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Editorial

In 2014 it appeared that 2015 will be a year of economic consolidation and growth for the world in general. But various events like devaluation of Russian rouble, crash of the oil prices, Greece debt crisis and political issues in the middle east again has created doubts on the recovery of the world growth. The supposed engines of growth viz., China, Europe and USA have been lagging behind in terms of expected growth and this is expected to have major impact on the world economy including oil as well as export based economies. It is stated that Greek Debt Contagion may result into major upheavals in the world economy and the markets. Thus oil based economies of the gulf also make take a hit in terms of growth and public spending.

UAE though is dependent on the oil, but in last few decades, it has done well to diversity it's economic base and currently the contribution of oil to the GDP is less than 35%. Thus a diversified economic base will help UAE in withstanding the economic shocks due to events in the world market. However it is also not completely immune to the shocks due to external factors and major concerns are impact on tourism, pressures on public spending and public infrastructure projects, reduced surplus and inflow of investments driving the real estate and economy.

Though the governments of UAE as well as Gulf countries are striving hard to diversify the economic base and minimize the impact of old glut & reduced prices, it may still result into deficits in some countries driving down public spending and impacting the overall GDP growth.

It would hence be prudent for the companies as well as individuals to be cautious in their investment plans, expansion projects, increasing overheads and granting of business credits. Liquidity once again may become the critical factor in survival during difficult times and as they say "Cash is the King" may once again prove to be true.

We would thus strongly suggest the companies to have in place strong budgetary control & monitoring mechanisms so that any material deviation from budgets are immediately reported so that management can take appropriate corrective actions so as to minimize the impact on the company and it's finances.

We at Kothari Auditors would be glad to guide and assist the companies in it's re-structuring process as well implementing strong budgetary control systems.

DIFC WILLS & PROBATE REGISTRY

The Dubai Court does attest Wills for non-Muslim individuals in accordance with the UAE law and procedures. Such a will would express an intention for moveable assets situated in the UAE to pass in accordance with the testator's home country law. However, the application of home country law to immoveable assets (real estate) remains a grey area in the UAE courts. Thus, uncertainties over transfer of immoveable assets based in UAE do remain.

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Starting a Company in Dubai Internet City (DIC)

About Dubai Internet City (DIC)

Dubai Internet City or DIC, is the largest ICT hub in the Middle East and North Africa. Since 2000, it has developed a flourishing ecosystem for technology based organizations. It is among the prominent locations to carry forward the profound vision of Dubai to transition into a knowledge-based economy.

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IAPA INTERNATIONAL Global Support Local Knowledge

UAE, Belgium talk about collaboration and boost business ties

During the meeting of the officials from UAE and Belgium, it was confirmed that the bilateral relations between UAE and Belgium are experiencing persistent growth and improvement. Representatives of both the parties mulled upon expanding collaboration and economic relations between the two nations. They also discussed on the possibilities to enhance cooperation in trade, tourism, agricultural, industrial sectors, as well as among small and medium businesses.

Both the signatories emphasized on the increased bilateral economic relations between the two countries. They said that both the nations had non-oil trade worth $7.74 billion, which comprises 9% of the trade done with European Union, which stands at $42.5 billion during the same time.

The two sides talked about increasing relations in various verticals including trade, agriculture, industries, tourism, and small and medium businesses.

Official records confirms on Belgium retaining its 11th position among most significant of the UAE's trade partners. Additionally, it ranks 13th in imports, 35th in exports, and 3rd among the nations that receive re-exports from the Emirates. He said that 34 Belgium companies are registered in the Ministry of Economy, in addition to 54 commercial agencies and 551 trade brands.

They expressed their concern in expanding collaboration with all UAE partners and wished to benefit from western trade in carving out a knowledge-based economy, while utilizing the country's human resources.

Belgium Ambassador praised UAE's remarkable progress in trade, economy, and other fields in the 43 years of Union. It further acknowledged the economic indicators and tall stature of UAE across the globe and admired the leadership of UAE, which has been a major contributor toward the country's economic reforms.

DSOA and Singapore discuss coming together

The two sides discussed on discovering possibilities to work together on different technology projects

A 12-member high-ranking Singapore delegation was received by the Vice Chairman and CEO of Dubai Silicon

Oasis Authority (DSOA). In the meeting that held at Dubai Silicon Oasis, the two sides talked about possibilities of collaboration on certain technology projects in the area.

