PKF UAE

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A quarterly newsletter from PKF UAE and PKF Oman

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In this issue

Our Vision

We will be the first choice for companies in their selection of professional advisors

Our Mission

We will provide quality service to our clients by focusing on client-specific needs and providing solutions to business problems, thereby adding value through expertise whilst maintaining integrity, professionalism, and independence.

From the Managing Partner – UAE

"Taxation is the price which civilized communities pay for the opportunity of remaining civilized."

Albert Hart - Historian, Harvard University

The UAE demonstrates economic resilience with GDP forecast for 2024 pointing at robust 5.27% growth. The UAE non-oil sectors like real estate, tourism and transportation are the major contributors to the UAE Economic growth.

Good governance and an unwavering commitment to creating and sustaining a safe and prosperous society for all its citizens has been the hallmark of the UAE government.

To this end, we can expect a lot of the following changes to take effect during this year:

- Phased ban on single use plastic products
- Emiratisation will cover smaller companies
- Corporate tax registration must be completed within three months of license renewal date for all resident companies
- New laws focussing on enhancing cybersecurity and protecting personal data will come into force
- Amendments will be made to the Federal Labour Law to introduce a new mechanism for resolving labour disputes in the private sector

Tax and so much more seems to be the theme for the UAE as massive strides are being made to ensure UAE remains in the news. This includes the momentous removal from the FATF grey list in late February.

The GCC is set to see more equity capital markets activity in 2024 as more companies seek public listings. The positive news from FATF could not have come at a better time.

This edition kicks off with an inhouse article on understanding the dynamics of consumer behaviour followed by an in-depth interview with an industry stalwart – Mr. Deepak Dhawan founder of Food Specialities Ltd. We also have important updates on UAE taxes and Oman update covering Oman's 2024 budget. There's also a small piece on the new gaming authority being set up in the UAE.

Do write to us (update@pkfuae.com) for expressing your opinion on any matter included in the newsletter.

Stany Pereira

Understanding the Dynamics of Consumer Behaviour

In the ever-evolving landscape of commerce, the winds of consumer taste blow with unpredictability, profoundly influencing the trajectories of businesses. The impact of changing consumer preferences on growth is a dynamic phenomenon that demands constant attention and adaptation from companies seeking sustained success. Understanding consumer behaviour is the cornerstone of effective business growth. In a dynamic market, where consumer preferences and choices continually evolve, successful companies grasp the intricacies of why and how customers make decisions. This article explores the multifaceted landscape of consumer behaviour and how businesses can harness this understanding to fuel sustainable growth.

Consumer tastes reflect societal trends, are influenced by factors ranging from cultural shifts to technological advancements. As preferences pivot towards sustainability, health consciousness, and digital experiences, businesses must recalibrate their strategies to align with these changing winds. The food industry, for instance, witnesses a surge in demand for plant-based alternatives, while the fashion sector navigates a landscape where sustainable and ethically produced garments gain precedence.

Adapting to changing tastes is not merely a matter of survival but an opportunity for innovation and differentiation. Companies that stay attuned to emerging preferences can proactively introduce products and experiences that resonate with their target audience. Failure to adapt, however, can lead to stagnation and decline as competitors ride the waves of evolving consumer taste to capture market share.

Foundations of Consumer Behaviour

Consumer behaviour is a complex interplay of psychological, social, and cultural factors. Delving into the psyche of consumers involves recognizing their needs, motivations, and perceptions. From personal preferences to societal influences, businesses must navigate this intricate landscape to tailor products and strategies effectively.

By comprehending the foundational elements of consumer behaviour, companies gain valuable insights that can drive strategic decision-making.

