

**CONNECT-  
SPRING  
EDITION**

# CONNECT

UHY James Quarterly Newsletter



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*Committed  
to your  
growth story*

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**James Mathew**  
**FCA, CPA**  
CEO & Managing Partner

## Food for thought; CEO's message

### Greetings

Driven by robust expansion in the UAE's non-oil sector and increase in foreign direct investment, the UAE economy is estimated grow by 5% in 2024. The country's non-oil economy constitutes almost 73% of the UAE's GDP and growth has been consistent as the UAE's post-Covid growth was reported to be around 7.9% in 2022, the most in 11 years, amounting to Dh1.62 trillion (\$441 billion) at constant prices.

Further, UAE has its sight set on strengthening its position in the realm of Foreign Direct Investment. As per recent reports, the UAE ranked second for greenfield foreign direct investment in 2023 with project announcements rising by 28% thereby strengthening its position as a worldwide FDI hub.

Driven by its larger-than-life goals, the UAE set an ambitious target to attract AED550 billion (\$150 billion) in foreign investment by 2031 and rank among the top 10 countries globally in terms of attracting FDI, as part of its economic diversification strategy.

All the above establish the UAE as a powerful benchmark for pushing economic ambitions, innovative aspirations, and alignment with international frameworks. With key sectors like travel & tourism and real estate demonstrating strong momentum in the UAE's business landscape in 2024, the economic outlook for businesses in the country is likely to be buoyant and optimistic.



# The diverse uses of external audit services in UAE



In the bustling business landscape of the United Arab Emirates (UAE), maintaining financial integrity and transparency is paramount. As businesses strive to uphold the highest standards of accountability and compliance, the role of external audit services emerges as a cornerstone of trust and confidence. Let's understand the significance of external audit services in the UAE and how they contribute to fostering financial assurance and credibility:

- **Ensuring Regulatory Compliance:** The UAE prides on its robust regulatory framework governing financial reporting and accounting practices. External audit services play a crucial role in ensuring that businesses comply with applicable laws, regulations, and accounting standards issued by authorities such as the UAE Ministry of Economy and Freezone authorities. By conducting independent audits, external auditors verify the accuracy and reliability of financial statements, providing assurance to stakeholders and regulatory bodies alike.
- **Enhancing Financial Transparency:** External audits serve as a cornerstone for enhancing financial transparency in the UAE. By providing an independent and objective assessment of financial statements, auditors verify the accuracy and reliability of financial information. This transparency fosters trust among investors, creditors, and regulatory authorities, contributing to a robust financial reporting ecosystem.
- **Promoting Good Corporate Governance:** In the UAE's business landscape, corporate governance is paramount. External audits play a vital role in promoting good corporate governance practices by evaluating the effectiveness of internal controls, risk management processes, and compliance with legal and regulatory requirements. By identifying control weaknesses and recommending improvements, auditors contribute to the strengthening of corporate governance frameworks.

- **Supporting Decision-Making:** Reliable and accurate financial information resulting from external audits enable management and stakeholders to make informed decisions. Audited financial statements provide valuable insights into the organization's financial performance, position, and prospects, supporting strategic planning, resource allocation, and investment decisions.

- **Fostering Investor Confidence:** In a competitive business environment, investor confidence is key to attracting investment and driving economic growth. External audits contribute to investor confidence by providing assurance regarding the accuracy and reliability of financial reporting. Audited financial statements are viewed as more credible and trustworthy thereby reducing perceived risk for investors.

In leveraging external audit services in the UAE, businesses stand to benefit from:

- **Independence and Objectivity:** External auditors bring impartiality and objectivity to the auditing process, ensuring financial statements are free from bias or manipulation.

- **Expertise and Experience:** Engaging reputable audit firms with local expertise and global experience enables businesses to navigate the complexities of the UAE's regulatory landscape effectively.

- **Reporting to those charged with Governance:** External auditors would report to those charged with governance the audit approach followed, adjustments arising as a result of audit procedures, material events or uncertainties, disagreements with management, any expected modifications to the audit report and any material weaknesses discovered in the internal systems and controls.

In conclusion, external audit services play a pivotal role in promoting financial confidence and integrity in the UAE's dynamic business environment. By upholding rigorous standards of independence, transparency, and professionalism, external auditors contribute to the resilience and sustainability of businesses, fostering trust among stakeholders and reinforcing the UAE's position as a leading global business destination.



