MI CAPITAL
Comprehensive Financial Services

MAY 2023

KNOWLEDGE Series



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

www.micapitalservices.com

MI CAPITAL
Comprehensive Financial Services

Table of CONTENT

3 UAE Corporate Tax- Tax Exemption for the Qualifying Public Benefit Entity

5 UAE VAT Treatment on Export & Import of Goods

8 UAE Unveils New Tax Regulation for Resident and Non-Resident Entrepreneurs

9 GCC Countries Plan Schengen-Style Visa to Attract Long-Haul Tourists and Extend Length of Stay

10 The UAE: A Hub of Innovation in 2023

11 Beta Concept

12 International Bank Account in UAE



UAE Corporate Tax-
Tax Exemption for the Qualifying Public Benefit Entity

The term **"public benefit entity"** refers to an organisation formed by private individuals or government or non-governmental bodies for carrying out charitable, social, cultural, religious, or other public benefit activities (education) without the motive of making profit for distribution to private Persons.

Article 9 of Corporate Tax Law:

UAE Corporate Tax regime exempts the Qualifying Public Benefit Entity (QPBEs) who is established and operated exclusively for religious, charitable, scientific, artistic, cultural, athletic, educational, healthcare, environmental, humanitarian, animal protection or other similar purposes.

Law provides the conditions to be met by a public benefit entity to be eligible for Corporate Tax exemption. Some of the **conditions are summarized below:**

- The entity is established and operated exclusively for the promotion of social welfare or public benefit (education).
- The entity should undertake business activity that directly relates to or are aimed at fulfilling the purpose for which it is established.
- Its income or assets are used exclusively in the furtherance of the purpose for which it was established.
- Its income or assets are not payable or made available for the personal benefit to any other parties other than QPBE (university) itself, Government Entity or Government Controlled Entity).

This conditions does not in itself limit a QBPE (University) from engaging in any form of commercial activity or from making a surplus, as long as the activity is directly related or aimed at fulfilling the entity's worthy purpose, and the surplus is not distributed as a dividend or other benefit beyond the sole or principal object for which the Public Benefit Entity was established. Entities must reinvest their surplus towards activities aimed at fulfilling their worthy purpose (Education).

It is important to remember that the relevant test is whether the activity that gives rise to the profit is itself charitable, not how the surplus will be spent.

E.g. The provision of consultancy is not a charitable activity and is liable to corporate tax even if the income derived from the consultancy will be used to support educational activity.

Key Aspects:

Organisations formed for carrying out social, cultural, religious, charitable or other public benefit activities (education) that meet the conditions specified in **Article 9 can apply to the Ministry** to be treated as a Qualifying Public Benefit Entity and be exempt from Corporate Tax.

In this regard, the Cabinet has issued Cabinet Decision No. 37 of 2023 which specifies the QPBEs for Corporate Tax purposes. (Annexure 1)

Under Corporation tax law, Universities may keep both their charitable business activities and non-charitable business activities (if any) separate. It will be burdensome for these institutions to isolate non charitable activities and pay corporate tax on those activities along with other documentation and compliance requirements.



UAE Corporate Tax-
Tax Exemption for the Qualifying Public Benefit Entity

Annexure 1

Cabinet Decision no. 37 of 2023

The decision lists more than 500 entities that shall be considered exempt QPBEs. The list covers religious institutions, government sourced funds, sports club charities, trust clubs, school, and college welfare funds.

Any government entity can also file an application to the Ministry of Finance suggesting additions and deletions to the list of QPBEs, which is subjected to the review and processing of the application by the Ministry of Finance and acted upon by the Cabinet.

Following is the list of Universities and Educational Institutions mentioned in the Cabinet Decision:

Sr. No	Qualifying Public Benefit Entities
1	UAE University
2	Higher College of Technology
3	Zayed University
4	Anwar Gargash Diplomatic Academy
5	Harvard Kennedy School Alumni Association of UAE
6	UAE Federation for School and University Education Institutes
7	Sorbonne University- Abu Dhabi
8	Khalifa University
9	Mohammed Bin Zayed University for Humanities
10	Mohammed Bin Zayed University for Artificial Intelligence
11	Abu Dhabi Center for Technical and Vocational Education and Training
12	Institute of Applied Technology
13	Emirates College for Advanced Education
14	Sharjah Academy of Astronomy, Space sciences & Technology
15	Arab Academy for Science, Technology and Marine Transportation
16	American University of Sharjah
17	University of Sharjah
18	Al Qasimia University
19	University Of Khorfakkan
20	Holy Quran Academy in Sharjah
21	Arabic Language Academy
22	Sheikh Saud Bin Saqr Charitable Educational Foundation

UAE VAT Treatment on Export & Import of Goods

VAT Treatment on Export of Goods

Exports are considered as taxable supplies. However, they are zero rated, i. e. tax at 0% is applicable on exports. The treatment of exports is based on certain scenarios as follows:

1. **Export of goods outside a GCC VAT implementing state**
   The supply will be considered as zero rated supplies.