The Consumer Decision-Making Process

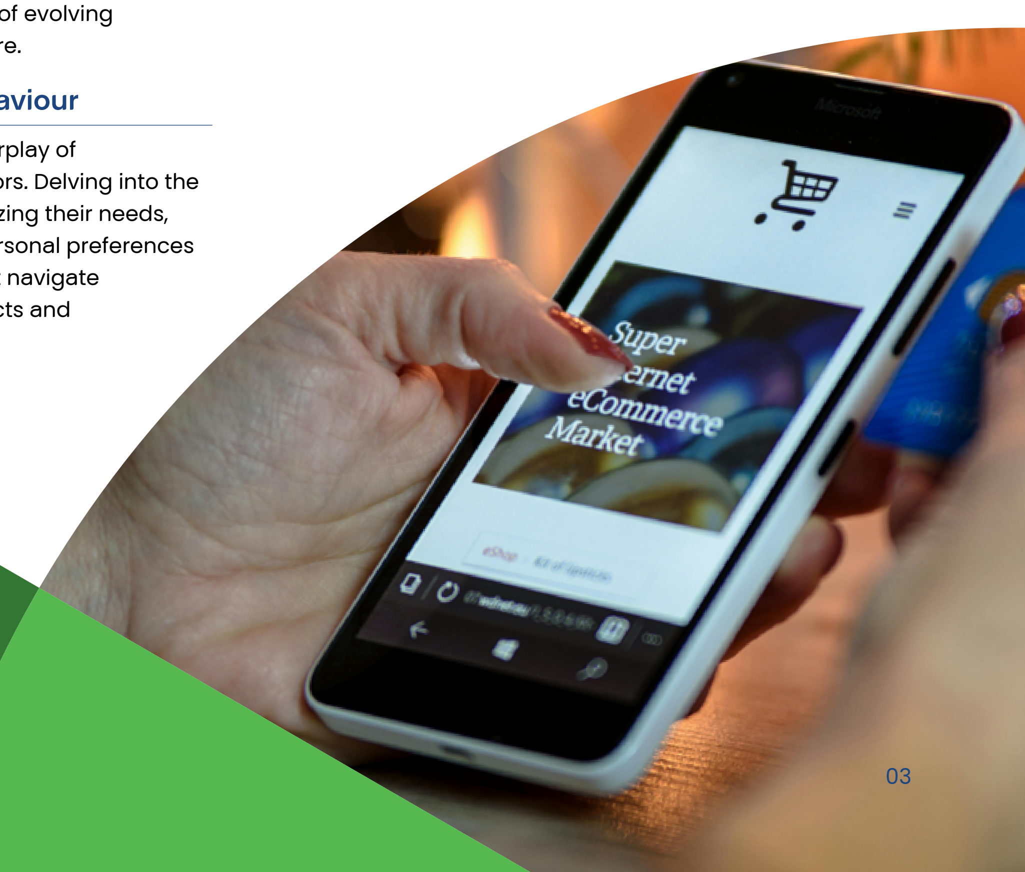
The journey from recognizing a need to making a purchase involves several stages. Consumers move through problem recognition, information search, evaluation of alternatives, the actual purchase decision, and post-purchase evaluation. Each stage presents an opportunity for businesses to influence choices through targeted marketing, personalized experiences, and post-purchase engagement.

Factors Affecting Consumer Behaviour

Personal, psychological, social, and cultural factors collectively shape consumer behaviour. Understanding how individual characteristics, perceptions, reference groups, and cultural contexts influence decision-making empowers businesses to tailor their approaches. By aligning with these factors, companies can build stronger connections with their target audience, fostering brand loyalty and advocacy.

Technology's Impact on Consumer Behaviour

The digital era has transformed how consumers discover, evaluate, and engage with products and services. E-commerce, social media, and technological advancements play pivotal roles in shaping consumer behaviour.



Businesses need to adapt, embracing digital strategies that align with changing consumer habits to remain competitive and leverage technology as a growth catalyst.

Data-Driven Insights for Growth

In the age of big data, businesses have unprecedented access to consumer information. Utilizing advanced analytics, companies can extract meaningful insights, predict trends, and understand customer preferences. Data-driven decision-making enables personalized marketing, targeted campaigns, and the development of products that resonate with specific segments, fostering growth through precision.

Building Brand Loyalty

Brand loyalty is the bedrock of sustained growth. Creating memorable customer experiences, employing emotional branding, and implementing effective loyalty programs contribute to cultivating strong, lasting connections with consumers. In an environment where choices abound, companies that prioritize customer satisfaction and loyalty-building initiatives position themselves for long-term success.

Adapting to Changing Consumer Trends

Consumer preferences are dynamic, influenced by societal shifts and emerging trends. Successful businesses stay attuned to these changes, embracing sustainability, responding to health and wellness concerns, and offering personalized solutions. Adapting to evolving consumer trends ensures companies remain relevant and resilient, capable of navigating the ever-changing market landscape.

Challenges in Understanding and Influencing Consumer Behaviour

While consumer behaviour provides valuable insights, businesses also face challenges. Information overload, privacy concerns, and shifting demographics present obstacles in comprehending and influencing consumer choices. Navigating these challenges requires a proactive approach, with companies continuously refining their strategies in response to the evolving landscape.

Conclusion

In conclusion, understanding consumer behaviour is not a static pursuit but an ongoing commitment to unravelling the ever-changing preferences of a dynamic market. Businesses that master this art unlock the key to sustainable growth, positioning themselves to navigate challenges, adapt to trends, and build lasting connections with their audience. In the pursuit of growth, consumer behaviour is not merely a consideration; it is the compass guiding businesses towards prosperity in a competitive landscape.