# Unlocking Opportunities: Best Practices for Leveraging the UAE-Georgia CEPA Agreement



The Comprehensive Economic Partnership Agreement (CEPA) signed between UAE and Georgia in October 2023 will come into force in the first quarter of 2024. This agreement aims to significantly boost non-oil trade relationship between the two countries to the tune of USD 1.5 billion in the next five years. Here's a breakdown of the agreement and its potential benefits:

## The Agreement:

- **Trade Facilitation:** The CEPA aims to eliminate or significantly reduce tariffs on most goods traded between the UAE and Georgia. This will make exports and imports cheaper and easier, stimulating trade flows.
- **Focus Areas:** The deal prioritizes cooperation in sectors like agriculture, transport, tourism, renewable energy, and digital trade. This reflects the UAE's goal of diversifying its economy and Georgia's focus on attracting investment and boosting exports.

## Benefits for the UAE:

- **Increased Exports:** With reduced tariffs, UAE businesses can export more competitively to Georgia's growing market.
- **Diversified Trade:** The CEPA opens doors for the UAE to expand trade beyond oil and gas, promoting sectors like manufactured goods and services.
- **Gateway to Regional Markets:** Georgia's strategic location can serve as a gateway for UAE businesses to access wider markets in Central Asia and Europe.

## Benefits for Georgia:

- **Access to UAE Market:** Georgian businesses gain easier access to the UAE's large and wealthy consumer base, offering significant export opportunities.
- **Foreign Investment:** The CEPA can attract more foreign direct investment from the UAE, fostering economic growth and job creation in Georgia.
- **Technology Transfer:** Cooperation in areas like renewable energy and digital trade can lead to knowledge and technology transfer, benefiting Georgia's long-term development.

## How can businesses take advantage of this bilateral agreement?

In today's globalized economy, international trade agreements serve as essential tools for fostering economic growth and strengthening diplomatic ties between nations. The CEPA opens up a plethora of opportunities for businesses in both countries to expand their horizons, tap into new markets, and drive innovation. It is crucial for organizations to understand and adopt the best practices to maximize the benefits of this new agreement.

- **Understanding the Agreement's Provisions:** The first step for companies is to thoroughly understand the terms and provisions outlined in the CEPA agreement. This includes tariff reductions, market access provisions, rules of origin, and any regulatory frameworks that may impact their operations.
- **Market Research and Analysis:** Conduct comprehensive market research to identify potential opportunities and challenges in the target market (UAE or Georgia). Understanding consumer preferences, regulatory environments, and competition will enable companies to tailor their strategies effectively.



- **Strategic Partnerships and Alliances:** Collaborate with local partners, distributors, and suppliers to establish a strong presence in the target markets. Strategic partnerships can provide valuable insights, facilitate market entry, and mitigate risks associated with unfamiliar territories.
- **Customization of Products and Services:** Adapt products and services to meet the specific needs and preferences of consumers in the target market. Cultural nuances, language preferences, and regulatory requirements should be taken into consideration while customizing offerings.
- **Compliance and Regulatory Adherence:** Ensure compliance with local regulations, standards, and certifications to facilitate seamless entry into the respective markets. Understanding and adhering to regulatory requirements will help companies avoid potential legal and operational challenges.
- **Talent Acquisition and Development:** Recruit and develop a diverse workforce with the necessary skills and expertise to navigate the complexities of international trade. Cross-cultural competency, language proficiency, and global mindset are essential attributes for success in the UAE-Georgia trade landscape.

- **Continuous Evaluation and Adaptation:** Monitor market dynamics, consumer trends, and regulatory changes on an ongoing basis. Companies must remain agile and adaptive, ready to adjust their strategies and operations in response to evolving market conditions.
- **Utilization of Government Support and Incentives:** Take advantage of government support programs, incentives, and resources aimed at facilitating international trade and investment. Engaging with trade promotion agencies and industry associations can provide valuable support and networking opportunities.

In conclusion, the UAE-Georgia CEPA agreement presents a multitude of opportunities for businesses in both the countries to expand their market reach and drive growth. By adopting these best practices and embracing a strategic approach to international trade, companies can position themselves for success in the dynamic and competitive landscapes of the UAE and Georgia.



# Corporate tax implementation: start of 1<sup>st</sup> tax year (entities FY ending 31<sup>st</sup>Dec)

- Evaluating the transactions with Related Parties and Connected person
- Aligning books of accounts with Tax computation requirements
- Documentation is a key
- Training to respective team - Accounts & Finance and Management
- CT registration timeline



## Compliance: cornerstone of the corporate tax journey

Since the announcement of corporate tax implementation on 31<sup>st</sup> January 2022, the UAE business landscape has been preparing and readying entities to hit the ground running once the law comes into effect. The much talked about corporate tax has finally come into effect in the UAE from the beginning of June 2023. This calendar year marks the 1<sup>st</sup> tax year for entities which are Financial Year ending 31<sup>st</sup> December. With every business being unique – in its strengths and challenges – the corporate tax compliance journey is also bound to be individualistic – hence it becomes imperative that businesses bring into play a proper accounting and audit ecosystem that supports compliance with corporate tax.

