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KONNECT GLOBAL

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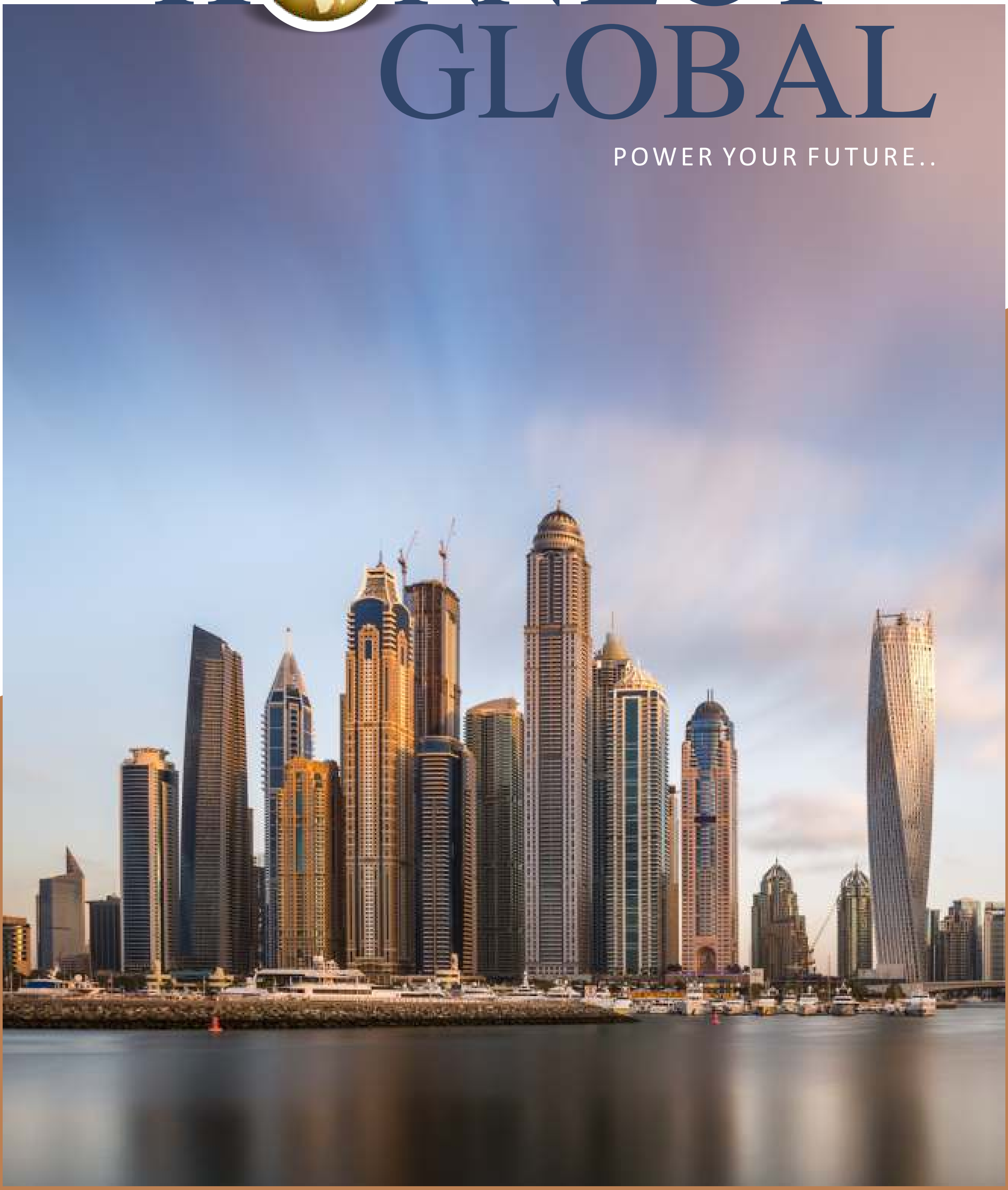

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Kothari auditors & accountants

GBS Global Business Services DMCC

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Director's Note

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The 5% VAT in January 2018 fortunately impacted non-oil economy only moderately, which had shown signs of an upward surge at the end of 2017. The demand from the domestic market aided its expansion, though the non-oil PMI did show a relative decrease in the month of February due to its decrease in output growth. Also, the hydrocarbon sector shows no sign of being affected from the high oil prices, even with all the limitations imposed by the OPEC agreement to lower oil production. Standing tall the oil revenues will aid government expenditure in 2018. Also, the construction industry will see heightened revenues as there will be notably more infrastructure expenditure with Dubai playing host to 2020 World Expo.