(This article was compiled by Shajan Abraham, Partner- Internal Audit division)

Key stats

87%

of shoppers now begin product searches online

82%

of consumers expect an immediate response to sales or marketing questions

80%

of consumers say the experience a company provides is as important as its products and services

75%

of consumers expect a consistent experience across every channel they choose to engage

Interview with **Mr. Deepak Dhawan,** Executive Chairman/Founder, Food Specialities Limited

Food Specialities Limited (FSL) was born in 1986. With little capital, high ambitions and a burning desire to succeed, Mr. Deepak Dhawan ventured out on his own into the food industry, and setup FSL. The first step on this journey was researching the food ingredients and agro commodity business. A momentous decision was to associate FSL only with the leaders in their respective fields. The Internet did not exist in those days and identifying and building relationships with the industry leaders was a time-consuming and demanding process which required constant travel from one continent to the other.

However, Mr. Dhawan persisted in this vision which eventually led them to achieve the mark they have in the industry today through associations with organizations such as DuPont/IFF, Agrana, Austria Juice, Citrosuco, AAK, Fonterra, Cargill, Blue Diamond Almonds, Valio, Almondco and various other industry leaders across the globe.

Today, in the juice, dairy, bakery, confectionery & meat sectors, there are over 300 successful products currently on the shelves where FSL has contributed to their development and launch since 1987. FSL also carved a niche for itself in the sectors of FMCG marketing, dairy and agro commodity trading and within the Foodservice industry. Committed to delivering excellence in customer service, FSL takes pride in adding value through consistently delivering innovative solutions catering to the evolving needs of today's consumers.

After spending 44 years in the Middle East food sector, Mr. Dhawan's vision of FSL remains unchanged – a world-class company built on a platform of utmost professionalism, integrity, and long-term partnerships. In an interesting interview with us, Mr. Dhawan spoke about his journey, his family, his values, and the food business.

1. The FSL brand was founded in UAE. What is the group's origin story? Talk us through your journey as a first-generation entrepreneur who achieves success in a tough and highly competitive field?

In February 1986, an American company that I was working for underwent a takeover. Unfortunately, the new ownership had no requirement for the Middle East sales and marketing operation that I was running. My boss at the time instructed me to close shop, leaving me without any means of livelihood. In that challenging moment, I reflected on my long-held aspiration to pursue entrepreneurship. Instead of immediately seeking another job, I took the decision to take a leap of faith and turn my longstanding dream into reality by building something of my own. This pivotal decision marked the beginning of my journey to establish FSL.

2. You are at the helm of one of the largest expat-owned businesses from India. What is your formula for success that has helped keep FSL at the top for decades?

Being a staunch believer in the traditional ways of life, I uphold three key fundamental values - diligent hard work, unwavering commitment to excellent customer service, and the power of collaborative teamwork.

These enduring values have served as the foundational pillars that have not only guided our journey but have been instrumental in sculpting the remarkable growth trajectory that defines FSL's legacy today.

3. You landed in the UAE during an era when few businessmen did? Take us through the journey from your early days and the thought process behind choosing UAE.

In the 70s, I frequently travelled from Bombay to the Gulf, averaging around four to five work trips annually. While covering all GCC countries, Dubai held a unique allure for me. Beyond its professional appeal, I found Dubai as a welcoming and desirable place to live in and call home. By the late 70s, I had also built few meaningful connections and formed some great friendships in the region, making it an easier & natural choice for me to make Dubai my permanent residence.

4. How much did UAE's ease of doing business help in moulding your decision to set up the UAE? Were there other deciding factors?

The UAE has consistently stood as a beacon for fostering a business-friendly environment, excelling in many areas like travel, ease of import and export of goods, or facilitating effortless money transfers. Recognising various such attributes, I concluded that the UAE was the ideal location for starting my business. The added advantage was the absence of language barriers—being new to the Arab world, my proficiency in English and Hindi provided a comfortable framework for both operating and residing in this dynamic and diverse region, adding another layer of positivity to my decision.

5. How are the current economic challenges in the region and the world influencing the food business?

Certainly, the region, like the rest of the world, grapples with economic challenges. But in the realm of the food business, we recognize a unique opportunity to make a meaningful contribution through embracing sustainability. FSL has dedicated substantial efforts to our CSR and sustainability programs which include the development of plant-based solutions. I take pride in sharing that our commitment has been acknowledged with awards, notably at prestigious forums such as the Gulfood Manufacturing Innovation Awards. This recognition reaffirms our dedication to pioneering sustainable practices in the food industry.