This write-up aims to draw the attention of businesses towards areas that require intended focus to ensure the corporate tax implementation journey is foundationally robust and fully compliant.

- **Evaluating the transactions with Related Parties and Connected persons:** Related party transactions and connected person are relatively new to the UAE. This is based on the concept to ensure that the transactions between related party(s) are remunerated as per industry standards and must be comparable with the business transaction undertaken with unrelated party to avoid any profit shifting and avail undue tax benefits.

In the absence of personal income tax and to curtail the payment excessive payment to connected persons (i.e Natural person directly or indirectly owns an ownership interest in, or Controls the Taxable Person, Director or the office, related parties to them) to dilute taxable profits, the payment of the service must be evaluated considering what is served to the entity and other factors like experience, qualification, operational involvement.

- **Aligning books of accounts with tax computation requirements:** UAE based companies are required to navigate the intricacies of corporate tax regulations and maintaining books of accounting aligned with tax computation requirements is non-negotiable. Staying ahead of the curve with proactive tax planning and optimization strategies helps minimize liabilities and maximize savings.
- **Documentation is key:** Complete compliance with corporate tax requires documentation to be consistent and accurate to support the business transactions undertaken and considered while computing the tax.

Further, UAE introduced transfer pricing rules in 2023 as part of its new corporate tax regime and transfer pricing documentation (Master file, Local file, Benchmark study, business agreements) are essential to ensure compliance with rules and avoidance of penalties. Documentation supporting transfer pricing policies must be maintained by businesses.

- **Evaluating the option and conditions to avail tax benefits:** in the tax law, the taxable person has been allowed to opt for tax treatment (for the below mentioned transactions as an example) post diligent evaluation.
  - Whether to opt for taxing gain and loss on realised or un-realised basis
  - Opting for the method to be selected for determining the cost of acquisition for tax computation in case of immovable property,
  - Tax group assessment,
  - To avail 0% or 9% for the freezone business,
  - Evaluating the participation exemption condition



# Overview of the Corporate Tax Registration Timeline:

The UAE Federal Tax Authority released the Timeline specified for Registration of Taxable Persons for Corporate Tax for the purposes of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses and its amendment.

## Key highlights to be considered as per FTA decision no.3 of 2024

- Resident juridical person incorporated or established prior to 1<sup>st</sup> March 2024 (effective date of decision) must submit the Registration application before the given deadline considering the License issuance date (irrespective of year) and accordingly, the first deadline is 31<sup>st</sup> May 2024
- Resident juridical person incorporated or established in UAE on or after 1<sup>st</sup> March 2024 (effective date of decision) must submit the registration application within 3 months from the date of incorporation, establishment or recognised

- Juridical Non-resident shall apply for registration, considering the date of existence of Permanent Establishment or nexus in the UAE
- Resident Natural Person shall submit the application by 31<sup>st</sup> March of subsequent Gregorian calendar year
- Non-Resident Natural Person shall submit the application within 3 months from the date of meeting the requirements of being subject to tax

As per Cabinet decision 75, failure to comply with the registration timeline would be subject to administrative penalty of AED 10,000/-

## The journey to strengthening corporate tax compliance

Compliance is the cornerstone of the UAE business landscape and with corporate tax becoming a necessity in the business landscape it is essential businesses turn the spotlight towards intrinsically strengthening their corporate tax infrastructure to ensure compliance driven penalties do not raise their ugly head to adversely impact the entity.



# The Timeline specified for Registration of Taxable Persons for Corporate Tax for the purposes of Federal Decree- Law No. 47 of 2022 on the Taxation of Corporations and Businesses and its amendments



Federal Tax Authority Decision No. 3 of 2024 – Issued 22 February 2024 (Effective 1 March 2024)

2024 marks the 1st tax year for entities which are Financial Year ending 31st December 2023. As each business carries its own set of strengths and challenges – the corporate tax compliance journey becomes unique and individualistic. It becomes imperative for businesses to establish proper accounting and audit ecosystems that align with corporate tax compliance.

## Article 1 – Definitions

External audits serve as a cornerstone for enhancing financial transparency in the UAE. By providing an independent and objective assessment of financial statements, auditors verify the accuracy and reliability of financial information. This transparency fosters trust among investors, creditors, and regulatory authorities, contributing to a robust financial reporting ecosystem.

