offer huge savings in terms of time and money. IBAN access, therefore, makes the UAE significantly more attractive than other international banking jurisdictions.

Lastly, bank account opening in the UAE will almost always require an in-person visit. We'll discuss this in more detail below. But ultimately, if you're in search of a remote account opening option, you'll have better luck elsewhere.

The UAE is home to seven different emirates. But from a banking perspective, three emirates attract non-residents and expats, which include:

- Dubai
- Ras al-Khaimah (RAK)
- Abu Dhabi

How to Open A Bank Account in the UAE for Non-Residents:

If you don't plan to move or obtain residency in the UAE, your account opening options will be limited. The reason for this is that non-resident accounts are for individuals that have already started the process of obtaining residency or a visa.
However, depending on the bank, branch, and banker you approach, there are still several account opening options available for non-residents that don't intend on establishing ties in the UAE.
In addition, there are also several restrictions and limitations that non-residents need to be aware of when banking here. For example, most non-residents can't open a checking account (or current accounts), aren't allowed to have checkbooks, and sometimes have restrictive minimums and maximum rules for account balances.

Requirements to Open a Bank Account in the UAE for Non-Residents:

- Typical personal documentation
- Proof of source of income & wealth
- Minimum deposits apply but amounts vary from bank to bank
- Maximum limits may also apply
- Minimum account activity (e.g. one transaction per quarter)
- Restrictions aside, non-residents can still open a savings account and receive a debit card.

Additionally, UAE banks do offer multi-currency accounts with most major currencies available. However, these aren't always available and you'll want to confirm if the bank offers your desired currencies before opening.
You will also want to calculate fees for international transfers in certain currencies. For example, if you plan on converting AED to USD to invest in ETFs in Ireland via your European broker, you could face higher fees if you choose the wrong UAE bank.

Non-residents Bank Account

Overview Available Bank Products for Non-Residents

- Savings accounts
- Debit card
- Online banking
- Multi-currency (most major currencies available)
- Remote opening is possible.

With the right information, knowing which banks are most open to accepting non-residents, and what their account opening quirks are, non-residents can open bank accounts in the UAE without too much hassle.

Risks of Opening a Non-Resident Bank Account in the UAE

Obviously, there are risks anytime you open a non-resident bank account anywhere in the world. The UAE is no exception.

UAE banks are particularly susceptible to the economic outcome in the local property market and oil industry. So, it's no surprise that during times of global economic turmoil, bank stability becomes a concern.

However, during times of economic uncertainty in the past, like the 2008 financial crisis, the UAE government has insured 100% of depositor accounts. That's certainly one major benefit to having a savings account in the UAE as a non-resident instead of other jurisdictions that offer little to no deposit insurance.

Beyond the economy, there are more basic operational account risks to take into consideration as well. For instance, UAE banks sometimes charge high non-resident fees and high penalties if your balance drops below a certain threshold.



Real Estate in the UAE

The real estate industry is an important pillar of the United Arab Emirates' economic diversification. The government UAE is focusing on expanding the country's economy to reduce its financial dependency on oil and gas revenue.

Real estate activities generate around 5.5 percent of the UAEs' overall gross domestic product.

The United Arab Emirates' real estate industry has become an important global player over the past decade. As of 2019, the collective brand value of real estate companies in the UAE amounted to 2.7 billion U.S. dollars, placing it right behind China and the United States.

The Abu Dhabi Investment Authority (ADIA), a real estate investor from the United Arab Emirates, is a leading global investor in the industry with assets worth over 43.4 billion U.S. dollars.

Real estate in Abu Dhabi

The emirate of Abu Dhabi has used the real estate sector as an important driver for its economic diversification. It generated around 38.4 billion United Arab Emirates Dirhams towards its gross domestic product. The market in Abu Dhabi has experienced challenges as well in the real estate industry due to the global coronavirus pandemic. Residential rent income decreased by 8.8 percent, with sales prices also declining for residential property.