The value-added tax in January greatly impacted and further pushed the inflation from 4.0% to a high of 4.6% in the Middle East. This resulted in price rise in Saudi Arabia, the United Arab Emirates, Tunisia, Bahrain, Qatar and Lebanon to name a few.

Hope lies with the public sector which could greatly aid in the increase of the non-oil economy in 2018. With the 2020 World Expo there will be a definite boom in tourism and more so in Dubai. GDP likely to surge by 2.8% during 2018 and by 2019 we are looking at an increase of 3.3%.

Resisting all the economy downside, the UAE is still standing tall as compared with the GCC last year. Therefore, it would be safe to say that UAE is bouncing back and marching forward looking at a 3.4% increase in GDP during 2018.

2018 to be a Landmark Year for the Economy of Dubai

Dubai's economy is on an upswing this year with a direct correlation to the travel and tourism industry. The infrastructure investments and the government spending also play a vital role in this economically strong landmark year.

Dubai leads the competition in the hospitality sector providing its customers the best options and catering successfully to their preferences. Hence, the Tourism industry with its vision for the year 2020 depends primarily on the hotel industry leading its figures for its growth.

After a slow quarter at the end of 2017, the travel and tourism industry in Dubai picked up pace and the results were evident by the PMI data survey that showed an increase in February 2018.

The successful surveys carried out indicate a healthy expansion in the business options and the business options were also responsible for the improvement in the non oil sector in Dubai.

There are no major changes seen in the employment sector this year. The travel and tourism industry saw a downfall in jobs with the only solace being wholesale and retail firms.

New businesses tend to influx the Dubai economy and have showed an increase since last August. Most of the credit can be attributed to the travel and tourism sector where the demand from all sources (domestic and international) played a vital role.

With the 2020 World Expo round the corner economists see no reason for any decrease in the tourism sector.

The next 10 years are going to be the best for Dubai prime reason being infrastructure investments. Dubai will reap the benefits of its investments in the infrastructure and transport sectors which has successfully placed Dubai in the third place.

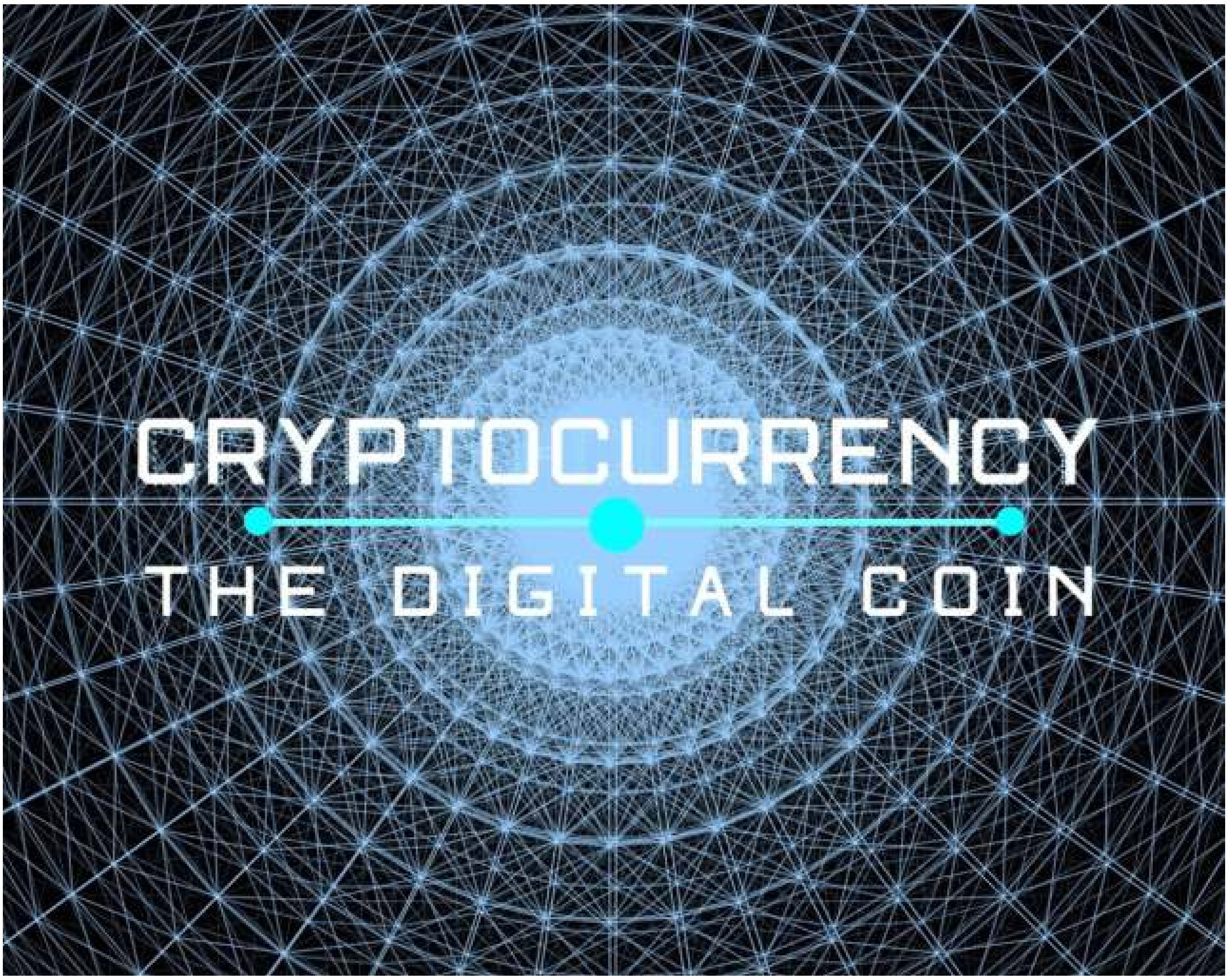
Also Dh15 billion is estimated to be spent in preparation for the 2020 world expo to be held in Dubai. The budget has been set for the years until 2020 and the roads and transport will be majorly altered for this mega event.