## Article 2 – Registration of Persons for Corporate Tax Purposes

For the purposes of Clause 1 of Article 51 of the Federal Decree-Law No. 47 of 2022 referred to above, any Taxable Person shall submit an application for Tax Registration in accordance with the timelines prescribed in Articles 3, 4 and 5 of this Decision.

## Article 3 – Timeline for the Tax Registration of Resident Juridical Persons

- For the purposes of Clause 1 of Article 51 of the Federal Decree-Law No. 47 of 2022 referred to above, any Taxable Person shall submit an application for Tax Registration in accordance with the timelines prescribed in Articles 3, 4 and 5 of this Decision.

Date of Licence issuance irrespective of year of issuance	Deadline for submitting a Tax Registration application
1 January – 31 January	31-May-24
1 February – 28/29 February	31-May-24
1 March – 31 March	30-Jun-24
1 April – 30 April	30-Jun-24
1 May – 31 May	31-Jul-24
1 June – 30 June	31-Aug-24
1 July – 31 July	30-Sep-24
1 August – 31 August	31-Oct-24
1 September – 30 September	31-Oct-24
1 October – 31 October	30-Nov-24
1 November – 30 November	30-Nov-24
1 December – 31 December	31-Dec-24
Where a person does not have a Licence at the effective date of this Decision	(3) three months from the effective date of this Decision

- For the purposes of Clause 1 of this Article, where a juridical person has more than one Licence, the Licence with the earliest issuance date shall be used.
- A juridical person that is a Resident Person incorporated or otherwise established or recognised on or after the effective date of this Decision, shall submit a Tax Registration application, in accordance with the following table:

Category of juridical persons	Deadline for submitting a Tax Registration application
A person that is incorporated or otherwise established or recognised under the applicable legislation in the State, including a Free Zone	(3) three months from the date of incorporation, establishment or recognition
A person that is incorporated or otherwise established or recognised under the applicable legislation of a 4 Federal Tax Authority Decision No. 3 of 2024 – Unofficial translation foreign jurisdiction that is effectively managed and controlled in the State	(3) three months from the end of the Financial Year of the person





## Article 4 – Timeline for the Tax Registration of Non-Resident Juridical Persons



- A juridical person, that is a Non-Resident Person prior to the effective date of this Decision, shall submit a Tax Registration application in accordance with the following table:

Category of juridical persons	Deadline for submitting a Tax Registration application
A person that has a Permanent Establishment in the State	(9) nine months from the date of existence of the Permanent Establishment
A person that has a nexus in the State	(3) three months from the effective date of this Decision

- A juridical person, that is a Non-Resident Person on or after the effective date of this Decision, shall submit a Tax Registration application in accordance with the following table:

Category of juridical persons	Deadline for submitting a Tax Registration application
A person that has a Permanent Establishment in the State	(6) six months from the date of existence of the Permanent Establishment
A person that has a nexus in the State	(3) three months from the date of establishment of the nexus

## Article 5 – Timeline for Tax Registration of Natural Persons A natural

- A natural person conducting a Business or Business Activity in the State shall submit a Tax Registration application in accordance with the following table:

Category of natural persons	Deadline for submitting a Tax Registration application
A Resident Person who is conducting a Business or Business Activity during the 2024 Gregorian calendar year or subsequent years whose total Turnover derived in a Gregorian calendar year exceeds the threshold specified in the relevant tax legislation	31 March of the subsequent Gregorian calendar year
A Non-Resident Person who is conducting a Business or Business Activity during the 2024 Gregorian calendar year or subsequent years whose total Turnover derived in a Gregorian calendar year exceeds the threshold specified in the relevant tax legislation	(3) three months from the date of meeting the requirements of being subject to tax

## Article 6 – Late Registration for Corporate Tax

A natural person conducting a Business or Business Activity in the State shall submit a Tax Registration application in accordance with the following table:

## Article 7 - Abrogation of Conflicting Provisions

All provisions contrary to or inconsistent with the provisions of this Decision shall be abrogated.

## Article 8 – Publication and Application of this Decision

This Decision shall be published in the Official Gazette and shall come into effect as of 1 March 2024.



# Unforeseen downpour in the UAE shifts spotlight on the country's robust unprecedented comeback



The torrential downpour across the UAE on 16<sup>th</sup> April was recorded to be the highest rains in 75 years — making it the heaviest on record since climate data recording began in 1949. On an average UAE reports 94.7 mm of rain in a year, however on 17<sup>th</sup> April, more than 142 mm (5.59 inches) of rainfall had soaked Dubai within 24 hours.