Real estate in Dubai

The real estate industry in the emirate of Dubai accounts for 8.2 percent of its gross domestic product. It is also a leading employment sector for its foreign workforce. With its focus on becoming a high-end tourism destination, the emirate of Dubai has become attractive for real estate investors. The majority of urban buildings in the emirate are investment villas at almost 72 thousand, followed by private villas at around 40.6 thousand buildings. The global COVID-19 pandemic has affected the luxury real estate market of Dubai immensely. In 2021, luxury real estate prices were forecast to decrease by two percent in Dubai.



Value Stocks vs Growth Stocks

Do you know why people choose to invest in stock over any other instrument?
It's because stocks grow faster than the inflation rate. To mitigate the risk, the investors may choose mutual funds, ETFs, but these are culminations of stocks too.

Value Stocks are stocks in which the current stock prices are different from the stock's perceived value. With the expectation that value is realized, the stocks are invested. These are stocks of large organizations that have been traded below their worthy value. In simple words, value stocks are undervalued stocks for a reason. The under-valuation can be any scandal, flawed perception of the public, or any setback at the company.

Growth Stocks are stocks where the increase in stock price is expected because of capital appreciation or the growth in net income. These are stocks that can outperform any other stocks of competitors. These growth stocks can be of small, medium, or large-sized organizations. The emphasis on growth stocks is "potential." The financial analysts give the prediction of these stocks. Due to the great operations or efficient management, these stocks are growing super-fast, faster than any competitors.

The similarity between them is that both can be beneficial for investors. For example, if investors invest in growth stocks, they can expect their money to grow faster. And if they invest in value stocks, they will get a lower price per share while buying, and when the value of the stocks increases (which will happen eventually as per the predictions of financial analysts), they will be able to sell the stocks.

Basis for Comparison	Value Stocks	Growth Stocks
Meaning	These stocks are undervalued than they should have been.	As per the prediction of financial analysts, these stocks will outperform every other stock in the similar industry.
Which stocks investors prefer more?	They are preferred more than growth stocks. It's because valued stocks can be bought at an undervalued price.	They are not often preferred because investors can't see it now (it may/may not outperform other stocks shortly). Plus, growth stocks can sometimes be overvalued and expensive.
Overvalued/Undervalued	Valued stocks are undervalued stocks.	Growth stocks are overvalued stocks.
Risk & Volatility	Valued stocks have lower risk & volatility because even if the price doesn't go higher, you wouldn't lose anything.	Growth stocks have more risk & volatility. No-one knows how growth stocks will be priced. All predictions of financial analysts don't come true.
Companies associated	Valued stocks are associated usually with large organizations (Large Caps).	These can be associated with small (small caps), mid-caps Stock, and also large-sized organizations.

Value Stocks vs Growth Stocks

But as mentioned, there are many differences between these two types of stocks.

Both growth and value investing can lead to profitable results for the astute investor. What makes a style best for you hinges on your financial goals and risk tolerance.

You Should Choose Growth Stocks If:

- You don't view your portfolio as a source of income, and you won't need the money for a while. Growth companies invest their profits in the business to fuel expansion, so they rarely pay dividends.
- You understand that ambitious goals take a long time to achieve, so you can give your stocks all the time they need to live up to their growth promises.
- You believe you can pick winning stocks in competitive emerging sectors. The up-and-coming industry will have dozens or even hundreds of players vying for a significant share of the market. A savvy investor needs to understand the underlying technology well, while being guided by intuition regarding a company's ultimate prospects.
- You have a high tolerance for risk. With many competitors trying to outdo one another, a company's prospects can change with the news cycle. Quick changes demand a strong stomach.

You Should Choose Value Stocks If:

- You view your investment portfolio as a source of income. One of the hallmarks of value stocks is the payment of healthy dividends. This is one way for a company to make its stock attractive when the business is not experiencing significant growth.
- You prefer stable stock prices and know how to avoid value traps. Value stocks usually don't move much in either direction since stable business conditions make for low share price volatility.
- You understand that a low stock price does not always mean a company is an undervalued value stock. Some stocks are cheap for a reason, and a careful investor will understand when a low valuation is indicative of shaky business prospects.
- You want your investment in undervalued stocks to pay off sooner rather than later. While value stocks don't tend to show quick appreciation, the right company makes the right moves and outmaneuvers its competitors, earning appreciation. The keenest value investors find and buy such stocks at volume before the market notices the trend.