The Singapore group led by the Minister of Communications and Information, also comprised of other eminent government officials which includes Consul-General of the Republic of Singapore in Dubai; managing director of the Infocomm Development Authority of Singapore; and other senior government officials; and the Ambassador of the Republic of Singapore to the UAE.

UAE and Switzerland to implement free trade from July 2015

A visiting Swiss official to UAE says, Free Trade Agreement will start between Switzerland and the UAE from July 2015.

Switzerland's State Secretary for Economic Affairs, informed that the agreement has been signed and will be implemented from July1, 2015.

Speaking at Swiss Embassy's opening ceremony in Abu Dhabi, Swiss State Secretary said, "It is an important agreement between the two countries, and will give a boost to trade relations. It is an agreement in the interest of both the countries".

Swiss State Secretary hopes that it would allow governments to enable duty free access to goods. The agreement engulfs service industry, which comprises 70% of Switzerland GDP, and they look forward in various industry verticals such as export logistical, distribution, business, and energy services, among others.

The Swiss official said that nations having such agreement have witnessed faster growth. Hence, for companies willing to invest, it creates good trade environment.

At present, the Switzerland has 60% of its trade with EU. However, owing to the retarded economic growth of the European Nations, the country is thinking seriously on minimizing dependence on the EU. Its collaboration with Gulf nations and several South Asian countries is an effectual step in this regard.

She added that this region has a faster growth. Even if the European market succumbs, trading in gulf nations will help us increase our trade. On HSBC bank scandal in Switzerland, she said, "Banking sector is doing well. There are few scandals but they are important for Swiss economy. They are competitive and innovative."

On Greece, the Swiss Secretary said that it will not pull out of the European Union. "They will get into huge trouble. They will have to introduce a new currency", she said.

Swiss Embassy says, above 300 Swiss companies are operating in UAE currently, and several companies from the UAE are trying to invest in retail, tourism, and finance sectors. The latest investment of $450 million comes from Abu Dhabi to develop a shopping mall.

Switzerland considers UAE as the most significant of the gulf partners, with which it has already witnessed an effectual trade growth of 8% in 2013 and 5% in 2014.

UAE, Hongkong close deal on double taxation

The UAE signed an agreement that prohibits double taxation on income with Hongkong. The agreement was signed by UAE's Minister of State for Financial Affairs, and The Honourable Financial Secretary of the Government of the Hong Kong Special Administrative Region.

The event witnessed participations from heads of commercial banks and veteran businesspersons, and aimed at strengthening collaboration and partnership in

Several verticals of common interest. The ceremony also brought into limelight, UAE's role as an important trade and financial nation both in the regional as well as international precincts. The country's stature as an Islamic Economy's capital was also highlighted. Notably, UAE ranks 19th on a global scale and is the foremost trading partner of Hong Kong in the MENA region.

Dubai factory to be world's top tea producer

The desert country may not produce tea, but there is one factory by the sea in Dubai, which is all set to become the largest company that supplies tea to the world standalone.

Hundreds of Lipton members work tirelessly inside Dubai's Jebel Ali Free Zone (JAFZ), to product around 2 million cups of tea every hour. This amounts to 50 million cups daily or almost 30 billion annual teacups.

The Supply Chain Director of Unilever Gulf told Gulf News that the Lipton factory has grown by over 50% in the past 5 years. The representative told that the tea factory is all poised to become the largest tea factory during 2015 within Unilever, which itself is the world's largest tea producer.

Unilever, which acquired Lipton in 1971 and Brooke bond in 1984, was named the largest tea company in the world by Rainforest Alliance, a research agency.

The Lipton Jebel Ali (LJA) factory produced around 22,000 tonnes of tea in 2009. By 2014, it increased the volume by 50% to produce 33,000tonnes, making it world's biggest branded tea.

After water, tea is the most sought after beverage across the globe. As per Tea Association of the USA, Americans alone consumed around 80 billion tea services in 2013.

To add further, the Dubai based Al Khaleej Sugar now owns world's largest sugar refinery. It produces 1.5 billion metric tonnes of sugar in a year.

