



CONNECT

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James Mathew
FCA, CPA
CEO & Managing Partner

Food for thought; CEO's Message

Greetings

2023 is not halfway through and yet the year has been a roller coaster ride for the global economy. In the last few months banking heavyweights in the US have collapsed. Reports reveal US banks are sitting on US\$ 1.7 trillion in unrealised losses. Rising interest rates are a key contributor in leading to unrealised losses. Inflationary risks and recession risks continue to linger across the globe however amidst all the uncertainties World Bank has revised its 2023 global growth outlook upward to 2% from 1.7% in January forecast.

The positive outlook stems from factors like China's economy witnessing momentum after the lifting of Covid related restrictions and the US / Europe economy recording stronger performance than anticipated in January. Leaders at World Bank and IMF believe the slow medium - term outlook for growth estimated to be below 3% this year and around 3% for the next five years - as forecast by IMF will prove to be a bottleneck for developing countries.

Is there a straightforward solution to manage the ebbs and flows across the global economy. Unfortunately, no.

What businesses and regulatory authorities can work towards collectively is to try to build robust compliance in their existing operational and financial ecosystem to ensure the business is fundamentally prepared to be agile and take necessary steps forward. We, at UHY James, have been in the business of guiding and handholding our clients through economic highs, lows and everything else in between. For over 30 years and having served 1000+ clients since the beginning we choose to stay committed to YOUR growth story and help you go places with your business endeavours.



An Overview on Annual Skilled Person's Review for LFIs in the UAE

The Central Bank of the UAE (CB UAE) established a dedicated Department in August 2020 to handle all Anti-Money Laundering and Combatting the Financing of Terrorism matters (AML/CFT). The Anti-Money Laundering and Combatting the Financing of Terrorism Supervision Department (AMLSD) serves three key objectives:

- Examining Licensed Financial Institutions (LFIs),
- Ensuring adherence to the UAE's AML/CFT legal and regulatory framework, and
- Identifying relevant threats, vulnerabilities and emerging risks concerning the UAE's financial sector.

The Central Bank of the UAE has created regulations for its licensed financial institutions to ensure the adequate organisation, supervision, and development of all financial services companies in the UAE.

As part of its Supervisory Strategy, on 21st March 2023, issued a Notice, CBUAE/BIS/2023/1532, to announce the implementation of its annual Skilled Persons Reviews (Review) of its' Licensed Financial Institutions (LFI). The Review will cover key aspects of the Anti-Money Laundering and Combatting the Financing of Terrorism (AML/CFT), Targeted Financial Sanctions (TFS) and Proliferation Financing (PF) as outlined in the Review Requirement Document (RRD).

The RRD provides an overview of AML/CFT, TFS and PF Inherent Risk areas and relevant control factors to be covered in the review.

The key elements covered under this review, include:

- Governance Framework and Management Oversight
- Customer Due Diligence
- Transaction Monitoring, Sanctions Screening, and STR Reporting
- Record Keeping and Statistics

As a professional service provider catering to the UAE's financial landscape, we are putting our shoulder to the wheel to align with the UAE's vision of a robust compliance regime. Wielding 30+ years of solid experience and expertise we are navigating the processes to be among the select professional consultants in the UAE, eligible to carry out the annual Skilled Person's Reviews of Licensed Financial Institutions.

Stay tuned to this space as we will keep you posted on all the behind-the-scenes developments.



UHY James Credibility

Robust experience working with regulators in the UAE and across the region, ensures we bring forth solid insight to regulatory objectives.

Our local expertise, powered by a global network, ensures we deliver international best practices through quality deliverables.

Authored by
Adil Buhariwalla
Senior Partner – Internal Audit & Risk Consulting



Key VAT & ESR Updates for businesses to consider in the UAE

Amendments in Tax Procedure Law-Federal Decree Law No. 28

Effective from 1st March 2023, the Federal Decree Law No. 7 of 2017 on the Tax Procedures will be repealed and replaced with the Federal Decree Law No. 28 of 2022 on Tax Procedures, which was issued in November 2022. In the new tax procedure Law ("TPL") there are certain important changes i.e., Voluntary Disclosure submission without having a tax liability impact, reduction in penalties, timeline of notice increased from 5 days to 10 days before the initiation of an audit and more.