Value Stocks vs Growth Stocks

GARP: The Best of Growth and Value

There is an alternative investing strategy that blends aspects of both growth and value investing known as growth at a reasonable price, or GARP.

Famed investor Peter Lynch popularized the strategy. GARP concentrates on growth companies while keeping an eye on the traditional measures of value.

This hybrid seeks out growth companies that are priced in line with their intrinsic value. The key challenge of growth investing is understanding a company's growth prospects.

For younger companies in fast-changing industries, predicting future growth trends can be very difficult. Even if an investor can arrive at reasonable predictions, it's still challenging to determine how much they should reasonably pay for that growth.

GARP investors use the price/earnings-to-growth ratio, known as PEG, to determine if a company is reasonably priced given its growth prospects. The PEG ratio is calculated by dividing a company's P/E ratio by its expected growth rate. A result of one or less indicates that the stock is reasonably priced—a result above suggests the stock is too expensive for a GARP strategy

Which style is right for you?

Looking at long-term performance, neither the growth nor value approach stands out as an obvious winner.

It's true that, when economic conditions are favorable, growth stocks tend to outperform value stocks by a small margin. Yet when the economy is in the stagnations, value stocks come out on top.

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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=PL6Hq2B2kB5C0sansu1f-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**
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MI CAPITAL Services

UAE's 652,885 private sector companies remain under-prepared for Corporate Tax that comes into effect in June 2023

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Desopardes.ae

UAE's 652,885 private sector companies remain under-prepared for Corporate Tax that comes into effect in June 2023

Most UAE businesses are not yet ready for the 9 percent Corporate Tax that will be levied on companies generating more than Dh375,000 net profit per year from June 2023, which requires thorough accounting and auditing process.

The total number of registered active business licences in July 2022 amounted to 665,246, a 1.9 percent increase compared to 652,885 licences issued in December 2019, 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 33 percent.

The UAE Government in January this year said, it will introduce 9 percent corporate tax on businesses with net profits of more than Dh375,000 starting from June, 2023, about five-and-a-half years after the introduction of the 5 percent Value-Added Tax (VAT) in January 2018. This requires companies to make provision for proper accounting system and issue annual financial audit reports, based on which the Corporate Tax will be calculated and filed with the UAE Federal Tax Authority (FTA).

About 80-85 percent of the 665,246 registered active businesses fall under the Micro, Small and Medium Enterprises (MSME) and remain below the mandatory VAT threshold of Dh375,000 annual net profit range. Therefore, most of them do not maintain formal accounting practice, let alone publish audited financial reports every year, due to a prolonged non-tax regime in which they used to operate till now.

"All registered businesses, especially those coming under the purview of the Corporate Tax, will have to start formal accounting and auditing process from now on to establish their financial credentials for tax calculation and subsequently file tax returns," Mr Sheetal Soni, Partner of MI CAPITAL Services, says.

"The transition to a tax regime from a non-tax environment is not an easy one and requires a drastic change in the corporate culture that needs proper documentation, accounting and auditing in addition to transparency and accountability built-in the system."

Private businesses will need to strengthen accounting, auditing and tax compliance. They will either have to hire accounts and tax professionals or outsource these to accounting, auditing firms and tax advisors.

CA Prateek Tosniwal, Director at MI CAPITAL Services, says, "Once the new UAE Corporate Tax Law is issued, companies will scramble to start auditing process. However, the tax community might not be able to manage the rise in demand for Corporate Tax filing in short notice.

"So, private businesses should start the consultation process and strengthen the internal accounting and book-keeping process that are crucial for external audit and taxation."