Dubai, which mostly consists of flat sandy desert, does not grow its own tea. Most of the word's tea is grown between Tropics of Cancer and Capricorn, comprising Mexico, China, Brazil and Australia. The Dubai factory of Lipton collects its tea supplies from 15 countries.

Backed by years of experience, Lipton's Dubai factory sources its tea supplies from 15 nations, topmost of them being India, Kenya, and Vietnam. This also results in volatility in tea prices to unpredictable climatic conditions. The LJA factory exports to 50 countries from Dubai. Being located in a free zone gives it the tax benefit on the imported raw materials and the advantage of shipping in and out efficiently.

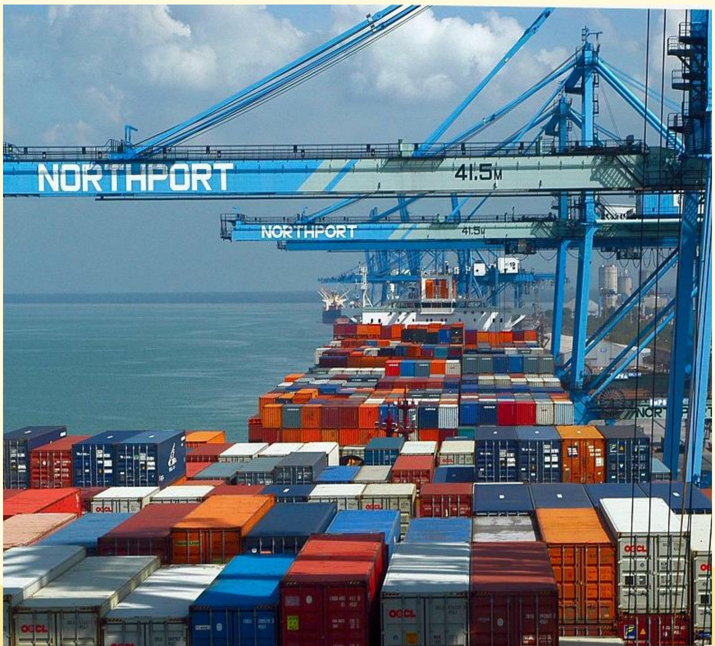
JAFZA acknowledged as important centre for trade in Asia

JAFZ, which first opened in 1985, is itself home to about 7,100 companies at present to become world's largest free zone.

Trade between China and JAFZA has grown from Dh4 billion in 2004 to Dh46 billion in 2013.

The President of Qingdao Port in China in a Dubai meeting said that Jebel Ali Free Zone Authority, Jafza, has become an important hub for Asian companies to do business.

Notably, the trade between JAFZA and China has increased to DH42 billion between 2004 and 2013. It is expected that this figure will multiply in coming years due to huge investments by Chinese companies in Dubai.



Mounting US currency strengthens Dubai real estate market

Rapidly increasing value of US dollar coupled with superior lifestyle and excellent infrastructure are bolstering Dubai's real estate market, making it to stand ahead of Paris, London and other global cities.

Knight Frank, a real estate consultancy reported that as compared to $5.8 million in London and $3.5 million in Paris, a 146 sq m of property would cost only $1million in Dubai.

Due to rising value of US Dollars against other currencies, investors from Europe, China, and Russia, whose currencies are getting weaker against US Dollar value results into lesser number of speculative investors from these places. In addition, introduction of mature regulatory measures, such as the one introduced by Dubai Land Department has emerged as a beneficial factor in the wake of increasing US dollars.

The absence of speculative investors in the market is seen as a good sign for sound and flourishing property market.

The latest development would result in a market more driven by demand and supply fundamentals and less driven by liquidity. International and regional investors comprise the key drivers of the real estate industry in the UAE, well aided by market maturity.

The powerful dollar is stabilizing the market and eliminating short-term investors, giving an upper hand to the investors in Dubai. The realty market in Dubai is on the way to becoming end user driven rather than speculative one.

Dxb Investment Park enthrals world leading armoured-vehicle makers

Dubai Investments Park, the largest integrated industrial, commercial & residential community in the Middle East, is poised to become the largest manufacturing hub for world-class armoured vehicles.