UAE VAT Decree Law Amended

The Federal Tax Authority has amended the Executive Regulation of Decree Law No. 8 of 2017 on Value Added Tax by issuing Cabinet Decision No. 99 of 2022, which shall be effective from 1st January 2023. The authority has amended Article 3 (Director Services) and 72 (Record-keeping requirements).

Ministerial Decision No. 26 of 2023

The Federal Tax Authority has published the "Ministerial Decision No. 26 of 2023" on Criteria and Conditions for Electronic Commerce for Purposes of Keeping Records of the Supplies Made and issued VAT Public Clarification No. VATP033 on Amendments to Emirates' Reporting – Electronic Commerce Supplies by Qualifying Registrants. Taxable persons supplying goods and services through electronic commerce, which exceed AED 100 million over a calendar year, are referred to as "Qualifying Registrants".

Effective from 1st July 2023, Qualifying Registrants are required to report supplies made through ecommerce in box 1 of the VAT Return, based on the Emirate in which the supplies of the goods or services are received by the customer, and keep the relevant supporting evidence.

Excise Tax Public Clarification No. EXTP010

The Federal Tax Authority has published Public Clarification No. EXTP010 highlighting the details and conditions that need to be fulfilled for the registration of Warehouse Keeper ("WHK) and the Registration and Renewal of Designated Zones". The Public Clarification is effective from 1st April-2023 and replaces Public Clarification No. EXP005.

Muwafaq Package Services Launched

The Federal Tax Authority officially launched the "Muwafaq Package" to support SMEs. Muwafaq package is now available for SMEs through the FTA website and is an initiative directed solely for Small and Medium Enterprises (SMEs). The package includes the following features:

- Educational material on the basics of tax procedures
- Priority in completing certain services provided by the Federal Tax Authority
- Providing relationship managers for SMEs
- Access to tax accounting programs at competitive prices.
- Exclusive offers from tax agents
- More features and special offers will be announced later.

Input VAT Apportionment Updated Guide Issued

The Federal Tax Authority has published the updated VAT guide on "Input Tax Apportionment" calculation. This guide replaces the Input Tax Apportionment: Special Methods VAT Guide (VATGIT1) published in December 2019.

Amendments of Accredited Foreign Missions and Diplomats

This manual is prepared to help the applicant to navigate through the EmaraTax portal and to amend Foreign Missions, Diplomats and Undersecretary details.

Reconsideration request

The Federal Tax Authority has published a step by step "Reconsideration Request" submission guide.

Initiate Direct Refund Claim by VAT Registrants VAT 311

The Federal Tax Authority has published a user-friendly step-by step guide to claiming the VAT refund.



Business Visitors and UAE Nationals Building New Residences Dashboard

The authority has issued a manual to help the Business Visitors and UAE Nationals Building New Residences to navigate through the EmaraTax portal and explains the business visitor and UAE National Building New Residences Dashboard.

Foreign Mission and Diplomats Dashboard

This manual is prepared to help the Foreign Mission and Diplomats to navigate through the EmaraTax Portal and explains the Foreign Mission & Diplomats Dashboard.

Login to EmaraTax using UAE PASS

If you have a UAE PASS account, this document provides a step-by-step guide to link your EmaraTax account with your UAE PASS account. It also explains how to sign up in EmaraTax and create an account using UAE PASS in case you do not have an EmaraTax account. If you do not have a UAE PASS account, you need to create one first. To use your Emirates Id to login to UAE PASS, your UAE PASS account should be in "Verified" status. If it is not "Verified", use your email or mobile number registered with UAE PASS to login to UAE PASS.

Taxable Person Dashboard

A manual is prepared to help online users to navigate through their taxable person dashboard in the Federal Tax Authority EmaraTax Portal.

Inputs provided by the UHY Tax Team





UAE's financial freezones catalyse the economy towards consistent business growth

UAE's financial freezones catalyse the economy towards consistent business growth

As per reports revealed by the Institute of International Finance, UAE has attracted an estimated US\$ 22 billion in FDI inflows owing to key business, legal and visa reforms. It is estimated that financial wealth in the Middle East region grew by 20% in 2021 compared to 11% globally. It is reported that almost 41% of the wealth could be traced to Ultra High Net Worth Individuals (UHNWIs) and Family Offices in 2021 and is expected to grow to 46% by 2026. Studies reveal UAE witnessed an inflow of more than 2000 millionaires in 2021 resulting in the country accounting for 30% of the total financial wealth in GCC.