While rapid climatic changes escalated the weather condition to unforeseen levels, the UAE had to swing into quick action to ensure infrastructure damages and the population's well being was in check. Flash floods resulted in water engulfing cars, sometimes fully submerging them, leading drivers to abandon their vehicles and escape the rising water levels. The deluge also closed schools and businesses, grounded hundreds of flights, and destroyed cars, businesses, and other property.

## What did the UAE get right during this period of distress?

- UAE government announced funds worth AED 2 billion to help repair rain-damaged homes.
- In line with the directives of Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of the Executive Council of Dubai and under the umbrella of the 'Committee for Assisting Weather-Affected Citizens in Dubai', the initiative titled 'Tadhamon' (solidarity) campaign will allow private sector entities, business persons and members of society to help people whose homes and properties were affected in the adverse weather conditions.

- The fixing and clean-up efforts were prompt and effective across the UAE. Normalcy was restored in record time. Airports resumed operations soon after the torrential rains came to a halt.
- Real estate developers and community management companies worked relentlessly with the government authorities towards restoring electricity, lifts, and water logging in basement parking in residential properties.
- Dubai's Community Development Authority (CDA) launched an initiative on its 'Jood' platform to facilitate community contributions towards helping people impacted by the heavy rains.

The rains severely impacted motorists across the UAE and damaged vehicles across the country. This natural disaster is bound to have an impact on the UAE's insurance sector and it is too early to assess the full impact. It is likely that motor and property insurance rates in the UAE could increase following record-breaking rains in the UAE.

The impact of climate change is inevitable and UAE was witness to its chaotic ways mid April. The heavy downpour has brought to the fore key issues that UAE authorities will be factoring in while strategizing and strengthening its business continuity planning measures. The torrential rainfall on 16<sup>th</sup> April was a 'once-in-75 years' instance and given the UAE's adept resourcefulness and proactive approach there is not an iota of doubt that the country will be prepared to deal with unforeseen calamities effectively with little to no damage to life or property. UAE's intention and commitment towards protecting its people and investors sets the tone for the effort and action taken by the country's visionary leadership.



## UHY James gets a glimpse into Chetan Bhagat 's latest literary masterpiece '11 Rules for Life'



Chetan Bhagat's literary journey skyrocketed with the launch of his book Five Point Someone in 2004 and the author has never looked back since. His writing career took off with one successful book after the other - some of which - were also made into top-grossing Bollywood blockbusters. We had the absolute honor to have Chetan Bhagat visit our office on many occasions and sometime back the celebrated author stopped by our Dubai office to share with our team highlights of his new book - The 11 Rules for Life.

Chetan Bhagat says writing a fictional love story takes him almost 365 days but the book 11 Rules for Life has been almost 50 years in the making. After all imagining a fictional love story is way easier than navigating the curveballs life throws at us, learning from them and writing a book on it!

The 11 Rules of Life chronicles the mistakes Chetan Bhagat made throughout his lifetime and turns the spotlight on the rules he plays by, in his daily life. The 11 Rules for Life touches every aspect of a person's life starting from Focusing on Fitness to Mastering one's emotions to eliminating cheap sources of Dopamine and hustling to Earn, Save & Invest among many others.

It has been a busy start to 2024 for us at UHY James and occasional pep talks from brilliant minds like Chetan Bhagat bring in a layer of mindfulness and opens portals of new perspectives for the team collectively. May Chetan Bhagat's 11 Rules for Life helps us upgrade our rulebook for life and make better choices and bolder moves that set us up for success.



## Ramadan 2024: A 'suhoor' event in the August company of UAE Internal Audit Association members



Every business is exposed to uncertain events that could have an impact on achievement of organisational objectives. These uncertain events could have a positive (opportunity) as well as negative (threat) impact.

Globally the internal audit profession provides independent and objective assurance on the effectiveness and efficiency of the organisation's governance, risk, and control. Internal audit enables a culture of continuous improvement and good corporate governance, which helps businesses match pace with the ever-evolving business landscape.

The global internal audit services market was estimated at USD 35.28 billion in 2023, USD 37.43 billion in 2024, and is expected to reach USD 54.89 billion by 2030. The surge in demand for internal audit expertise underscores the recognition by businesses of internal audit's role in enhancing and protecting organizational value.

In the UAE, the holy month of Ramadan serves as the perfect opportunity for peers and professionals to connect and collaborate on the evolving dynamics of the internal audit profession. Last week our CEO & Managing Partner James Mathew attended the Suhoor organised by UAE IAA with Adil Buhariwalla—our Senior Partner, Internal Audit & Risk Consulting and had meaningful interactions with UAE based internal audit professionals. They had an opportunity to network with the UAE Internal Audit Association (UAE IAA) Board members comprising UAE nationals, who play active Internal Auditing leadership roles in the UAE.