Till date, four leading manufacturers including Inkas Vehicles LLC, Shell Armored Vehicles LLC, Mezcal Security Vehicles and Saxon Armor, are already operational in the park. Annually, they produce an aggregate of 1,600 armoured vehicles. Some of these firms have their additional manufacturing units set within DIP.

This steep rise has come amid rising armoured vehicles market, which is expected to touch $28.62 billion by 2019, with Middle East, North Africa and Asian being among the prominent market drivers.

Inkas Vehicles LLC is among the foremost ones to cement its leadership with another manufacturing unit being setup in DIP. Built at a cost of AED 55 million, the new facility will span across 159,700 square feet within DIP2, and is projected to be the biggest in the area.

At present, Inkas runs an 110,000 square feet factory, with an annual production of 1,000 specialized vehicles catering to the UAE and exported to North America, North Africa, Asian markets & Middle East markets.

The surge in the manufacturing of armoured vehicles within DIP is due to multiple strategic advantages it offers for the sector.

These include world-class logistics, manufacturing and storage facilities, and close proximity to Al Maktoum International Airport and Jebel Ali Port.

DIP also provides business-friendly environment and proximity to key business points. These comprise main requirements for the manufacturing of armoured vehicles, hence paving leading to the growth of companies from the sector within the park.

The unmatched infrastructure within DIP is tailor-made for the armoured vehicles industry. As per the CEO of Inkas Vehicles, the company is making the most of the amenities of this park. It manufactures 1000 vehicles every year, and in the new plant, the capacity will rise to 1600 vehicles. The firm ensures 100% compliance with international standards and anticipates AED 1.2 billion of sales in the next two years.

Every month, Inkas accommodates the production of around 50 vehicles in the UAE, 40 in Canada, and 20 from additional workshop. It is well equipped to fulfil large orders in the committed period, owing to its exceptional engineering and design capabilities.

So far, DIP has enthralled the attention of above 3,500 companies across numerous sectors, which include medium to light industries, and sectors related to steel, textiles, plastics, chemicals, oil & gas, building materials, construction, and contracting.

DIP is an unparalleled, self-contained industrial, commercial and residential complex operated by Dubai Investments Park Development Company LLC. It is developed as per 1997 master-plan and extends across an area of 2,300 hectares (with 1,700 hectares leased). It is like a city within a city, which offers world-class infrastructure and outstanding facilities. Located very close to Al Maktoum International Airport, DIP is divided into three distinct zones. It is wholly-owned by Dubai Investments PJSC [DI].

DMCA to promote maritime sector

Dubai Maritime City Authority (DMCA) is giving high priority to Regulating and developing the local maritime sector. According to DMCA Executive Director, the department is committed to implementing the mandatory marine craft driving license service in Dubai.

Under this new move, marine craft users will be provided with a grace period to enable them fulfil the formalities related to securing marine craft license. DMCA is also about to launch several awareness campaigns on the same in print and electronic media in Arabic, English and Hindi. It has already announced having marine craft driving license in Dubai as mandatory from January 2015.

The compulsory licensing of all marine crafts is anticipated as a mainstay pillar in the DMCA's attempt to form an integrated regulatory framework for safe navigation within the marine waters of Dubai. All the local marine crafts are required to register and license their staff to adhere to DMCA's Resolution No. 2 of 2013. The resolution represents DMCA's persistent commitment to endorse maritime safety, secure navigation, and operational efficiency along the UAE coastline.

It also complies with the Authority's efforts to organize and categorize UAE marine crafts, hence eying on strengthening the position of Dubai as a first-class international maritime hub. The application of Resolution No. 2 of 2013 requires licensing for crew on business, tourism, sports, personal, and recreational marine craft. These include various small and large-sized leisure craft, traditional wooden dhows and commercial marine vessels.

China to invest in infrastructure

China will grow its major transportation infrastructure construction this year to boost its continuously decelerating economy,

According to China's National Development and Reform Commission(NDRC), introducing increased number of railway lines, especially in the western and central regions will stabilise economic growth and boost livelihoods.

The NDRC will continue endorsing social capital via superior modes to invite investment in state-run transportation infrastructure in 2015.