The aluminum and metallurgy, machinery and equipment, consumer goods, aviation, maritime, pharmaceutical and medical equipment are the 6 major industrial sectors which will play a vital role in the economic transformation until 2030.

The upward projection for the Dubai economy is predicted at 3.5% in 2018 owing to its global trends and diversification.

Expo 2020, the implementation of the Dubai Industrial Strategy 2030 and the Dubai 2021 Plan will play a major role in influencing the growth in Dubai in the coming years.

UAE Banks Put a Stop to Online Crypto Currency Trading



UAE banks have put a stop to online crypto currency trading.

The compliance department keeps a strict vigilance check on any online money transferred or any such transaction carried out by individuals.

Though trading done with licensed brokerage companies is still legal and allowed. Bitcoin and Ethereum were trading with mutual funds and foreign shores legally.

Another effective method to stop crypto currency is to ban the use of credit cards. The bigwigs like Citibank, Lloyds and Bank of America who have branches in the UAE have been successful in curbing the crypto currency trading in this way.

This was further reinstated by clear instructions to the employees to not allow transactions via bank accounts related to any crypto currency.

This practice resulted in less unsecure payment methods and stopping crypto currency trading was a more secure method to protect customers.

Crypto currency may breed frauds and payments outside banking system and the banks did not want to be held responsible for any such transaction.

Though investors are finding it difficult to trade and to convert crypto currencies to digital currencies, but they are not resorting to using secure methods like Paypal or credit cards of certain banks due to high fee charges.

Panama and Dubai Strengthen Ties

Technology has changed trading and now only sky is the limit. There is a desire to trade with the Middle East and to strengthen ties between Dubai and Panama. This would open Latin American markets and help them enter Dubai, through the UAE, which would further help Latin America get a foothold with firms in Africa, India and Asia.

With new technology there are more avenues and improved connectivity between continents. New flights operating from Panama to Dubai will help build easy bridges between Latin America and the Middle East.

Panama is a hub for Latin America and successfully connects to over 78 cities all over America. Similarly, Dubai is a hub for the Middle East, South East Asia and Africa.

Hence Dubai will be a good link for Panama for trading which is why Panama is participating in the 2020 Expo and at the moment is expanding their embassy in Dubai.

Panama and Dubai links are very similar and while the air connectivity provides 30% of Dubai's GDP, Panama is also growing fast.