As investments within the economy grow stronger it becomes critical that the country's financial freezones level up their role and contribution in propelling the financial landscape forward. Dubai Financial Services Authority (DFSA) - the independent regulator of financial services conducted in or from the DIFC and Financial Services Regulatory Authority (FSRA) – the regulatory framework of ADGM - are fundamental in facilitating transparent financial activities under their jurisdiction.

Dubai International Financial Center (DIFC) records growth across all levels

19 years since its inception in Dubai, the emirate's celebrated financial free zone DIFC has achieved record growth in 2022 despite the global economy navigating a post pandemic landscape. A quick glance through the numbers DIFC is reporting across various areas speaks volumes about the financial free zone's growth trajectory.

- DIFC's annual revenue exceeded AED 1 billion for the first time since DIFC was established in 2004, indicating investor confidence in DIFC remains strong despite global uncertainties.
- The number of active registered companies surged by 20% in 2022 - almost doubling from the pre-pandemic level of 2431 to 4377. Further, more than 1000 new companies registered in DIFC for the first time since its inception. Employment levels within DIFC surged at 22% annually, totalling to 36000.
- Fintech & Innovation recorded rapid growth within DIFC as the number of fintech & innovation-based firms grew 36% totalling to 686.
- Net profit of DIFC surged 33% to US\$ 141 million, revenue rose 18% annually – driven by 19% increase in its operating income to US\$ 185 million and the financial free zone's total assets recorded a \$174 million gain on investment in properties, reaching \$4.54 billion at the end of 2022.

DIFC has a pipeline of 50+ hedge funds with assets under management worth more than \$1 trillion waiting to be licensed. Wealth and asset management portfolio managers in DIFC invested \$164 billion in 2022 compared to \$151 billion in 2021. Clearly, DIFC has exhibited that embracing and implementing stringent regulatory requirements can prove effective in building compliance measures that fuel a successful financial ecosystem.

Abu Dhabi Global Market (ADGM) globally recognized as the 32nd best international financial center

Established in 2013 and operational since 2015, Abu Dhabi Global Market cemented its position as the fastest growing international financial center backed by its notable achievements in 2022. The financial free zone has relentlessly pursued growth in every realm - be it technology, investments, compliance frameworks, new age finance clusters and more – which resulted in 56% growth of assets under management in 2022.

ADGM's robust operating model, organization structure, streamlined processes and improved systems have powered through to increase the workforce count from 8522 in 2021 to 10954 in 2022. Active licenses of financial service firms and non-financial service firms marked 30% increase in 2022 from 2021. As per the GFCI 32 report, ADGM is globally recognized as the 32nd best international financial center and continues to retain its stronghold as a leading financial center in the MENA region. With ADGM being a stringent regulator in the UAE's robust and burgeoning landscape, we take immense pride in being one among the registered auditors recognized by the authority.

UHY James – Registered Auditors of DFSA, DIFC and FSRA, ADGM

Our continued efforts in being aligned with the rigorous reviews and stringent on boarding procedures of UAE financial freezones and regulatory authorities have led to our firm being one among the 17 select auditors of DFSA, DIFC and FSRA, ADGM.

Today as the UAE continues its journey towards fortifying its compliance ecosystem, we are well poised at every step of the way to handhold the business community as they navigate new and necessary regulatory requirements. Uncompromising when it comes to matters of ethics and principles, being one among the select 17 auditors of DFSA, DIFC and FSRA, ADGM occupies pride of place in our continually growing list of professional endeavours.

Authored by

James Mathew

CEO & Managing Partner



Trademark Registration: Guaranteed Protection

The success of a business lies in the amalgamation of various factors including quality products, effective services, solid brand recognition and trust built among clients.

Delivering top-notch products or services is only a stepping-stone towards building a successful business as it is imperative to take necessary measures to also protect the business. Stakeholders and business owners invest immense time and effort to accelerate the growth of their businesses, without fully recognizing that goodwill created, and brand recognition achieved can vanish in a split second if a competitor or aspiring entrepreneur misuses the logo or brand name to sell their products or services.