2. **Export of goods to unregistered recipients in a GCC VAT implementing state**
   - If the supply is above the mandatory registration threshold in destination state, Supplier has to take VAT registration in the designation state. The supply will be treated as a domestic supply in the destination state
   - If supplies made are not above the mandatory registration limit, then VAT at 5% has to be charged by the supplier on the exports.

3. **Export of goods which require installation or assembly outside the state**
   If exported goods require installation or assembly, the place where the goods will be assembled will be the place of supply.

   The place of supply rule for assembled or installed goods overrides the default rule for determining the place of supply of exports when the supply is made to an unregistered person in a GCC VAT implementing states.

   Suppose a company exports machine parts to Saudi Arabia, worth 100,000 AED i.e. Less than the mandatory registration threshold in Saudi Arabia, then as per default criteria the supply will be considered to be made in UAE and the supplier has to charge VAT at 5% but as this is the case where the machine parts will require installation at Saudi Arabia, the place of supply will be considered to be made in Saudi Arabia and will be considered as a zero rated supply.

4. **Export of goods to registered recipients in a GCC VAT implementing state**
   Zero Rated under UAE VAT for the supplier. Recipient is liable to pay tax on import on reverse charge basis.

   As exports are taxable supplies, input tax can be recovered on supplies used to make the exports. If the exporter makes domestic supplies also, the input tax recovered can be used to reduce their tax liability.

   If the exporter is dealing solely in exports, the exporter can get refund of the tax paid on inputs.



UAE VAT Treatment on Export & Import of Goods

VAT Treatment on Import of Goods

Imports are taxable under VAT. When a person registered under VAT in UAE imports goods or services, the importer must pay VAT on imports on reverse charge basis. This is in addition to customs duty levied on imports. The scenarios of import can be divided as follows:

Import by a person not registered under VAT

Case Scenario	Applicability
Import Taxable goods into UAE mainland	Pay on Import
Import to UAE and then export taxable goods to another country	Pay on Import
Transfer taxable goods from one VAT designated zone to another VAT designated zones	Provide eGuarantee
Import taxable goods into a VAT designated zone	VAT is not applicable
Import taxable goods into UAE under duty suspension	Provide eGuarantee
Exported goods, returned back to UAE	VAT is not applicable
Military and internal security forces importing any goods	VAT is not applicable

How to pay VAT when the entity is not registered in UAE?
An entity can pay the VAT through one of the certified import clearance companies registered with the FTA by following the steps mentioned below:

1. Submit the customs declaration
2. Log in to FTA e-Service portal
3. Access the VAT payment form
4. Fill in the Customs Authority, Declaration Number and declaration date
5. Make the VAT payment

Import by a person registered under VAT

Case Scenario	Applicability
Import Taxable goods into UAE	Pay via tax return
Import taxable goods in UAE and then export to another country	Pay via tax return
Transfer goods from one VAT designated zone to another VAT designated zone	VAT not applicable
Import taxable goods into a VAT designated zone	VAT not applicable

UAE VAT Treatment on Export & Import of Goods

What is eGuarantee and how to provide it?
An eGuarantee is like a letter of credit that serves as a financial security for payment of VAT to the Federal tax authority. In case the conditions for wavier of import VAT are not satisfied, the same can be used for payment of VAT.

1. Submit the customs declaration
2. Log in to FTA e-Service portal
3. Access the VAT payment form
4. Fill in the Customs Authority, Declaration Number and declaration date
5. Obtain an e-Guarantee from FAB Bank equal to the VAT amount due
6. Insert the e-Guarantee number and submit the form
7. Upon export of goods or goods leaving the UAE, Login to the FTA e-Service portal
8. Open the e-guarantee cancellation form
9. Provide the proof of export, export declaration number and e-guarantee number
10. Submit the form.