Similar to the Dubai, Panama wishes to change its visa policies by giving easy access to travelers. Initially, before Panama had a relationship with China, there were visa restrictions in entering Panama. For which there were visa offices made accessible in Beijing, Shanghai and Guangzhou. Now the visa expectancy is about 30,000 to 100,000 visas in the future. Panama wants to adopt visa policies from the UAE. Hence Panama is looking at relaxing visa policies for India and GCC countries.

With increasing tourism the President also felt he could help enhance food security in the Middle East.

The agro industry has great potential and ships that go back to Asia from the east coast of the USA are not justifying the space and are 50% empty. Hence food can be exported and sold at a lower cost.

Panama is trying all means to attract international business.

Efforts are been made to curb corruption and protect jobs and economic diversification. The financial sector was the biggest grosser for Panama's GDP.

The canal was expanded with the profits that came in from the Panama Canal which was about $15 or $20 billion in the last 18 years.

The canal also supported housing and education and now Panama ranks 50th on World Economic Forum's Global Competitiveness Index for 2017-18, compared to 17th for the UAE.

The Panama is looking into filling in the long haul flights from Panama to Dubai and is trying to find a solution.

But it will be a major task as there are over 13 governments required for the code-sharing permission for the 17 hour 35 minute flight.

Everything is falling in place for Panama since the last two years. The relationship with China has been established, visa policy for India has changed and Panama is getting closer to some countries in Africa.

So, one stop needs to be defined for the flight to come to Panama, it will be a Dubai to Latin America flight via Panama.

The EU
Securing its Market Before Brexit

The European Union is gearing up in preparation to create a more reasonable capital market due to losing its financial hub (Britain).

The Brexit is forcing the EU to set out its 'capital market union' (CMU), a project that focuses on cutting down on company funding on bank loans.

The Brexit will bring about a lot of changes, with a 'single market for capital need' to be its priority.

The elections for the EU assembly is coming up next year. They will need to get ahead of themselves.

There are going to be a lot of changes and with that the relationship between most financial sectors and the EU remain unclear. March 2019 has been decided when Britain leaves the EU.

The EU proposals include rules for the bond market where a 2.1 trillion euro (Dh9.50 trillion; $2.6 trillion) sector who successfully give funds in countries like Germany and Denmark.

There have been 12 proposed measures to create a CMU, but unfortunately only 3 have been adopted so far making the whole cause dubious.

Two thirds of the EU markets account for the four largest markets and some of them cover none of the bond markets. Therefore a more unified approach could save the EU from billions of Euros annually.

The investors are hence reassured with clear definitions for covered bonds and will clearly define its supervision with clear rules.

The clear funds distribution will save 440 million Euros yearly in costs if the proposed measures are implemented.

A fund managed will be stationed in Milan to offer funds in Riga without any compromise on investor protection.

Invest Europe which offers private equity and venture capital says the new proposals will make it harder to raise cross border capital. Hence this will create difficulties in negotiating deals where the fund managers will not be able to share draft marketing materials with the investors.

VAT
will not Justify Price Hikes

Value Added Tax (VAT) is not a valid justification for hiking up prices as stated by the Department of Economics (Abu Dhabi).

The department officials clearly stated any price hike should be justified by the retailers.

Post VAT implementation there were a series of complaints filed by customers that some outlets were overcharging in the name of Value Added Tax.

If every price hike could be justified by the outlets then it was acceptable by law, not otherwise.

There will be surprise visits and checks to ensure that there is no violation and any price hike is justified.

There were proactive checks before VAT was introduced and regular visits are being carried out at outlets and retailers to ensure the law is not being misused.

There have been regular enquiries (almost 300) since VAT was introduced, all were mostly related to how VAT was applied in different sectors.

Profiteering is an illegal practice as per the law in many countries, hence the Department of Economics warned retailers to refrain from malpractice.

VAT has been said to be an indirect way of collecting tax and hence it does not cost the company which means the retailers should not be overpricing in the name of VAT.

Hence, VAT is easily recoverable for most retailers and they can claim it as their output VAT so it does not affect their profit margins in any way.

UAE authorities are keeping a strict vigilance on any unjustified price hike.

If any company international or local wishes to increase their price, they can do so, but it should not be because of VAT.

There are certain companies which will not be charging its customers any VAT this year. They clearly want to hold on to their customers and not lose them or discourage them from buying essentials from them.

Though analysts are saying that this is only to lure customers, but if tax is levied it will greatly impact the UAE market which has mostly been tax free.