CA Karishma Suwarnakar, Head of Tax and Compliance at MI CAPITAL Services, says, "MI CAPITAL Services understands the challenges and the burden of additional Tax and Compliance for Startups, SMEs and MSMEs and strives to provide cost efficient one stop solution specially designed for Startups, SME and MSMEs in the region including complete Accounting, Tax return filing, and other compliance requirements under one package."

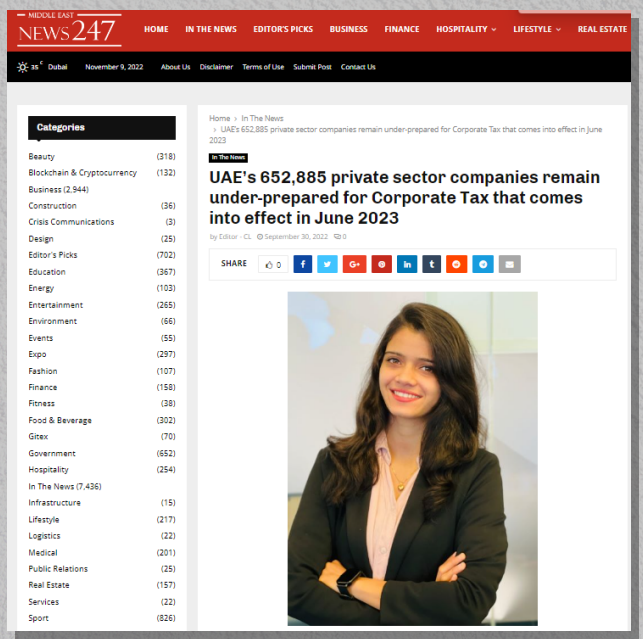


DGN GATE بوابة أخبار دبي العالمية



شركات القطاع الخاص في دولة الإمارات العربية المتحدة لا تزال غير مهيئة لضريبة الشركات

DGNGATE 1 أكتوبر، 2022



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In The News

UAE's 652,885 private sector companies remain under-prepared for Corporate Tax that comes into effect in June 2023

by Editor - CL September 30, 2022 0

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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 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.

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 Tosniwal 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 Tosniwal is a Chartered Accountant with rich experience in the field of debt finance, Startup Advisory and Investments, 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. Throughout 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.

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.



Asia
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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.