UAE Unveils New Tax Regulation for Resident and Non-Resident Entrepreneurs

In a significant update, the UAE Ministry of Finance has announced revised tax regulations pertaining to business activities carried out by resident and non-resident individuals. The move aims to stimulate the growth of small and medium enterprises (SMEs) and startups across the Emirates.

According to the Ministry of Finance, individuals engaged in business or business activities will be liable for corporate tax and registration obligations only if their combined annual turnover surpasses 1 million UAE dirhams ($272,000) within a calendar year.

The introduction of corporate tax in the UAE occurred last year, setting a standard statutory rate of 9% for taxable profits above AED 375,000. The imposition of corporate tax on business profits will be effective for financial years commencing on or after 1 June 2023.

To provide clarity, the Ministry of Finance explained the implications of the new decision: "For instance, if a UAE resident operates an online business and the annual turnover from this business exceeds AED 1 million, the resident's business income from the online venture will be subject to corporate tax." However, income derived from rental properties and personal investments, falling within the out-of-scope categories, will not be subject to corporate tax.

The revision in tax thresholds is expected to foster a conducive environment for entrepreneurs, particularly those running SMEs and startups, by reducing their tax burden until they surpass the specified turnover threshold. This strategic initiative by the UAE Ministry of Finance aligns with the government's continuous efforts to promote business growth and innovation.

The updated tax rules not only incentivize entrepreneurial endeavors but also reflect the government's commitment to enhancing the UAE's economic landscape and attracting local and international investment. By fostering a supportive taxation framework, the UAE remains steadfast in its mission to encourage entrepreneurial spirit and drive economic diversification in line with its long-term vision.

As the new tax regulations come into effect, it is anticipated that entrepreneurs across the Emirates will be empowered to expand their businesses, contribute to economic growth, and further strengthen the UAE's position as a hub for innovation and entrepreneurship.



GCC Countries Plan Schengen-Style Visa to Attract Long-Haul Tourists and Extend Length of Stay

In an effort to attract more long-haul tourists from Europe, the US, and Asian destinations, GCC countries are considering the implementation of a Schengen-style tourist visa. This visa initiative aims to increase the length of stay to over 10 days, offering visitors the opportunity to explore multiple countries within the region.

Industry experts highlight that future travelers prioritize regions rather than individual destinations, especially as travel has become more accessible and efficient. They note that many religious tourists visiting the Kingdom of Saudi Arabia often include the UAE in their itinerary, and vice versa.

During the Arabian Travel Market in Dubai, Fatima Al Sairafi, Bahrain's Minister of Tourism, revealed that discussions have been taking place at the ministerial level among regional countries to establish a unified single visa, similar to the Schengen system. The goal is to provide visitors with the flexibility to explore multiple countries within the GCC, reflecting the value of regional collaboration.

The Schengen visa, known as the world's largest visa-free zone, enables unrestricted movement across 26 European countries for foreign tourists.

In 2021, residents of EU countries made approximately 879 million tourism trips, according to the European Office for Statistics.

Visitors from Europe, the US, and China often embark on long flights, making it advantageous for them to explore not just one country but the entire region. While Saudi Arabia and the UAE offer unique attractions, a unified visa would make it much easier for tourists to visit multiple countries within the GCC.

The benefits of a unified visa extend beyond long-haul travelers, as it is expected to attract visitors from India, Pakistan, and other countries. This initiative would allow those coming for Umrah to explore other parts of the region as well.

As discussions progress, the implementation of a Schengen-style visa in the GCC region holds great potential for attracting more tourists, facilitating seamless travel, and showcasing the diverse offerings of multiple countries. By streamlining visa processes and encouraging regional collaboration, the GCC countries aim to enhance the appeal of the region as a whole, creating a unified and compelling destination for travelers worldwide.



The UAE: A Hub of Innovation in 2023

The United Arab Emirates (UAE) has once again proven itself to be a leading force in innovation with the announcement of the most innovative projects of 2023. These groundbreaking initiatives span across various sectors, showcasing the nation's commitment to technological advancements and progress. Let's explore some of the exceptional projects that have earned recognition.

Automating Government Procedures: The Ministry of Interior has been awarded for its Smart Identification project, which utilizes biometrics to help police identify suspects. This innovation has significantly improved efficiency, reduced costs by nearly Dh3 billion, and accelerated the identification process for criminals. Similarly, the Ministry of Foreign Affairs and International Cooperation has enhanced its electronic document authentication system using artificial intelligence and character recognition technology, enabling automatic authentication and delivering electronically certified documents within minutes.