VAT Needs to be Reviewed for the Gold Jewellery Market

The gold jewellery retailers will heave a sigh of relief if a 5% VAT is not levied on gold jewellery. If the government approves the proposal by the Federation of GCC Chambers of Commerce and Industry, it will greatly impact the consumers and the retailers.

It should either be exempted or should be charged on the making charges and not on one piece so as to reduce the cost as proposed by the gold jewellery retailers.

The proposal has been forwarded to the GCC General Secretariat to do a complete research on VAT levied on gold jewellery.

The sale of gold jewellery declined since January 1 2018, as 5%VAT was levied by UAE and Saudi Arabia.

Before the implementation of VAT prices of gold jewellery spiked, but as soon as it was implemented they plummeted, though this was touted as being beneficial for the gold jewellery industry.

At the moment the consumer is bearing the 5% VAT levied on gold jewellery, but this proposal will definitely benefit consumers who buy gold jewellery frequently.

The GCC Chambers has proposed to review the 5% tax levied and the retailers are extremely happy with the benefits as any revision of policy will encourage consumers. The GCC Chambers of Commerce and Industry is conducting surveys to compare VAT implications in the neighboring countries and will hence take the required action.

This will definitely impact the gold industry in a positive way along with the retail market and will again bring UAE in the top bracket as before for jewellery buyers.

However there were concerns too that the other industries would demand a cut in VAT as well.

Though the market picked up in December, just before the VAT was levied in January, it did not do much to save the market. The fourth consecutive year saw a steep decline of 42.8 tonnes.

VAT Deadline Extended and Penalties Exempted

All UAE businesses were to register for VAT with the Federal Tax Authority (FTA) before December. Fortunately they were exempted from penalties for a few months, even if they had missed the deadline.

The new extended deadline to register for value-added tax (VAT) was before 30th April as given by the FTA to avoid any penalties or fines.

The companies that missed the deadline were of a smaller scale or branches of their foreign counterparts.

An FTA meeting also covered and reviewed the results of the tourist refund tender as this system covers most shops and outlets.

The result of introducing and implementing the VAT has been satisfactory and has yielded good results from all businesses and sections of society. The model by the FTA has been accepted and there has been an increase in the compliance ratios with easy electronic registrations.

The businesses which would benefit the most from this relaxation would be sectors which did not register before December 4, 2017 or will be doing so now.

These businesses were free zone companies who were expecting some tax relaxation or exemption which is why they could not register before the December 4, 2017 deadline.

There have been over 260,000 companies that have registered for VAT, the ones who have not registered cannot bill or invoice their customers or collect VAT. Therefore they are gaining time and getting more compliant with VAT before they register for VAT.

There is a penalty of Dh20,000 for companies that do not register for VAT under the Federal Law No.7 of 2017. There are approximately 350,000 companies expected to register for VAT which will yield a turnover of Dh375,000 yearly.

Though it was huge relief for SMEs who could not register for VAT since the deadline was extended and the penalty was called off.

This decision will not impact the tax filing in any way as only administrative penalties for not registering for VAT had been extended until April 30, 2018.

The VAT filing deadline has been extended from one to three months for some entities which has been of a great help for the smaller businesses. Though now they should file by the timeline given by the FTA.

This decision would encourage small businesses to comply as they previously faced issues due to not being prepared.

The FTA did advise all businesses to now follow and comply with the given deadlines and file returns within the stipulated time period since there are no penalties levied until April 30, 2018.

FTA Signs MoU with The Central Bank of the UAE

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FEDERAL TAX AUTHORITY

The Federal Tax Authority signs a Memorandum of Understanding (MoU) with The Central Bank of United Arab Emirates to aid in collecting tax through a Funds Transfer System. This will cut down on the processing time between banks and will take place in a timely manner.

The FTA has issued a GIBAN (Generated IBAN) to registered users so that the UAEFTS can proceed with the tax payment. This is systematically followed using the TRN of the person and the unique identifier code 868 of the FTA.

For remission of the tax the CB103/CB102 is used to process and accept the payments.

Essentials required for CB102/CB103 that will need to be provided by the taxable entity:

- Purpose of Payment [TAX / GRI]
- Amount to be Paid to FTA
- GIBAN [The IBAN representation of the TRN of the Taxable entity]

Visa Woes and Worries for Employees in the UAE

Employment benefits are calculated as per Article 132 of the UAE Labor Law. The end of service benefits are calculated and given as 21 days' pay for the annual year if the employee has completed less than 5 years in service. But if the employee has completed more than 5 years in service his end of tenure benefits are calculated at 21 days' pay for each annual year of the first five years and 30 days' pay for each additional annual year, this should not exceed his two year's pay.