2022 AWARD

Emmanuel Christi Das
Managing Editor

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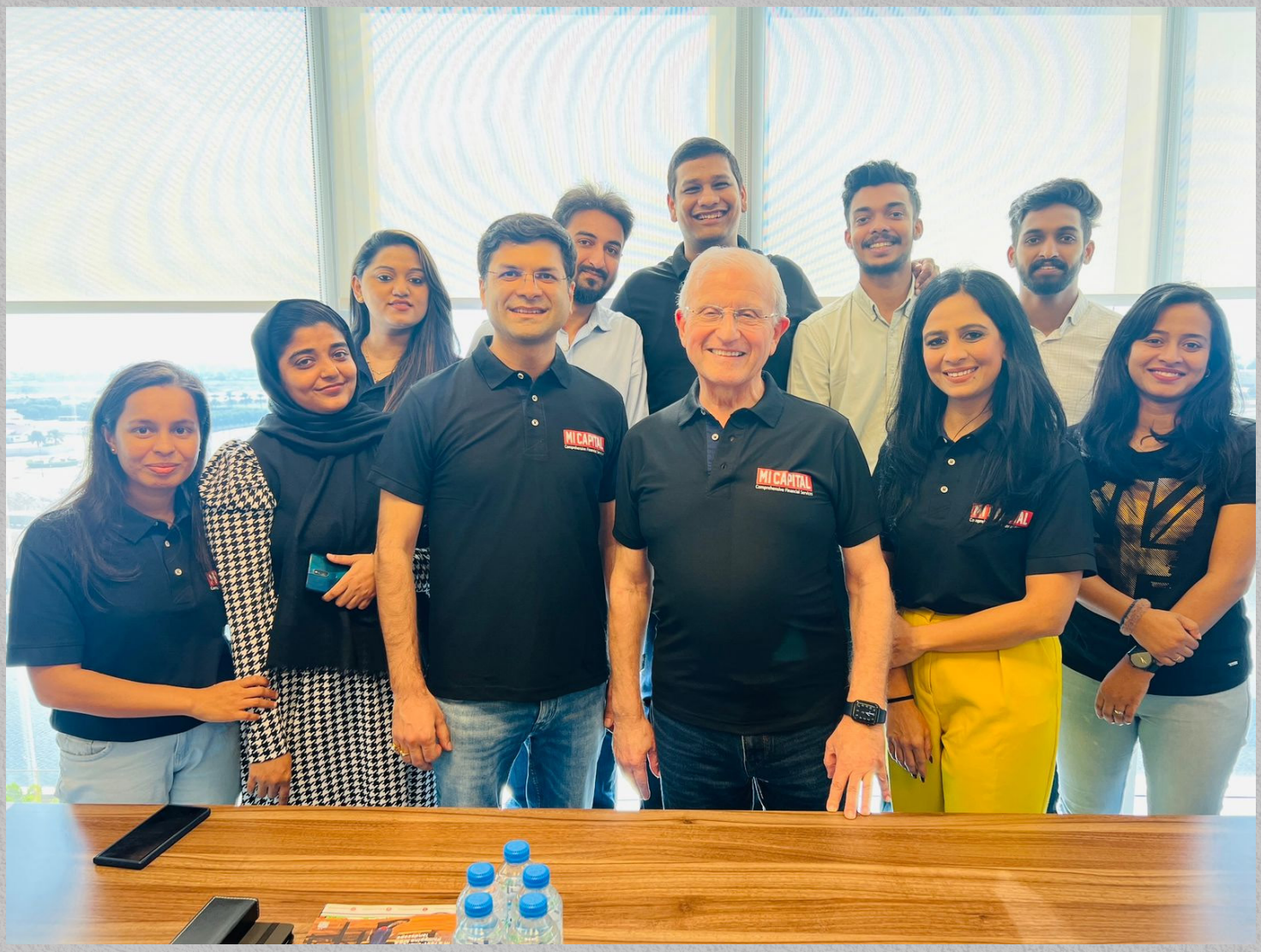


Meeting with **SRTI Park**



Meeting with **AstroLabs**

Meeting with Advisory Board



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



MI CAPITAL
Comprehensive Financial Services

OUR TEAM

MIC CORPORATE SERVICES



Fariya Rafique
Head of Incorporation



Nilufar Kausar
Business Development Manager



Namrata Dighe
Operations Analyst



Mohammed Asad Jalal
Business Development Executive



Muhammed Shamlan
Operation Executive



CFA, CA Sheetal Soni
Partner



CA Prateek Toshniwal
Partner



Shubhangi Toshniwal
Head of Advisory Services



Sumay Banerjee
Associate Director



Mohammad Saleem
Executive Director - Client Coverage



Shweta Soni
Head of Corporate Services



Natasha Gupta
Head of Human Resources



CA Karishma Suwarnakar
Head of Accounts & Taxation



Paola Vega
Admin cum BD Executive



CMA Ali E.
Accounts Officer



CMA Shanaj KP
Accounts Officer



Aquila Noel
Banking Analyst



Remya Sahadeven
Banking Analyst



Diya Shajan
Customer Relations



Khyati Nakum
Financial Analyst



Linomon K L
Accounts Assistant

MI CAPITAL
Comprehensive Financial Services

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 responsiblefor opening your account



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FOCUS
BUSINESS

MI CAPITAL

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

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.

Established in 2018, MI CAPITAL Services was founded by Mr. Sheetal Soni and later joined by Mr. Prateek Tosniwal 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, Prateek Tosniwal is equally equipped and is a Chartered Accountant with rich experience in 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 aisle and help the fraternity get the right business support at every juncture. Today, the company is a growing team boosting 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 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 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.

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. Throughout their professional careers, the founding members analyzed that CEOs and CFOs are capable of handling experienced teams to manage the operational finance of the organization, however when it comes to strategic finance matters like valuation, financial modeling, 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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Registering 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 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.