Digital Transformation: The Telecommunications Regulatory Authority and Digital Government Regulatory Authority have developed a digital verification platform, streamlining the authentication and documentation process for digital documents. The Ministry of Finance introduced a digital procurement platform that connects federal entities with approved suppliers digitally, reducing the procurement process from 60 days to a mere six minutes for catalogue purchases. Dubai Police has implemented a blockchain-based service to support individuals who have lost their passports, simplifying the application process through the Dubai Police application.

Green Projects: The Environment Agency - Abu Dhabi has been recognized for its remarkable sustainability initiatives, including the Coastal and Marine Ecosystems Preservation and Rehabilitation Program, the Green Business Network, and the Abu Dhabi Mangrove Initiative. These projects have led to an increase in the fish stock index, the cultivation of coral reef colonies, and the protection of sea turtles and dolphins. Notably, the agency's efforts have resulted in the cultivation of over 15 million mangrove trees, contributing to the annual storage of 8,750 tonnes of carbon dioxide.

Environment-Friendly Buildings: Dubai Airports has implemented energy-saving measures and environmentally friendly lighting systems, resulting in substantial energy cost savings and a significant reduction in CO2 emissions. By improving the quality of buildings and embracing sustainable practices, Dubai Airports has set an example for resource utilization.

Conclusively, the UAE continues to foster an environment that nurtures innovation and creativity, as envisioned by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai. These innovative projects showcased during UAE Innovates 2023 have not only spread the culture of innovation but also stimulated creativity to address future challenges and benefit society as a whole.

The UAE's commitment to pushing boundaries and embracing technological advancements reaffirms its position as a global leader in innovation. As the nation continues to explore new horizons, these projects will serve as catalysts for further growth and progress, solidifying the UAE's reputation as a hub of innovation in the region and beyond.



WHAT IS BETA?

Beta is a risk management tool, widely used in financial modeling. It demonstrates the volatility (riskiness) of an asset or a portfolio in correlation to the market. In reality, most professionals use some benchmark index, for example, S&P 500.

FORMULA
The "textbook" formula for beta is:

$$\beta = \frac{\text{Covariance}}{\text{Variance}}$$

INTERPRETATION

It is assumed that the market has a beta of 1. If beta of a security is **>1, the security is more volatile** (more risky) than the market, however, in case it is **<1, the stock is less volatile** (less risky).
Betas are useful for calculating yields and returns for securities.

BETA IN EXCEL

Here are the steps to calculate Beta in Excel:

1. **Retrieve the historical price** of a security and the benchmark index in 2 separate columns. You can either export it from online sources or use the =STOCKHISTORY function.
2. **Calculate the price change** for the security in per centage with the use of this formula:

$$\Delta = \frac{\text{Current price - Price for previous date}}{\text{Price for previous date}} \text{ x100}$$

3. **Calculate Beta** using the SLOPE function. It works the following way: SLOPE (known_ys; known_xs). Known_ys stand for % of equity change range, and known_xs mean % range of change of index. The returned value is the beta.

EXAMPLE

Assuming there is a security with a daily change in price calculated in **cells L7:L52** and the daily change of an index calculated in cells Q7:Q52, the formula in Excel should look like
=SLOPE (L7:L52; Q7:Q52). The returned value is the beta. In this case, the result is **0.36**, implying that this stock is less volatile than the market.

J	K	L	M	N	O	P	Q
BETA	=SLOPE(L7:L52;Q7:Q52)						
	SLOPE(known_ys; known_xs)						
	STOCK				INDEX		
	Date	Close	Change		Date	Close	Change
	11.10.2021	$ 294.23			11.10.2021	$14,445.00	
	12.10.2021	$ 292.88	-0.4609		12.10.2021	$14,525.00	0.550775
	13.10.2021	$ 296.31	1.1576		13.10.2021	$14,800.00	1.858108
	14.10.2021	$ 302.75	2.1272		14.10.2021	$14,935.00	0.903917
	15.10.2021	$ 304.21	0.4799		15.10.2021	$14,910.00	-0.16767
	18.10.2021	$ 307.29	1.0023		18.10.2021	$15,015.00	0.699301
	19.10.2021	$ 308.23	0.305		19.10.2021	$15,145.00	0.858369
	20.10.2021	$ 307.41	-0.2667		20.10.2021	$15,190.00	0.296248
	21.10.2021	$ 310.76	1.078		21.10.2021	$15,285.00	0.621524
	22.10.2021	$ 309.16	-0.5175		22.10.2021	$15,445.00	1.035934
	25.10.2021	$ 308.13	-0.3343		25.10.2021	$15,465.00	0.129324
	26.10.2021	$ 310.11	0.6385		26.10.2021	$15,475.00	0.06462
	27.10.2021	$ 323.17	4.0412		27.10.2021	$15,490.00	0.096837
	28.10.2021	$ 324.35	0.3638		28.10.2021	$15,580.00	0.577664
	29.10.2021	$ 331.62	2.1923		29.10.2021	$15,605.00	0.160205
	01.11.2021	$ 329.37	-0.6831		01.11.2021	$15,715.00	0.699968