The article also states that the employee is entitled to remuneration if he has been in the same service for a year and over. Leave without pay is not entitled to be calculated in this calculation and will be calculated as above.

It is also to be noted that the end of employment benefits are based on the basic salary of the last salary drawn without any allowances.

There are certain legalities to be followed while cancelling an employee visa. The employer does not have the right to

cancel the visa if the employee is out of the UAE. Therefore the employee has to return to the UAE with his original passport to cancel his visa.

If the employee has been out of the UAE, the employer holds the right to cancel the visa if he produces all the relevant documents and in this case the original passport would not be required and neither the employee needs to be in the UAE in person.

The DIC Expansion

An Innovation Hub will be launched to attract more businesses, as Dubai Internet City (DIC) has reached exhaustion.

As new ventures and businesses will come up at the Innovation Hub 15000 more jobs will be created in different fields (AI, IoT).

The Innovation Hub is located next to DIC, Knowledge Village and Media City covering 1.8 million square feet. It will open doors in the fourth quarter of 2018 gearing towards a whole open set up from 2019.

There will be a mix of big as well as small businesses with about almost 60% being small medium enterprises (SMEs).

Currently DIC caters to 1600 tech firms with 24,000 employees from over 150 countries. Once the Innovation Hub open doors the DIC will have 40,000 employees.

There are 11 innovation centres which are part of the DIC including Visa, Accenture, Samsung, Microsoft, SAP, 3M, Canon, Cisco, MasterCard, Huawei and Oracle.

Small enterprises will come into existence and develop in 2018-2019, but few will also exit the industry. This expansion will see more international companies mainly from China.

Dh7.8 billion in funding has been raised by companies in the free zone since the year 2000.

The DIC has been active as a lucrative platform for investments and has successfully placed in on an international platform. December 2016 saw billion dollar startups and Careem's entry into this venture. The company also raised Dh1.5 billion from Saudi, Chinese and Japanese investors.

This platform provides global exposure and a friendly environment for all multinational companies bringing them to work together.

Now the focus is to support AI, blockchain, drones, AR and VR and e-commerce companies.

There is a 15% annual growth in internet usage in the Middle East. This market is seeing a constant and consistent growth, with the gaming industry at 25% which is the highest in the world.

The Innovation Hub will automatically attract businesses and will result in creating new business opportunities. For example, The Silicon Valley, which began approximately 20 years ago and started small, but eventually grew into a big entity. A similar vision is envisioned for the UAE.

The UAE is also laying importance on higher education and working towards it. So these graduates can become entrepreneurs and a part of this ecosystem.

This platform will strengthen global and regional innovation of Dubai and attract businesses from all over the world, eventually creating a 'made-in-Dubai' platform.

The innovative infrastructure and this fantastic strategy will further test and create products creating a virtuous cycle to ensure Dubai's growth.

The Ajman DED Collects CSR Fees for License Renewal

Ajman collects a renewal fee in addition to Corporate Social Responsibility fee from companies and establishments which needs to be paid to renew commercial licenses.

Cabinet Resolution No. (2) of 2018 has been put in place to distribute the CSR fees of Dh500 which is collected from the companies.

The National CSR Fund has been formed as a federal administration entity which organizes contributions for program developments in the country.

The CSR program has been active since March 1, 2018.

The CSR is an important part of the public and private operations. The implementation of this program will change the social responsibility of the UAE and will become an integral part of the country.

The CSR connects Ajman-DED and all the other operating businesses in the Emirates. It successfully contributes in developing and sustaining various sectors in the UAE.

Dafza's Role in Supporting the Economic Diversification of the UAE

A 7 percent contribution was made by Dubai Airport Freezone Authority (Dafza) to the non-oil trade in Dubai, as their assets and licensing revenues had increased. There was a marked increase of 25% in their registered companies as compared to 2016. There was again a growth seen in 2017 where assets grew by 2% and there was a 16% growth in the licensing revenues.

Even its other revenues (which were almost 18%) which includes licenses and government services showed an increase in 2017.

The demand for freezone business solutions increased and was hence adapted to meet global requirements in the Middle East, Central Asia and Africa.

The credit of increase in foreign companies was directly given to initiatives and plans which were focused on increasing foreign direct investment income. New tenants' revenue comprised of almost 8% of the total revenue in 2017.