6. How do you balance life outside professional sphere with your business interests?

In life, finding a work life balance is crucial, and for me, it involves both relaxation and social contribution. Golf has been my source of relaxation for the past 35 years — a game that not only brings joy but also offers a form of exercise in the company of good friends. On the social front, the Rotary Club has been my avenue for giving back for over two decades. As a Rotarian, I've discovered it to be a powerful platform for impactful social service, enriching both my life and the communities we serve.

It's a matter of great happiness to me that both my sons are fully involved in running FSL. This of course gives me the comfort to take time off work and follow other interests.

7. Given the market turbulence, what in your opinion is the best way forward for your Group in particular and the food industry in general?

Fortunately, the food industry exhibits a notable stability, grounded in the universal necessity of sustenance. I'm particularly astounded by the remarkable growth of the food manufacturing sector in this region over the past 30 years. In the initial days, even a quality biscuit had to be imported in the GCC. Today, our region not only meets domestic demands but also excels in exporting high-quality finished products worldwide. Witnessing the transformation from a nascent industry to a mature one, producing top-tier products for global markets, highlights the impressive evolution of the local food manufacturing landscape over the last three decades. I expect this trend to continue in the future also.

8. Any parting words of wisdom for budding entrepreneurs who want to make it the UAE?

To all aspiring entrepreneurs, I would like to advise you to pursue your dreams with an unwavering determination. I strongly embrace the old saying, "the harder you work, the luckier you get," a principle that personally resonates with me. Luck has undeniably played a role in FSL's success. But being in the right place, at the right time, meeting the right people, has only happened through the persistent door-knocking.

Always remember, it's after facing all the "wrong place and wrong time" experiences, that consistent effort eventually leads you to finding the "right place at the right time". Stay persistent, and success will unfold through the journey of trials, learning and perseverance.

MEET OUR
TEAM MEMBER

Muhammed Sajeer

Sajeer is an Associate Chartered Accountant (ACA) from the Institute of Chartered Accountants of India.

He is a Manager in the External Audit department and has been working with PKF since 2015. Prior to relocating to Dubai, he spent three years in PKF Sridhar and Santhanam LLP in Chennai, India as an Article ship trainee. As Manager, he has overall responsibility for the audits including planning, programming, and supervision. He has knowledge of various sectors which includes retail sector, real estate companies, exchange houses, hospitality, and facility management sector. Sajeer likes to play badminton and watch movies. He also like to spend time with family and friends and go on road trips in his free time.

VAT, Corporate Tax and Excise Updates

The newly introduced Cabinet Decision No. 91 of 2023 (CD 91) provides that supply of specified electronic devices made between two UAE VAT registrants would be subject to reverse charge mechanism under UAE VAT provided declaration (stating usage of such supplies would be for the purpose of 'resell' or used in production of other electronic devices) is provided by recipient and received by supplier prior to date of supply of goods.

We have analysed the impact of recently released CD 91 on supplies involving Designated Zones (DZ) in UAE.

Supplies made within a DZ:

Article 51(5) of Executive Regulations (ER) provides for instances where Place of Supply in respect of supply of goods would be in DZ and therefore not subject to UAE VAT since DZ is treated as a place outside UAE for supply of goods purposes.

CD 91, however, is silent on whether the provisions contained therein would also be applicable to supply of specified electronic goods made in a DZ.

Supplies from Mainland territory of UAE to DZ:

Public Clarification (VATP034) released for CD 91 provides that supply of electronic goods where movement is from mainland territory of UAE to a location in a DZ would not be considered 'export of goods' – the guiding provision for the said taxability is provided in Article 30(3) of ER. Accordingly, such supplies would be subject to VAT under reverse charge mechanism to be accounted for by DZ recipient, subject to declaration being obtained by mainland supplier prior to date of supply of goods.

Supplies from DZ to Mainland territory of UAE:

CD 91 and its Public Clarification has not specified/clarified VAT impact with respect to transaction where movement of goods is from a DZ to mainland territory of UAE.

Interplay when transaction undertaken with incoterms as 'Ex-works'

Where the delivery terms of goods are 'Ex-works,' it typically signifies that delivery along with ownership of goods stand transferred from seller to buyer at the location of seller. In case of 'Ex-works' sale of specified electronic devices from a DZ Supplier to a Mainland Buyer where goods would be imported into Mainland territory of UAE from DZ, Place of Supply would be in DZ (therefore not subject to VAT) provided supplier retains official evidence that Import VAT has been applied [Article 51(5)(c) of ER]. If official evidence is not retained by supplier, then Place of Supply would be UAE and therefore the supplies are subject to VAT.