Abdulqader Ali, UAE IAA Chairman, has been instrumental in advocating the profession and its myriad advantages, within the UAE business community. The UAE IAA's Board and Executive Committee consistently works to advocate the practice of the internal audit profession, and in recent years, increasing number of UAE nationals are demonstrating high levels of interest in this profession. The relentless efforts by UAE IAA to promote the profession fuelled by the UAE's visionary leaders' commitment to strong corporate governance has ensured the internal audit profession has a place of its own in driving the growth story of the UAE's business landscape.



# Women's Day with the Wonder Women of UHY James

Women, the life force of the universe, create with their radiance & resilience a playing field where kindness thrives, laughter reverberates and courage is worn like a crown. UHY James acknowledges and appreciates the women in our workforce whose efforts are diligent and dedicated when it comes to driving ours as well as our client's growth story forward.

However, we could not have let the day go by without letting our wonderful women at work know that their hard work is seen, their well-being is a priority and their success is celebrated.

Our reception showcased a collection of stunning pics and powerful quotes that signify the unique strengths of each woman associated with UHY James. Making memories on days that matter is of essence to us and we had a floral photo booth arranged for our women folk to go trigger-happy with selfies and group pictures.

No celebration in UHY James is considered complete without some delicious cake to dig into accompanied with some customised trivia!

We started the year on a busy note with regulatory deadlines looming large ahead of our clients and taking time out amidst the hustle on Women's Day served as the perfect breather to pause, reflect and celebrate the wonderful women - we work with - who run their worlds with grace, dignity and courage.



Audit | Tax | Advisory | Risk | Technology



INTERNATIONAL

Women's Day

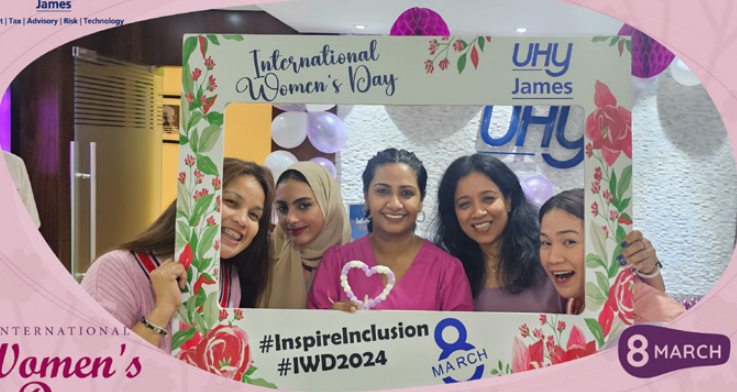
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# Women's Day

8 MARCH



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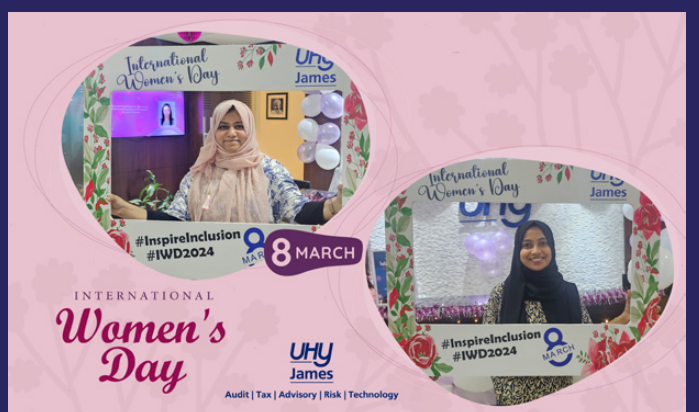
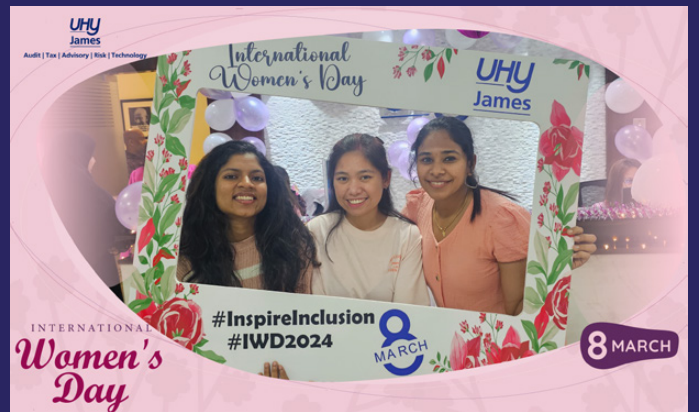
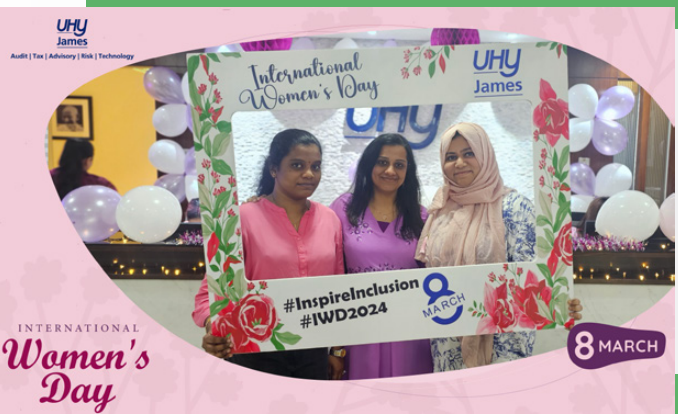