Retarding oil rate to increase global worries in 2015

Global oversupply and geopolitical tensions among the main crude producers have resulted in a steep fall in the oil market, which will continue in 2015 as well. Since June 2014, oil prices have decreased to half, due to abundant supplies, strong dollar value and weak demand in the retarding world economy, say Analysts.

The price slashing grew even more in late November which the decision of Organisation of Petroleum Exporting Countries (Opec) to go against cutting its output, despite the supply crisis.

Alone in London and New York, the oil price fell to a five-year low, badly affected by 2015 oil demand forecast downgrades from International Energy Agency watchdog and Opec.

At the Opec meeting, Saudi Arabia and various other Gulf countries were against the cut to Opec's daily output ceiling of 30 million barrels.

Analysts say, Gulf countries favoured lower prices, despite reduce incomes, to combat the rise of US shale oil, which accompanies costlier production cost, and competes with Opec's market share.

To the contrary, oil producers like Iran, Iraq, Nigeria, Venezuela and Russia want hike in prices to help boost their falling economies.

After the meeting, Venezuelan President ordered slashing down the budget of his oil-dependent nation, where dipping oil prices have already created social unrest and political uncertainty.

Russia also meets similar fate owing the decreasing oil market, since 50% of the nation's revenue is generated from energy exports.

On the other hand, Norway slashed interest rates unexpectedly, to negate the impact of dipping oil prices on its oil-dependent economy.

Some analysts even predict low crude prices to increase demand and global economic growth in future.

As per IMF data released by British bank Barclays, 25% drop in world oil prices could boost global demand for crude by 0.5% or 460,000 barrels per day.

DIFC Wills and Probate Registry

The Dubai Court does attest Wills for non-Muslim individuals in accordance with the UAE law and procedures. Such a will would express an intention for moveable assets situated in the UAE to pass in accordance with the testator's home country law. However, the application of home country law to immoveable assets (real estate) remains a grey area in the UAE courts. Thus, uncertainties over transfer of immoveable assets based in UAE do remain.

However setting up of The Dubai International Financial Centre (DIFC) Wills and Probate Registry has introduced new internationally-recognized common law principles that will allow non-Muslim individuals owning assets within Dubai to freely dispose of their Dubai estate in the event of their death and will further benefit those wishing to hold financial and real estate assets in Dubai.

The new registry allows non-Muslims expatriates over the age of 21 to register wills written in English in the DIFC Courts, doing away with the current need for translating wills into Arabic and having them attested by a local notary public. Only assets in Dubai can be included in wills registered in the DIFC Wills & Probate Registry.

On death of the testator, the DIFC Wills & Probate Registry will issue a Probate regarding Dubai assets based on the Will registered with the registry and said probate will be executable in the Emirate of Dubai. This thus gives certainty over transfer of all assets including immoveable properties based in Dubai to the beneficiary named in the Will.

The services of the new registry are AED 10,000/- for single will and AED 15,000/- for a mirror will (husband & wife), excluding legal and professional fees for drafting of will.

The rules are largely drawn from the UK's administration of estates law and on similar legislation in other common law jurisdictions including Australia, Hong Kong and Singapore.

Registering such a will at the DIFC Wills and Probate Registry brings the benefit of promoting investment in the region and avoid family members becoming involved in uncertain proceedings that can be encountered in the UAE Courts. The DIFC procedure is based upon 'common law' principles whereby a testator has freedom to dispose of their estate, rather than being subject to any specific legal rules regarding distribution or a forced heirship regime.

A system of precedents will result in an orderly administrative process of a deceased non-Muslim's estate in Dubai. This, in turn, will provide a greater degree of certainty in the handling of such inheritance cases in the future.

Some important points to note regarding the will that can be registered at DIFC Wills & Probate Registry:

1. The DIFC Wills and Probate Registry marks the introduction of a new set of rules relating to succession and inheritance matters for non-Muslims with assets in Dubai.

2. It provides a mechanism for non-Muslims with assets in Dubai only to pass on their estates according to their wishes.

3. The rules governing the registry complements existing UAE laws on inheritance for non-Muslims, and provide non-Muslims with the option and right to choose the way in which their estates are distributed.

4. The registry is within the DIFC jurisdiction and will work with the DIFC Courts for the production of grants and court orders for the distribution of assets. As the grant is issued by the DIFC Court, it will be directly enforceable in Dubai without the need to go through the Dubai Courts.