The most straight forward and necessary approach to protecting the business is to choose trademark registration. This ensures the business is insulated from any instance of infringement of the elements that define the brand. Trademark registration protects any names, words, signatures, letters, figures, drawings, symbols, titles, tax stamps, seals, pictures, inscriptions, advertisements or packs or any other mark or a combination of these, having a distinctive form which is used or is intended to be used to distinguish the goods or services of one business from the other.

Here is a summarized round up of the various benefits of trademark registration:

Protects: On a preliminary and broad level trademark registration guarantees protection to the owner of the mark with exclusive right to use it. Only the owner has the right to use the trademark, offer the same for license or franchise the mark at a price. Registered trademarks prove an effective marketing tool for new business owners who wish to announce their presence and establish themselves in the market to set the product apart from competitors.

Provides Goodwill: Trademark being an intangible asset increases the value of the business, especially in case of resale of the business. If anyone attempts to use the registered mark the owner can exercise his right to sue and claim compensation due to trademark infringement.

Differentiator in the Market: Trademark registration serves as a differentiator and a distinct identifier to help brands establish a promise on the attributes and values they offer in their products and services.

If you are a decision maker of a business entity and you believe brand building is important, brand recognition is necessary and brand security is non-negotiable then without an iota of doubt consider reaching out to us to discuss the various possibilities of trademark registration.

Authored by

Bindu James

Director – Trademark & IP services



CEO & Managing Partner James Mathew's insights and expertise on varied subjects were covered across media publications in the UAE.

UAE's Small Business Relief: Dh3m revenue ceiling offers SMEs flexibility on corporate tax journey

SMEs seeking 'relief' get additional period to be CT-compliant, but be careful about GAAR

Published: April 07, 2023 08:07 Last updated: April 07, 2023 11:07

A significant number of companies can leverage the Small Business Relief, where their revenue in the relevant tax period and previous tax periods is below Dh3 million for each tax period."



- James Mathew of UHY James

CEO MENA: Robust compliance framework a prerequisite for an organisation's foundation: UHY James

In conversation with James Mathew, CEO & Managing Partner, UHY James

Published: March 30, 2023 15:07
Special to GN Focus



US Federal Reserve sticks to 0.25% in 2023's first rate hike; UAE central bank matches it

US central bank raises by 0.25%, Gulf's consumers, businesses have more adjustments to do

Published: February 01, 2023 22:30 Last updated: February 02, 2023 00:05

UAE businesses and their capex

Banking and business sources in the UAE reaffirm that lending activity has not taken any major dents in recent weeks. Senior banking industry sources say that they are not revising their forecasts on their loan portfolios and the percentage of which could turn bad this year. "Our lending activities remain the same," said one senior banker.

On what UAE businesses should do with their capex plans, "There is no one-size-fits-all answer to whether hiked interest rates will affect capex and cashflow," said James Mathew, CEO and Managing Partner at Dubai-based UHY James Chartered Accountant.

"Simply because, new projects can work around the higher interest rate, conduct viability reviews and surge ahead in a way that capex and cashflow is not impacted.

"However, businesses operating with thin margins are likely to face disruptions due to increased costs driven by higher interest rates. The ray of hope businesses can hold on to, in the current economic climate, is that the steep rates are likely to start plunging sometime after the next two to four quarters.

"Until then, repayments on interest and principal for existing loans will cost businesses more, thereby creating a dent in the cashflow."

UAE RATE CHANGES

The UAE Central Bank decided to maintain the rate applicable to borrowing short-term liquidity from the CBUAE through all standing credit facilities at 50 basis points above the base rate.

SMEs everywhere could do with some help on getting their payments on time

Governments are tightening oversight of payments owed to small businesses

Published: January 27, 2023 10:57
James Mathew, Special to Gulf News



Overview of 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
- Visa Assistance
- Business license amendments



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

**Services offered in UAE & Worldwide*



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.

30+ yrs exp. in the audit, advisory ,tax, risk and consulting space in the UAE and across the region.

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



17+ 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



24+ 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



13+ 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
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*Committed
to your
growth story*