These results greatly exemplify Dafza's role in economic diversification and trade boost in the country.

Dubai 2021 plan and this strategy coupled with the government's plan of moving into the post-oil phase all falls in place together and is successfully backed by the government diversification policies.

There was an increase of 13% in the registration of multinational companies, which were now almost 36% of the companies in the freezone.

The Authority's plan greatly supported the growth of Small and Medium Enterprises (SMEs) which successfully rose by 27%.

28% of the total companies registered within Dafza were within the information and communications technology sector.

The other sectors comprised of shipping, logistics, aerospace and related services which were at 8%, consumer products sector was at 10% and investment and business sectors comprised of 9%. The food and beverage sector comprised of 7%.

The different countries operating comprised of Asian companies which were 17%, Middle Eastern and Gulf companies were 43% of the total companies operating from there and 34% were European and American companies.

During this expansion Dafza also inaugurated its initial industrial expansion project.

The third quarter saw the launch of the Dubai CommerCity which was a Dh2.7 billion project; this venture was a collaboration between the Wasl Asset Management Group and Dafza to further expand.

The Rollout of the e-Way Bill for India

April 1, 2018 was finalized for implementing The Goods and Services Tax inter-state e-Way Bill as stated by the Finance Minister.

Implementing the GST will require new way of filing the ITR. Hence the current system of filing GSTR 3B and GSTR 1 will be extended for the next three months until the new process comes in place.

Tax emption benefits were also extended by another six months and also the implementing of the reverse charge was deferred and extended by three months.

The e-Way Bill came in place from April 1, only for inter-state transport of goods. The intra-state rollout was after a week and in phases in four different state groups.

This will be implemented in the entire country in phases and each group will come under the radar and special efforts will be made to keep it in check. But by the end of May every state will have to ensure its implementation.

At the February 24 meeting it was a joint decision that April 1 be mandatory for implementation of the inter-state goods rule.

All good valued over INR 50,000 will need an e-Way Bill under the GST scheme to transport goods.

There were a couple of modules discussed to simplify the return filing process but the tax department is adamant that no one should be able to avoid it. The discussions did not yield any concrete decision even after several meetings and discussions.

The current system has been extended by three months. They are trying hard to simplify the monthly filing of returns and also trying to avoid any evasion in this context.

There were further talks with the Information Technology experts to come up with a simple process to file taxes and how it can be successfully implemented.

Now the tax on reverse charge basis has been removed until June 30 and a group of ministers are looking into the matter to avoid any inconvenience.

The provisions for deduction of tax and collection of tax at source were also removed until June 30.

The state and central governments accounting system needs to be linked with the GSTN so that the process can be carried out smoothly for the registered traders.

The tax consultants will be consulted and only after a consensus decision on returns will be taken. This extension will be a relief for certain industry bodies.

To avoid glitches and problems there should be a thorough and extensive test before the implementation of the e-Way Bill.

Mice Alludes VAT

The meetings, incentives, conferences and exhibitions (MICE) industry executives and tax experts are of the opinion that the UAE Cabinet's decision to refund value-added tax (VAT) to the industry will help Dubai maintain its competitive edge and its global position.

This will also provide more funds for marketing and encourage patronage from more foreign companies and business tourists to UAE's year round MICE events.

Thus trimming costs for promoters and international associations, on the other hand letting local players give more proposals for big international events, which in turn will boost the existing exhibitions and conferences portfolio and encourage new events.

This is a landmark decision for the industry and will help the industry grow its market share and compete better will leading MICE destinations such as Las Vegas.

In the circumstance of the client not having a permanent establishment or place of establishment in the UAE, is unregistered (or registration is not required) and has not been paid VAT for events held under a license from a capable local authority in the UAE can get a VAT refund within a maximum of 7 days.

With multiple events round the year UAE has 50% share of the GCC MICE industry with a Dh2.39 billion annual contribution with expected growth to Dh5.1 billion by 2020.

Compromising of Abu Dhabi National Exhibition Centre and Al Ain Convention Centre, Adnec Venues in 2017 hosted 442 events saw over 2.08 million visitors while showing a 36% growth from 2016.

On Adnec's contribution the emirate's economy grew to Dh3.9 billion, 26.66% more than the previous year's Dh3 billion while creating 22,300 jobs.