According to CD 91, applicable declaration is to be obtained and retained by Supplier before Date of Supply to enable him not charge VAT on Tax invoice to buyer. Under the given case, the dilemma for the supplier would be whether the supplies would be covered under the provisions of CD 91 or Article 51(5)(c) or both.

Whilst from the perspective of sequence of event, it is obvious that 'official evidence' can only be made available to seller by buyer once the shipment is cleared from DZ to Mainland territory of UAE. However, with respect to declaration as per CD 91, the same is required to be obtained before Date of Supply. Therefore, Supplier may not be able to decide whether supplies may fall under the purview of UAE VAT as per Article 51(5)(c) of ER at the time of sale. Accordingly, the supplier may end up obtaining declaration as per CD 91 (since such declaration is required to be obtained before Date of Supply) for such supplies whose Place of Supply is subsequently ascertained to be in DZ [therefore not subject to VAT as per Article 51(5)(c)] through obtaining official evidence.

Assumingly, that CD 91 is applicable only when Place of Supply is in UAE and not DZ (i.e. outside UAE), practically that also seems difficult to implement, considering the timing of the two documents, 'Declaration as per CD 91' to be obtained prior to Date of Supply whereas 'official evidence as per 51(5)(c) of ER' can only be obtained after sale of goods by DZ supplier. Therefore, at the time of sale, seller practically cannot prove through documentation whether sales made fall within the purview of Article 51(5)(c) and accordingly decide whether compliance of provision of CD 91 is indeed necessary in that case.

The implications would be different for situation where CD 91 will be applicable when Place of Supply is in Mainland territory of UAE and not in a DZ or CD 91 will apply irrespective of whether Place of Supply is in Mainland territory of UAE or in a DZ. This may lead to absurd applicability of provisions of CD 91, applicability of Import VAT under Box-6 or Box 3, requirement of raising a Tax invoice by supplier with VAT at 5%, corresponding Input VAT recoverability by buyer, etc.

Interplay when transaction undertaken with incoterms as 'DDP'

Under 'DDP' sales, unless stated otherwise, goods are delivered by supplier to buyer and risks and rewards of such goods are passed at the buyer's premises.

In a scenario where a supplier based in DZ makes 'DDP' sales to mainland customer then subject to Article 51(5)(c) of Executive Regulations (ER), import VAT under Box 6 will be accounted by DZ supplier who files the bill of entry. The DZ supplier would require declaration from mainland customer for not charging VAT on tax invoice as per CD 91, for which the Public Clarification already clarified that basis the declaration, customer is required to account for VAT under reverse charge in Box 3 of UAE VAT return. Perhaps, with this interplay between Article 51(5) of ER and Article 48 of DL, there may be a situation where supplier and recipient both need to account for VAT under reverse charge mechanism in respect of a single transaction – recipient in Box 3 (based on CD 91) and DZ supplier in Box 6 (based on filing of Bill of Entry), with the input VAT in both cases being recovered in Box 10.

In case where declaration as required under CD 91 is not received by DZ supplier, then the said supplier will account for Import VAT in Box 6 and recover corresponding Input VAT in Box 10. The DZ supplier will also charge VAT on Tax Invoice raised on Mainland Buyer, however Input VAT of such VAT would likely be not recoverable for Mainland Buyer basis CD 91.

To summarize, CD 91 has likely raised the compliance level with respect to maintaining documentation when it comes to supply of specified electronic goods. However, with similar provisions already existing in UAE VAT law when sale of any goods is made within/from DZ, the new provisions provided for under CD 91 seems to be an overlap for transactions involving supply of goods when made within/from DZ.

(This article was compiled by Mradul Gupta, Senior Manager and Megha Lohia, Assistant Manager, Tax Division)

Events and Happenings

New member firm - Vietnam

We are proud to welcome PKF-TTG as a new member of the PKF Global network. Established almost a decade ago, PKF-TTG provides an extensive range of audit, tax, valuation, and advisory services to its clients across various industries. The firm currently has offices in Hanoi and Ho Chi Minh City and is looking to enhance its presence throughout Vietnam by opening additional offices over the coming months.

Corporation Certification

PKF Antares, our member firm in Canada, has recently achieved the acclaimed B Corporation certification. This means that they've been independently endorsed as meeting a high standard of social and environmental performance.