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**Women's Day**

8 MARCH



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# UAE businesses must add whistle-blowing policy as part of best practices

MENU GULF NEWS ANALYSIS Gold/Forex

## UAE businesses must add whistle-blowing policy as part of best practices

As defense against corporate fraud, a strong whistle-blowing policy has its merits

Published: April 26, 2024 09:29  
James Mathew, Special to Gulf News

Financial frauds are a burgeoning menace in the global corporate landscape. A broad overview of the statistics reveals how essential it is for businesses to get a grip on keeping financial frauds and risks at bay. As per an industry study on the cost of fraud in the Europe, Middle East & Africa region 42% companies in the UAE reported an increase in fraud over a period of one year and it is estimated organizations incur an average cost of AED 4.19 (AED 3.62 for retailers and AED 4.99 for financial institutions) for every dirham lost to fraud.

With more than USD 800 billion laundered every year financial crime risks are expected to be on the rise and AI driven fraudulent activities are gaining momentum within businesses in 2024.

### How can a whistleblowing policy help a business?

Implementing an effective whistle blowing policy is a need of the hour to reduce fraudulent financial risks to some extent. The UAE Penal Code requires all individuals to report criminal activity in the UAE however this practice is not rigorously enforced.

In the last few years, whistleblower protection has gained significant prominence in the UAE regulatory landscape and the benefits of bringing this policy into the business ecosystem cannot be endorsed enough.

- **Timely identification of wrongdoing** can prevent issues from snowballing into massive damages owing to effective whistle-blowing policies that empower employees to report unethical behavior within the organization.

- Implementing whistle-blowing policy highlights **organizational transparency and accountability**, thereby curating an environment where concerns can be raised without the fear of retaliation – in the best interests of the business.
- **Protecting stakeholder interests** is a possibility when unethical behavior is promptly addressed. Whistle-blowing policies go a long way in protecting the interests of various stakeholders, including customers, shareholders, employees, and the community at large
- **Legal compliance is adhered to when businesses have a whistle blowing policy** in place as many regulatory bodies require organizations to implement mechanisms that help in reporting unethical
- Preserving organizational reputation requires ethical issues to be handled with confidentiality and care. Implementation of a whistle blowing policy ensures **long-lasting negative effects on brand value and reputation can be mitigated.**
- A well-implemented whistle-blowing policy creates an organizational culture that deters unethical behavior and encourages addressing disclosures made in the best interests of the organization.
- A business that **endorses the practice of a whistle blowing policy wins the implicit trust of its employees** through organizational leadership, leading to higher employee engagement and retention rates.

### How to facilitate a culture that encourages whistle blowing for the best interest of your business

Inclusivity must be central to the organizational culture encouraging people to speak up and flag potential fraud concerns, if needed. Creating portals that enable active reporting system are bound to ensure confidentiality within the organization, there by encouraging instances of whistle blowing.

It is imperative to note that whistle blowing alerts can come from diverse sources and contacts engaging with the business across various levels. Stakeholders must be open to receiving whistle blowing alerts from vendors, consultants, or third-party sources. A whistle blowing system within the business helps minimize frauds and risks before the matter escalates at a regulatory or financial scale.

Establishing a robust whistle blowing strategy backed by effective policies and procedures is significant in assessing regulatory concerns and avoiding deliberate false disclosures. Businesses stand to benefit from incorporating a whistle blowing policy as it ensures the foundation is in place to regulatorily protect their best interests.