5. The DIFC is the first jurisdiction in the MENA region, where non-Muslims can register a will under internationally recognised common law principles.

The current thought is that the Registry will register the wills of non-Muslims and, once they are informed of someone's death, will issue the necessary court orders to allow for the distribution of the deceased's Dubai based assets. This will also include court orders relating to Guardianship with everything carried out in accordance with the registered will.

Compliance: Watchword

Regardless of being troublesome, regulations are important to maintain the integrity of financial systems.

In the contemporary marketplace, banks across the globe face an ever changing and complicated regulatory environment, putting major emphasis on compliance.

As per The Basel Committee on Banking Supervision (2005), compliance risks refer to threats associated with material financial loss, regulatory sanctions, or loss to reputation that a bank may suffer. These risks may occur due to bank's inability to comply with laws, regulations, rules, related self-regulatory organisation standards and codes of conduct.

Downfall of financial institutions like Bear Stearns and Lehman Brothers give an idea of the extent to which external risk events can lead to loss of confidence, reputational damage and shareholder value.

The role of compliance has increased appreciably around the globe to increase banks' capital and liquidity to the point that would enable them avert another financial turmoil.

The banking domain currently faces excess of regulations to govern various business aspects. In comparison to other nations, the US has very fragmented regulations. It monitors financial & banking services at both the State and Federal level.

A financial institution is likely to face several regulators and regulations depending on its activities. Not surprisingly, even an authority, which is not in the list of regulators may examine it. In UAE, banks have to undergo three financial regulations including those from UAE Central Bank, Emirates Securities and Commodities Authority and DFSA.

They also need to comply by Labour/Immigration laws, Commercial Law, the Telecommunications Regulatory Authority. Additionally, they have to abide by the laws originating outside the UN, US and the European Union directives. For any professional taking care of new regulations with length equalling to hundreds of pages is quite challenging.

Despite being cumbersome, the regulations are indispensable to ensure the financial system's integrity. Not complying with them could lead to bearing undue loss for banks in terms of large fines and loss of brand reputation. The fine of a staggering $14.3 billion imposed on five global banks accused of illegal currency trading, is a befitting example of the probable consequences of non-compliance.

Banks are now well aware of the mounting cost of non-compliance, which also compels the top management to shifts focus from the core business activities.

The regulations governing UAE's Islamic banking are limited, and date from 1985. The modern banking laws are more attentive toward convention banks, leaving the Islamic banks to work as per Sharia laws.

As UAE progresses to make Dubai, the capital of Islamic economy, the need to improve regulatory framework and have specific laws and regulations to govern the Islamic banking industry will rise. Islamic banks run the responsibility to follow Islamic laws and ensure equal treatment to its customers, employees and the community in general. Improvement in regulations would help actively in this cause. Nevertheless, they will also pose challenges for both Islamic and conventional banks.

International Companies in Ras Al Khaimah Free Trade Zone

Ras Al Khaimah is a rapidly developing city and emirate, located against the setting of the Al Hajar Mountain Range, in the north of the United Arab Emirates.

The city's government started an offshore facility in September 2006, which is regulated by the Ras Al Khaimah Free Trade Zone Authority International Companies Regulations 2006. Only second in the UAE some of the features of this regulation include as below:

The RAFKTZ International Company Regulations do not require local shareholding in a company, hence allowing 100% foreign ownership, which is unlike the legislation governing organisations in the UAE.

Although the UAE firms follow the country's law, RAFTKTZ allows the International Company to choose the jurisdiction it prefers to apply for disputes, inheritance and other matters. It is necessary to mention the law in the Memorandum and Articles of Association.

RAFKTZ has set very less limitations on the activities of International Companies, enabling them to carry out assorted business activities.

Subject to the consent of each Emirates Real Estate Authorities or Land Departments, the International Company can buy real estate properties in the UAE. Although, International Companies are generally not allowed to do trade with UAE residents, the Authorities permit offshore firms to be the shareholders in both onshore and offshore UAE companies (local LLC companies).

A foreign company can have a bank account in the UAE to conduct routine operational transactions. It can also establish professional terms with accountants, legal consultants, management companies or similar other persons doing business within the UAE.