International Bank Account in UAE

Opening an international bank account in the United Arab Emirates (UAE) can be a good strategic financial move for individuals and businesses seeking to expand their global reach. The UAE has emerged as a leading financial hub in the Middle East, offering a stable and secure banking system that is renowned for its high security and efficiency.

With a range of local and international banks operating in the UAE, you can enjoy access to a wide range of banking services and products such as multi-currency accounts, investment options, and credit facilities.

Additionally, the UAE's tax-free environment and the relaxed regulatory framework make it an attractive destination for investors seeking to diversify their portfolios and maximise their returns. By opening an international bank account in the UAE, you can benefit from the country's competitive interest rates, low fees, and convenient online banking services, all while gaining access to a thriving business community and a range of investment opportunities.

Major International Banks in UAE

The UAE is home to 26 foreign banks in total. Many of these licences were issued before the UAE Central Bank was founded. Seven banks are from the UK, France, and the US, while the remainder of the international financial institutions are from the Middle East, North Africa, and South Asia. HSBC, Citibank, Standard Chartered, Bank of Baroda, and Habib Bank AG Zurich are a few financial institutions that provide personal banking services.

The existence of foreign banks in Dubai is a sign of the city's appeal as a hub for international finance. International banks are certainly in a good position to assist everyone in achieving their objectives as they have an in-depth knowledge of local markets and solid relationships with important stakeholders. For more than 50 years, HSBC, for instance, has been conducting business in Dubai.

In Dubai, while some banks may provide special services in different fields, most of these multinational banks provide a wide range of services to both businesses and individuals. They can meet the demands of practically any consumer, offering everything from personal banking and borrowing to corporate banking and financial services.

As a result, these institutions are essential in assisting in the growth and success of investors as well as enterprises. They also provide important banking solutions for individuals, helping them to live while employed in Dubai.

All these banks, however, have to abide by local laws as set forth by the UAE Central Bank. As a result, they adhere to general regulations regarding business hours, maximum charges, and safety precautions but may have limitations for minimum balances.

In total, there are 86 branches run by international banks in the UAE. This is primarily due to the fact that each one is limited to eight branches. However, they make up for those restrictions with service counters in high-density areas like well-known retail centres.

Here is the list of the major foreign banks operating in the UAE -

- HSBC Middle East
- Standard Chartered Bank
- Citibank N.A.
- Credit Suisse AG
- Habib Bank A.G. Zurich
- Royal Bank of Canada
- BNP Paribas Middle East
- Arab African International Bank

Services Offered by International Banks in the UAE

The majority of banks typically provide a variety of services to businesses in the emirate - this includes trade financing, commercial lending, investment banking, and more. They can also provide services for account management and currency exchange. Most foreign banks in Dubai also offer one-stop shopping for all corporate banking needs. Your decision, when choosing a bank, will eventually depend on the business banking and financial management services that you require.

ABOUT

MI CAPITAL

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 I Audit & Accounting I Tax and Compliance I Risk & Assurance I Debt and Equity Advisory I Investment Advisory I Valuations and Due Diligence I Company Formations I Banking & PRO Services I 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=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**
  www.micapitalservices.com/company-formation/
  www.micapitalservices.com/startup-valuations-more-art-than-science/
  www.micapitalservices.com/latest-vat-updates-and-opportunity-to-benefit-from-significant-penalty-waiver-from-fta/

MIC Corporate Services
An Initiative of MI CAPITAL Services

MIC Accounting & Compliance
An Initiative of MI CAPITAL Services

MIC Audit
An Initiative of MI CAPITAL Services

MIC Invest
An Initiative of MI CAPITAL Services

MIC TAX Services
An Initiative of MI CAPITAL Services

MIC Technology Services
An Initiative of MI CAPITAL Services

FUNDING POSSIBILITIES

BANKING POSSIBILITIES
Business Banking Simplified
An Initiative of MI CAPITAL Services