Moving up 161 places in 3 years, from 234 in 2012, Abu Dhabi was in the 72 position by 2015 in the International Congress and Convention Association.

Annual exhibitors show 10% growth with the Dubai World Trade Centre hosting 353 Mice events in 2017 with an yearly growth of 18%. Of the 3.3 million people who visited the DWTC last year, 1.1 million were foreign business travelers. 133 exhibitions other than Mice events including some of the region's largest expos are planned for 2018.

Sharjah hosted around 20 exhibitions last year. Reduction in rates will improve the UAE's competitiveness since they determine the exhibition's success. Comparatively, Exhibition costs around Dh10 per sq.mtr in Sharjah, Dh17 sqm in Abu Dhabi and Dh32 per sqm in Dubai. Low rent attract more exhibitions.

Kuwait – Excise Tax On, No Vat Till 2021

Kuwait is ready for excise tax on certain products such as tobacco, energy drinks and carbonated drinks whereas value-added tax (VAT) is put off till 2021.

Pressurized by falling oil prices, beginning of this year, along with Saudi Arabia and the UAE, the 6 wealthy Gulf Arab oil-exporting countries had initially agreed on introducing 5% VAT.

Due to varying domestic political resistance possible negative repercussions on consumer spending and the technical difficulties involved no official date has been announced by the other 4 countries.

Despite of the cabinet officials demand for effective taxes and spending reforms, with the region's most commanding parliament Kuwait's budget committee's insistence to postpone VAT, it looks like a done deal.

CONSIDERABLE REVENUES

As per the International Monetary Fund (IMF), its expected that the implementation of VAT in the UAE will bring in 1.5 % of the gross domestic product (GDP), an impressive figure.

But the last several months have seen soaring oil prices and with Kuwait's already sturdy finances there is no rush for additional income on their behalf.

Though excise tax on tobacco and sugary drinks will bring in less income compared to VAT, the Gulf governments have jointly agreed to it.

UAE
The New Global Arbitration Hub

Legal experts believe that the eagerly awaited new 'Federal Arbitration Law' will push the UAE into being the most sought after international arbitration venue in the Middle East and North Africa region.

The new self-standing arbitration law of 61 articles is aligned with international best practices and standards and as per the United Nations Commission on International Trade Law [UNCITRAL] Model Law and over throws all former laws governing arbitration in the UAE.

In recent times, the Federal Law No. 6 of 2018 on Arbitration in Commercial Disputes is claimed as one of the most important and awaited law reforms. The UAE's implementation of same was applauded by businesses and the international arbitration community. It will come into effect 1 month post publication in the Official Gazette which is expected to happen soon.

This new law assures increased certainty of outcome within a recognized international framework for conflict resolution, further assuring and benefiting businesses already operational in the region, thus positively impacting both domestic and foreign businesses. In turn increased foreign direct investment into the UAE is expected.

In 2006 the UAE acceded to the 1958 New York Convention.

Adopted in 111 jurisdictions across 80 states, the countries that have embraced the 'Model Law' are looked at as arbitration-friendly jurisdictions.

This modernization of arbitration law in the UAE puts the state ahead of other countries who have introduced comprehensive new laws, thus enforcing the UAE's position in the global arbitration market.

- The recognition of arbitration agreements made by modern communication methods such as e-mail.
- The recognition of the competence principle with arbitrators given the power to decide their own jurisdiction.
- Permitting preliminary orders and interim measures and ensuring that enforcement is not automatically stopped if there is a challenge to an award.
- Arbitrators are now empowered to award costs.
- Joinder of parties to arbitral proceedings.
- Arbitral proceedings and the award are confidential unless the parties agree otherwise

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Kothari Auditors and Accountants is a professionally managed accounting, auditing, management and financial consulting firm established in October 1992.

The firm is registered in UAE Ministry of Economy & Commerce having offices in Dubai and Sharjah. The firm excels in offering accounting, audit services and host of consulting services.

The fact that firm is enlisted on the panel of approved auditors of many local and international banks as well as free zones authorities' in UAE has made Kothari Auditors and Accountants a reputed audit firm in UAE.

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Global Business Services (GBS), an associate of Kothari Auditors & Accountants, was established to offer company Incorporation services in various onshore and offshore jurisdiction around the world.

GBS is dedicated to provide advisory on corporate formation, legal structuring, double tax avoidance treaties and assistance for formation of companies in various jurisdictions.

Our team of professionals include experts in the international business structuring, tax consultants, finance & laws.

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