Documents of incorporation can be signed at the agent's offices/ UAE associate without requiring to visit RAFKTZ.

The requisites of an offshore firm registered in the RAFKTZ include as below:

Shareholders

At least one shareholder is necessary. Corporate shareholders are allowed. Shareholders will fix the Company's capital structure Whilst there are no minimum share capital requirements, each share must have a par value of AED 1,000.

Bearer shares are prohibited. Only registered shares are allowed and shares need to paid in full at the time of allotment. Every company shall record minutes of all general meetings and other proceedings.

Members registration can be inspected by any member of the offshore company. Refusing the inspection will be an offence.

Directors

At least one director is required and corporate directors are allowed. Directors' details are hidden for public view.

Secretary

Every company is required to have a secretary. Director can also acquire this designation.

Restrictions on Name & Activity

Names must conclude with Incorporated or Limited. The following words and their related activities are prohibited for use:

Assurance, Bank, Building Society, Chamber of Commerce, Chartered, Co-operative, Fund, Imperial, Insurance, Municipal, Mutual Fund, Royal and Trust.

Local Requirements

To abide by the local company law, the company MUST have a registered office address within the Free Zone. It must appoint an approved registered agent.

Timescale

Registration of the International Company in RAK FTZ will take 2 days.

Annual Reporting

Every company must maintain accounting records, which need to be kept for 7 years from the date of their preparation. The directors must approve the accounts and one of them must sign it. The accounts are not required to be filed with RAKFTZ Authorities.

Taxation

RAK FTZ IC is not taxed in the UAE.

Limitations

RAK FTZ IC is not allowed to:

- do business (or provide services) with a customer /supplier based in the UAE
- maintain a physical office in the UAE
- sponsor UAE residence visas for shareholder/ employees / directors

Company Renewal

Renewals for RAKFTZ-IC are carried out at every anniversary date of incorporation, failing which result in penalties.

If the company does not renew within 6 months from the due date of renewal, it will be removed from the companies' register.

At every renewal, valid passport copy and recent utility bill as an address proof of director/shareholder are required as a part of enhanced due diligence. In case the shareholder is a corporate body, then latest incumbency certificate and aforementioned docs of directors would be required.

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About Dubai Internet City (DIC)

Dubai Internet City or DIC, is the largest ICT hub in the Middle East and North Africa. Since 2000, it has developed a flourishing ecosystem for technology based organizations. It is among the prominent locations to carry forward the profound vision of Dubai to transition into a knowledge-based economy.

DIC hosts numerous Fortune 500 companies and multinationals like LinkedIn and Facebook. It also owns region's most successful and dynamic technology SMEs and startups from all the ICT value chain elements. Additionally, DIC has initiated several programmes to help the community diversify channel development opportunities. Companies also benefit from the sophisticated Metro Ethernet broadband infrastructure and various business enabling facilities like government transactions.

Established within a free trade zone, DIC forms a strategic hub for firms aiming at capturing the evolving markets in the nearby regions. From Africa to the CIS countries, Middle East to the Indian Subcontinent, and more, the DIC markets cover almost three billion people. It also owns world's largest commercial IP Telephony network. For multinational companies eyeing markets in the Middle East, Asian Subcontinent, Africa, Central Asia, and Eastern Mediterranean regions, Dubai is an ideal place.

The key benefits: To do business in DIC are as follows:
100% freedom from personal income tax, corporate tax for 50 years, 100% capital and profit repatriation, 100% foreign ownership, next-generation technology based Communications infrastructure, Metro Ethernet Environment, high speed data services & Digital voice at affordable rates & possibilities for market and channel development.

1. **Location** : Dubai Internet City, Dubai, (U.A.E.)
2. **Proposed activity** : Software/ IT Services/Telecommunication & Network/ Internet & Multimedia
3. **License available** : Commercial
4. **Entities types** : Branch office & Free Zone-Limited Liability Company (FZ-LLC)
5. **Shareholder** : Can be a Corporate entity or an individual
6. **Director** : Individuals only (At least one Shareholder can also be Director)
7. **Share capital** : Minimum of AED 50,000/-, Not necessary in case of setting up a branch
8. **Audit** : Annual audit report does not require to be filled with DIC authority
9. **Estimated time** : At least of 4 weeks for setting up and Incorporating a company

NRI SCAN

Development project in Gujarat: Pentagon Marine Services planning to construct largest centre for ship repairs in Gujarat.