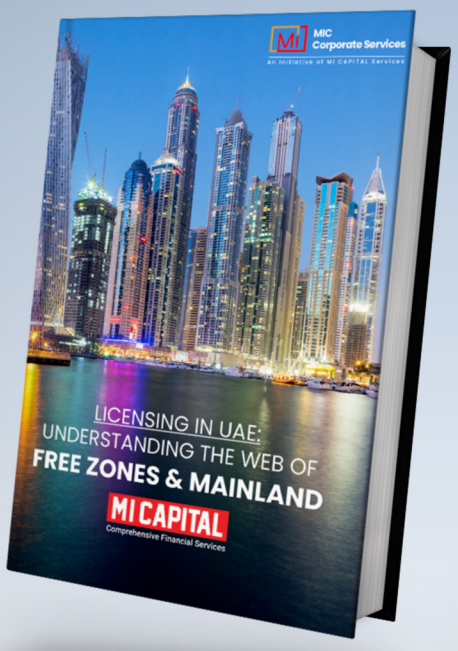
Corporate Finance | Audit & Accounting | Tax & Compliance | Risk & Assurance | Debt & Equity Advisory | Investment Advisory | Valuations & Due Diligence | Company Formations | Banking & PRO services | Technology Services | ERP

MI CAPITAL

Comprehensive Financial Services

Presents

Launch of our 3 Handbooks







MIC TAX Services
An Initiative of MI CAPITAL Services

MI CAPITAL
Comprehensive Financial Services

WEBINAR

UAE CORPORATE TAX:

"Taxability of Free Zone Entities"

- Simplified for you

Speakers



Doha Harb
Manager
MIC Tax Services



Karishma Suwarnakar, CA
Manager
MIC Tax Services



Lara Moussawi
Manager
MIC Tax Services



Chadi Abdallah
Director
MIC Tax Services



Chadi El Mekhallalati
Director
MIC Tax Services

Team



Mounir Douaidy, FCA
Chairman
MIC Tax Services



Ala Khannak, FCA
Board Advisor
MIC Tax Services



Sheetal Soni, CFA, FCA
Partner
MIC Tax Services



Prateek Toshniwal, FCA
Partner
MIC Tax Services



Mohamed Khannak, CFA
Partner
MIC Tax Services

14 JUNE | **WEDNESDAY** | **5 PM GST**

Get in touch to know more!

MI CAPITAL
Comprehensive Financial Services

Our Previous Webinars





16 May, 2022



19 December, 2022



25 May, 2023

GLIMPSE OF TAX PARTY

organised by

MIC TAX Services
An Initiative of MI CAPITAL Services

MI CAPITAL
Comprehensive Financial Services









Last Tax Free day celebrated on 31st May 2023

Events | Media Presence | Recognitions







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 boasting of 25+ qualified professionals (CFAs, CAs, MBAs) delivering best-in-class comprehensive financial services across prominent areas like corporate finance, audit, tax and compliance, risk, debt and equity, and much more.

Well-known as the best business destination in World – UAE offers splendid opportunities to enterprises and aspiring startups to set up base here. Thanks to its flexible commercial and federal tax structure and business-friendly environment. Competitive tax 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 FY1 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, 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.

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

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.



Events | Media Presence | Recognitions



mid east information

HOME SUBMIT A PRESS RELEASE PARTNER EVENTS PARTNER WITH US ABOUT US

MI CAPITAL Services

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

September 30, 2022



Weekly Newspaper

PAGE 06 UAE

DES PARDES

Founder / Chief Editor: Sohail Ashraf

Desperdes.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



MIDDLE EAST NEWS247

HOME IN THE NEWS EDITOR'S PICKS BUSINESS FINANCE HOSPITALITY LIFESTYLE REAL ESTATE

35° Dubai November 9, 2022 About Us Disclaimer Terms of Use Submit Post Contact Us

Categories

Beauty	(318)
Blockchain & Cryptocurrency	(132)
Business (2,944)	
Construction	(36)
Crisis Communications	(3)
Design	(25)
Editor's Picks	(702)
Education	(367)
Energy	(103)
Entertainment	(265)
Environment	(66)
Events	(55)
Expo	(297)
Fashion	(107)
Finance	(158)
Fitness	(38)
Food & Beverage	(302)
Gitex	(70)
Government	(652)
Hospitality	(254)
In The News (7,436)	
Infrastructure	(15)
Lifestyle	(217)
Logistics	(22)
Medical	(201)
Public Relations	(25)
Real Estate	(157)
Services	(22)
Sport	(826)