OMAN UPDATE

Budget 2024 – Focus on Attaining Sustainable Development

His Majesty Sultan Haitham Bin Tarik for the year 2024 has approved his fourth budget under the Tenth Five-Year Development plan, focusing on the development under the Oman's Vision 2040 and maintaining balanced financial stability amidst the economic and geopolitical challenges faced by the world. The budget is prepared by focusing on financial, economic, and social stability.

The preliminary results of 2023 show an increase in the public revenue by 21.5%, registering OMR 12.21 billion when compared to 2023 budget estimates. Moreover, the public spending is expected to total OMR 11.28 billion, down by 0.6% when compared to 2023 budget estimates. The budget is expected to record a surplus of OMR 0.93 billion as compared to a deficit of OMR 1.30 billion estimated in 2023 budget.

The National Centre for Statistics and Information (NSCI) indicates that the GDP grew by 2.3% at constant prices during 2023 over the last year. The NSCI pointed out that inflation rate in Oman decreased to 0.6% by the end of November 2023 as compared with 2.87% over the same period in 2022.

In 2023, the key credit rating agencies upgraded Oman's credit rating and revised its outlook upward because of ongoing fiscal consolidation and higher oil prices.

Below is the snapshot of the key financial elements from the Oman's Budget 2024:

Sr. No.	Particulars	Amount (in OMR)
A	**Budgeted Revenue**	**11.010 Billion**
	(i) Oil Revenue	5.915 Billion
	(ii) Gas Revenue	1.575 Billion
	(iii) Current Revenue	3.455 Billion
	(iv) Capital Revenue & Repayments	0.065 Billion
B	**Budgeted Expenditure**	**11.650 Billion**
	(i) Defence & Security	3.070 Billion
	(ii) Civil Ministries	4.453 Billion
	(iii) Public Debt Service	1.050 Billion
	(iv) Investments	0.900 Billion
	(v) Contribution & Other Expenditures	2.177 Billion
C	**Budgeted Surplus/ (Deficit)**	**(0.640 Billion)**

*Budgeted average oil price per barrel @ $60

The country's economy has faced a series of financial challenges during the last few years. The drop in international oil prices due to a drop in worldwide demand, the increase in general debt to record levels, and the increase in borrowing costs have all had a detrimental influence on Oman's creditworthiness.

However, this situation has improved in the last 3 years with public debt to GDP ratio decreasing from 70% in 2020 to 35% by the end of 2023.

The proposed deficit is expected to be financed through external and domestic borrowing of OMR 0.24 billion, and the balance of OMR 0.40 billion shall be drawn from reserves. The Government does not intend to borrow nor withdraw from reserves to finance the 2024 budgeted deficit in the scenario of an increase in public revenue on account of the oil prices resulting in a fiscal surplus. However, the Government may borrow to replace high-cost loans with lower cost loans.

The budgeted non-hydrocarbon revenue in recent years reflects the Government's dedication to reducing reliance on hydrocarbon earnings over the long term. Additionally, the optimistic estimation of non - hydrocarbon revenue in the 2024 budget relies on the expectation of increased tax and fee incomes due to economic recovery.

The current year's budget has been prepared based on the following economic and social development objectives:

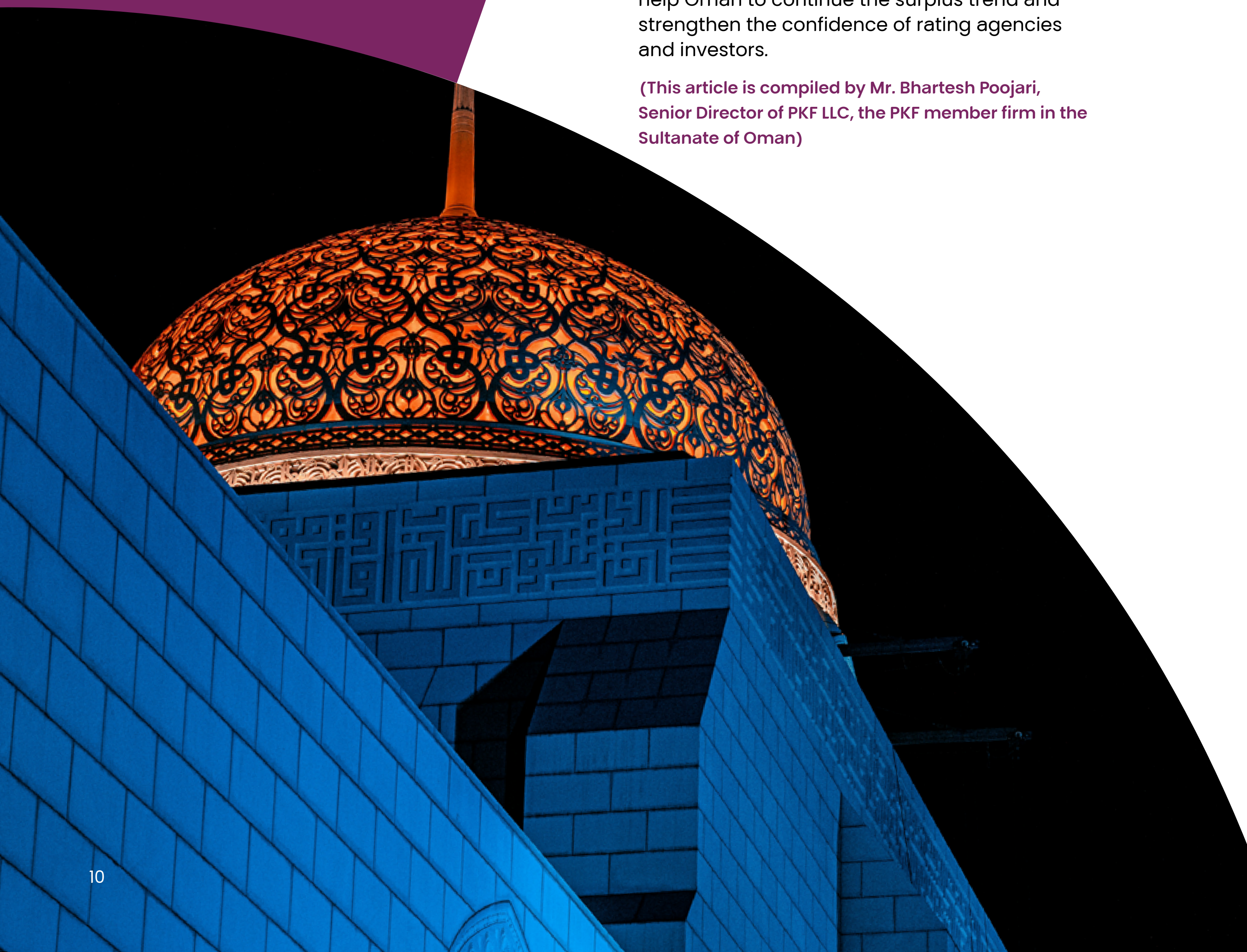
1. Financial sustainability.
2. Economic growth of at least 3% at constant prices during 2024.
3. Maintaining inflation rates at moderate levels, around 3%.
4. Continue to enhance the business environment, streamline procedures, and create an attractive and stimulating investment climate.
5. Enhance the role of Development Bank in financing value-added projects.
6. Operating in Oman Future Fund and starting its financing activities.
7. Maintaining the level of spending on basic social services provided by the government such as health, education, and social security.
8. Supporting governorate development programs, regional competitiveness, and development of income-generating sources of governorates.
9. Continue the implementation of national programs.

The Government recognizes the following as potential Financial and economic risks for the 2024 budget:

1. Geopolitical tensions
2. Oil price volatility
3. Global Inflationary pressure
4. Higher interest rates on borrowings
5. Climate change and natural and disasters.

It must be noted that the budget has witnessed a surplus during the year 2022 and 2023 compared with the previous years (2017 to 2021). This is from the efforts made by various government units in controlling spending, coupled with the measure to raise spending efficiency and increasing non-hydrocarbon revenue. Such measures will further help Oman to continue the surplus trend and strengthen the confidence of rating agencies and investors.

(This article is compiled by Mr. Bhartesh Poojari, Senior Director of PKF LLC, the PKF member firm in the Sultanate of Oman)



FREEZONE OFFSHORE UPDATE

New Federal Authority for Commercial Gaming & Lotteries

The United Arab Emirates (UAE) has announced a new federal body to supervise and steer the sectors of commercial gaming and lotteries. This newly established General Commercial Gaming Regulatory Authority (GCGRA) symbolises a significant step towards implementing a regulatory framework for the latter industries. It named Kevin Mullally as its CEO. Mullally once served as the executive director of the Missouri Gaming Commission, which oversaw that U.S. state's riverboat casinos.

This announcement comes shortly after the unveiling of a $3.9 billion gaming resort initiative in the emirate Ras al Khaimah (RAK) that is in the process of obtaining its commercial gaming license. This news isn't simply an advancement for one of the world's most expansive gaming establishments, it underscores the UAE's broader gaming aspirations, once believed to be concentrated solely in the RAK area.