# Our Services



## Audit & Assurance

- Financial Statement Audits
- Information System Audits
- RERA Regulatory & Compliance Audits
- Retail Sales Audit



## Internal Audit

- Risk Assurance
- Forensic Audits
- Standard Operating procedures
- Business Efficiency Reviews



## Corporate Finance

- Financial Due Diligence
- Valuation and Pricing
- Purchase Price Allocation
- Business Modelling
- Fund Raising



## Technology & Cybersecurity

- Information Security Audit
- Cybersecurity Assessment
- Data Protection
- Automation
- ERP Consulting



## Strategy & Transformation

- Strategic Consulting
- Profitability Enhancement
- Organizational Transformation



## Company Incorporation

- Business Setup
- Company Liquidations
- Tax Residency Certificate
- Trademark Registration
- Visa Assistance



## Direct Tax

- Corporate Tax Advisory and Compliances
- Transfer Pricing Advisory and Compliances
- ESR Advisory



## Indirect Tax

- VAT Advisory and Compliances
- Tax Audit Assistance
- Excise Tax Advisory and Compliances



## Accounting & Bookkeeping

- IFRS Review & Implementation
- Payroll Processing
- Virtual CFO Services
- Independent Director & Secretarial Services



## Intellectual Property-Trademark (TM)

- TM Search
- TM Registration
- TM Renewal
- TM Recordal Licensing



## Anti-Money Laundering Services

- Establishment of AML program/framework
- Annual AML compliance review
- AML Compliance Training



# Our Leadership team brings forth 200+ years of global experience & industry expertise for your business!



## 30+ yrs exp.

One of the most recognized financial practitioners in the audit, accounting & advisory space in the UAE James is known for sustaining excellent client relationships, and exhibiting a strong adversity quotient. James has built immense credibility & has played key roles at various professional organizations and international forums.

**James Mathew**  
FCA, CPA  
CEO & Managing Partner



## 35+ yrs exp.

- Internal Auditing
- Corporate Governance
- Risk Management
- SOP Development
- Operational Due Diligence
- Quality Assessment Reviews
- Forensic Audits & Investigation

**Adil Buhariwalla**  
Senior Partner  
Internal Audit & Risk Consulting



## 35+ yrs exp.

- Business Advisory
- Independent Director
- CFO Services
- Business Process Re-engineering
- Enterprise Resource Planning
- Outsourcing
- Accounting, Bookkeeping & Payroll management

**S. Unnikrishnan**  
Senior Partner  
Business Consulting & Advisory



## 20+ yrs exp.

- Expert in Audit & Assurance services
- International Financial Reporting Standards Implementation
- Highly experienced in FMCG, Real Estate & Hospitality sectors
- Internal Financial Controls

**Tushar Jesrani**  
Partner  
Audit & Assurance



## 25+ yrs exp.

- Expert in corporate finance/valuation/-financial feasibility studies/financial due diligence/PPA
- Strategic insight in cross border transactions/engagements across India, Middle East and abroad
- Experienced in advising on setup of business entities globally

**Priyesh Kapadia**  
Partner  
Advisory Services



## 15+ yrs exp.

- Diverse experience in direct and indirect taxation services covering Corporate Tax and VAT across wide range of industries
- ICV Certification and improvement plan advisory
- Adept at strategic planning, operational management and on the technical advisory front

**Amit Mehta**  
Associate Partner  
Tax Advisory



## 15+ yrs exp.

- Successfully led audit projects matching pace with IFRS, IPSAS, US GAAP and audit excellence
- Solid technical accounting and advisory experience including (IFRS for SMEs), ISA, US GAAS, Basel III, Solvency II, FAS as per AAOIFI, VAT, GCC Laws and Regulations & more

**Eyad Al-Hasan**  
Associate Partner  
Audit & Assurance



## 10+ yrs exp.

- Diversified experience in statutory audits, review engagements and special assignments of varied sectors with an in-depth view into Business Processes, Risk Management procedures, Accounting and Internal Control systems, Corporate Governance & Regulatory Accounting frameworks.
- Liaise with Clients and work closely on addressing business pain areas
- Adept at introducing new line of services within organization

**Amit Arora**  
Associate Partner  
Strategy and Client Relations

# Let us help you achieve further business success

## Corporate Office

### Dubai

Level 6,  
Clover Bay Tower,  
Business Bay, Dubai

## Other Office in UAE

### Abu Dhabi

Suite 1203,  
3 Sails Tower - C27,  
Abu Dhabi

### Abu Dhabi

ADGM Square,  
Abu Dhabi

### Sharjah

SAIF Zone  
Sharjah

### Fujairah

Suite 51,  
Fujairah Insurance Building,  
Fujairah

**Phone: +971 4 277 0606**

**Email: [info@uhy-ae.com](mailto:info@uhy-ae.com)**

**Web: [www.uhy-ae.com](http://www.uhy-ae.com)**

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