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

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

SHARE 0

Events | Media Presence | Recognitions

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
Business Outlook

recognizes

MI CAPITAL SERVICES

as one of

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

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

2022 AWARD

Emmanuel Christi Das
Managing Editor

Events | Media Presence | Recognitions



Meeting with **SRTI Park**

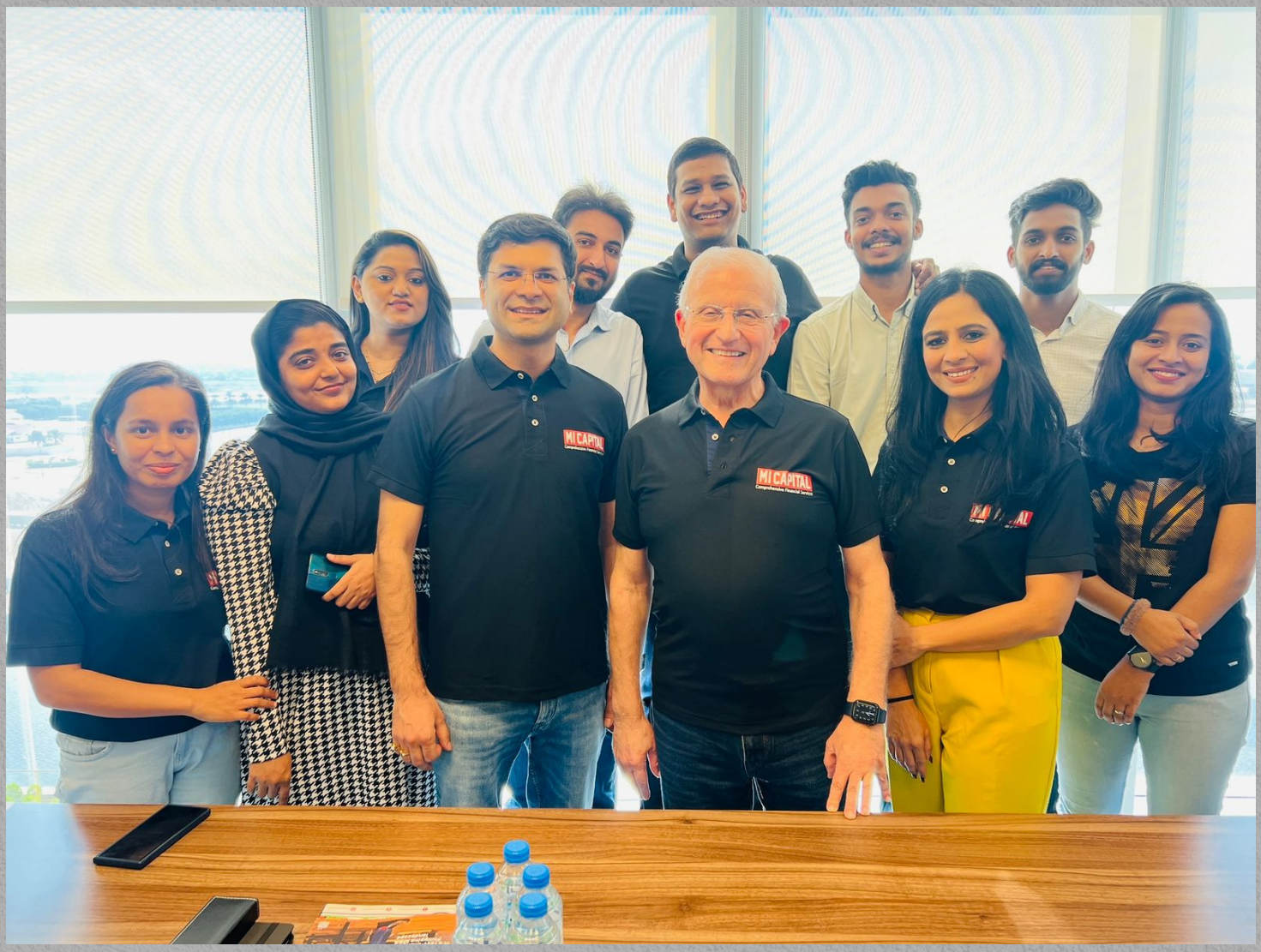


Meeting with **AstroLabs**

Events | Media Presence | Recognitions



Meeting with Advisory Board



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

MI CAPITAL
Comprehensive Financial Services

OUR TEAM





MI CAPITAL
Comprehensive Financial Services

OUR TEAM

Advisory Board Members



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



Mounir Douaidy

- Mr. Mounir has his professional career built across the UK, France, Lebanon, and the Middle East, with experience in the areas of Financial Accounting, Auditing, Corporate Finance, Management, and Corporate Governance.
- Has also worked on Multilateral convention to Prevent Base Erosion and Profit Shifting BEPS, Transfer Pricing, E-invoice, E-commerce and Digital taxation.