The GCGRA's roster is replete with globally recognized experts who are deeply familiar with the best standards of gaming industry regulations.

While the operational helm of GCGRA is in Abu Dhabi, the sovereigns of the seven Emirates retain the discretion to either permit or restrict commercial gaming in their territories.

As stated by the Emirates News Agency, a foremost goal of the GCGRA is "to create a socially responsible and well-regulated gaming environment, ensuring that all participants adhere to strict guidelines and comply with the highest standards."

Additionally, the Authority will harmonize and direct regulatory measures, handle national licensing, and support the sustainable economic expansion of the commercial gaming sector.

Casinos remain rare across most of the Middle East as Islam forbids it. However, casinos operate in Egypt and Lebanon. Adding casinos in the UAE could help boost its profitable tourism industry — and help regain the Chinese travellers it lost during the coronavirus pandemic. Bloomberg has estimated the UAE could bring in $6.6 billion in gaming revenue annually, potentially surpassing Singapore.

(This article is compiled by Chaitanya Kirtikar, Associate Director, Structuring Services Division)

Did you know?

Achilles Heel

The goddess Thetis conceived Achilles with Peleus, King of Phthia. To make her son invincible and invulnerable, Thetis dipped her young son in the river Styx, the river of the Underworld. The only part of Achilles' body which remained vulnerable was his heel: because Thetis was holding the infant boy by that part of his body, it wasn't submerged in those magic waters. So, Achilles was invulnerable in battle – but his heel remained vulnerable to attack. Achilles was killed by Paris with a poisoned arrow right at that region. This mythological passage rose the expression "Achilles' heel" widely used when referring to the weak point of a person or object. Achilles' heel is the part of the person that can be most easily wounded, either physically or emotionally. It often isn't an obvious or recognized place to be hurt, but it is enough to cause damage.

Sandwich

The name was adopted in the 18th century for English nobleman, John Montagu, 4th Earl of Sandwich who was too busy gambling to stop for a meal even though he was hungry. Legend goes that Sandwich ordered that sliced meat and bread brought to him at the gaming table on one occasion so that he could continue to play as he ate. He apparently had the meat put on slices of bread so he wouldn't get his fingers greasy while he was playing cards. And from that incident, we have inherited that quick-food product that we now know as the sandwich.

RANGE OF SERVICES

Audit, Assurance & Advisory

- Statutory audit
- Other assurance services including Agreed-upon Procedures
- Compilation of financial statements
- Agreed-Upon Procedure for RERA
- Unified In-Country Value certification (ICV) for ADNOC, ADDED, Aldar, Abu Dhabi Ports, ENEC and Mubadala
- Training, consulting, and implementation of IFRS
- Internal audit including compliance for DFSA and ADGM regulated entities
- Enterprise risk assessment
- Internal control review
- Risk management review
- Finance and Accounting Procedures Manual
- Business process review
- Due diligence reviews
- Forensic and other investigations
- Delegation of authority matrix
- Information technology / cyber security review

Corporate Finance

- Financial due diligence
- Market analysis and feasibility studies with financial forecasts
- Business & share valuations
- Identification & valuation of intangible assets on a business acquisition (purchase price allocation)
- Impairment reviews
- Preparation of Business Plans and Information Memoranda
- Fund raising
- Advice on partner/share holder entry/exit
- Review of financial models
- Sale of business

Business Process Outsourcing

- Book-keeping and accounting services
- Payroll and HR management and processing
- Confidential processing of payroll
- Short term placement of accounting staff
- Outsourced accounting & payroll services for DIFC companies
- Fixed asset management
- Inventory verification and reporting

Structuring Services

- Entry strategy
- Free zone, mainland, and offshore company formation
- Company liquidation / de-registration services
- Registered agent and registered office services
- Company re-domiciliation / migration services
- Visa services (application and renewal)
- Conversion of mainland LLCs to 100% foreign ownership
- Identification of local agent for mainland professional licenses
- Succession planning
- Statutory compliance services for UAE based entities

Tax Advisory and Compliance

- Tax Advisory Services
- VAT and Excise Tax Implementation support
- VAT and Excise Tax registrations, amendments, and deregistration
- Assistance in preparing and filing of VAT and Excise Tax returns
- Diagnostic reviews and health checks for VAT and Excise
- Represent / liaison with relevant authorities on taxation matters
- Tax Agency Services
- Assistance in evaluation, preparation & filing of reports under UAE ESR & CbCr regulations
- Cross-Border tax advisory
- Tax due diligence
- Training on tax matters

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