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



MI CAPITAL
Comprehensive Financial Services

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
Partner- Audit

- 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



MI CAPITAL
Comprehensive Financial Services

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.



Fadi A. Damaj
Director

- Mr. Fadi has 10+ years of accomplishments in ERP & CRM implementations, with in-depth knowledge of a wide array of industries & business verticals.
- He has extensive experience at Microsoft Dynamics NAV (aka Business Central) & Dynamics 365 for marketing, sales, services and field services.
- He played a key role in more than 15 high-profile projects where he worked closely from inception through implementation.



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.



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.



MI CAPITAL
Comprehensive Financial Services

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 Advisory Services

- 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 Accounts & Taxation

- 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.



Natasha Gupta
Head of Human Resources

- Natasha is heading Human Resource department and assist senior management in managing HR policies, programs and in meeting the company's strategic requirements.
- She is a commerce graduate and has experience in developing recruitment strategies, overseeing staff benefits, and more.



Sanket Shanishchara, CA
Head of Debt 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.

Accounting, Tax & Compliance



CA Tarun Agarwal
AM–Advisory Services



CA Yashashwi Das
AM Advisory Services



CMA Ali Elllikal
Accounts Officer



CMA Shanaj K P
Accounts Officer



Khyati Nakum
Financial Analyst



Diya Shajan
Customer Success Specialist



Linomon K L
Accounts Assistant

MIC corporate services



Nilufar Kausar
BD Manager



Muhammed Asad Jalal
BD - Executive



Muhammed Shamlan
Operation Executive

Banking Possibilities



Aquila Noel
Banking Analyst



Remya Sahadeven
Banking Analyst



Areeb Qasim
Banking Analyst

Admin



Paola Vega
Admin cum BD Executive

Executive Team- India



Anuj Tosniwal
Branding & PR Head



CA Siddharth Singhvi
AM Advisory Services



Prateep Patil
Accountant

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



MI CAPITAL
Comprehensive Financial Services

MIC TAX Services
An Initiative of MI CAPITAL Services

MIC Technology Services
An Initiative of MI CAPITAL Services

OUR TEAM



Mounir Douaidy, FCA
Partner



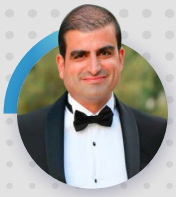
Ala Khannak, FCA
Partner



Sheetal Soni, CA, CFA
Partner



Prateek Tosniwal, FCA
Partner



Mohamed Khannak, CFA
Partner



Chadi El Mekhallalati
Director



Fadi A. Damaj
Director

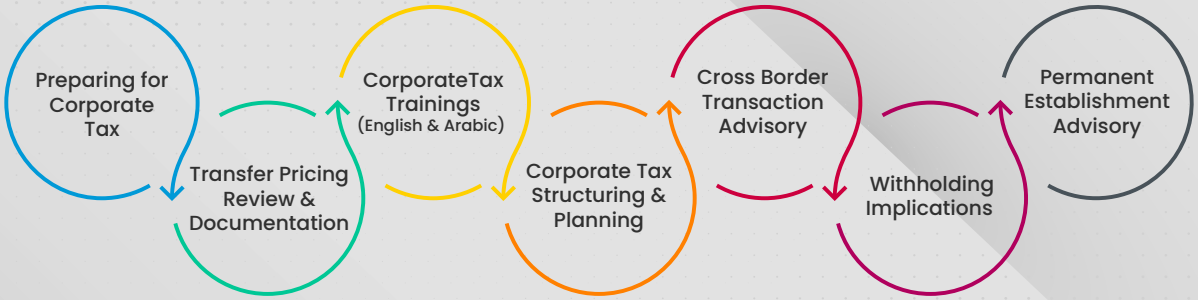


Karishma B Suwarnakar, CA
Manager

UAE CT Training in **Arabic and English**

TAX SERVICES

Led by Senior Tax Director



TECHNOLOGY SERVICES (IT/ERP/CYBER SECURITY)