Pentagon Marine Services is a Mumbai based company, known for its specialized ship and crew management, ship repairs and inspection services and has its offices in Singapore, New Delhi and Chennai.

It is planning to open largest ship repair and maintenance hub in Gujarat to serve around 1,800 ships, which call at the state's large ports each year.

The company will also set up a world-level maritime training institute spread across 30-acre of plot to provide pre-sea training course to aspiring students on careers in port administration, merchant navy, etc. The company has plans to invest Rs 500 million in the coming three years.

Options for retirement savings improved in 2014

The year 2014 witnessed a noticeable improvement in the retirement saving plans including the employee provident fund (EPF), mutual fund pension plans and the national pension system (NPS).

Employee Provident Fund (EPF)

The year turned out to be a trendsetter for the Employee Provident Fund Organisation (EPFO) as it introduced many reforms regarding fund management.

Universal account number: The biggest change was to initiate the allotment of 'portable' universal account number (UAN) to each member. It will help the member have better control over their money, and shift EPF services online.

Now, the members will be able to manage their EPF account like a bank account. For example, they can check account balance, receive SMS alerts and notifications regarding crediting of contributions into the account.

During job change, it will be easier to transfer money. The account holder will only need to provide UAN and KYC details to the new employer. The employer will start transferring the amount after verifying the details.

Increased wage ceiling for EPF covering: Anyone with a monthly salary of up to Rs 15,000 (including Basic plus Dearness Allowance) need to be mandatorily covered by EPF. Others may avoid it. Previously, the limit was Rs 6, 500. The newly introduced ceiling also applies to Employees' Deposit Linked Insurance Scheme (EDLI) and Employees' Pension Scheme.

As per EPFO, the new ceiling is expected to cover 50 lakh more workers under social security programmes. It will also give rise to the gains under EDLI from a maximum amount ranging between 1,30,000 to 3,60,000.

Minimum pension hiked to Rs 1,000: This demand was pending since long. It will benefit 32 lakh out of 49 lakh pensioners who used to get less than Rs 1,000.

National Pension System (NPS)

The Pension Fund Regulatory and Development Authority (PFRDA) Act was notified about changes in the rules governing NPS, prominent of which include as below:

Lower Fund management charge: The PFRDA decreased the fund management fee of NPS from .25% to .01% in order the lower down the overall costs. The body in fact invited fresh bids from fund managers after the notification of the Act, where Reliance turned out to be the lowest bidder at 0.01% and made the other fund managers to bid accordingly.

DSP Black Rock and TATA AMC failed to match the minimum bid and hence walked out.

As per PFRDA, the Act aims at ensuring minimum cost. The revised fee has been fixed depending on a transparent bidding method. It expects all pension fund managers to manage funds at the agreed upon cost.

Investment guidelines revision: Private pension fund managers were instructed to invest only in index mutual funds or exchange-traded funds (ETF). These funds should track either the National Stock Exchange (NSE) Nifty or the Bombay Stock Exchange (BSE) Sensex.

However, fund managers that handle government employee's money can directly invest in companies' shares, on which derivatives on the NSE and the BSE are available.

Mutual Fund Pension Plans

Mutual funds were considered an ideal investment option for retirement. However, they failed to gain popularity due to shortage of tax incentives. The government offers tax incentives only on two retirement schemes, which include Templeton India Pension Fund and UTI Retirement Benefit Pension Fund. Now, this may change.

Yes to mutual fund pension options: This year, the budget gave the green signal to mutual fund-linked retirement plans. Now these plans will also get benefit from income tax under Section 80C of the Income Tax Act.

This year the Budget gave a go-ahead to mutual fund-linked retirement plans. Now, mutual fund retirement plans will get income tax benefit under Section 80 C of the Income Tax Act.

A mutual fund company has to take consent from Central Board Direct Tax before kicking off any such plan. The funds will remain frozen until the investor turns 60.

Indian Budget 2015

At the announcement of Union Budget 2015, India's finance Minister aimed at nation's steep growth. The budget intends to boost investment and benefit common people. Some of its highlights include as below:

Fiscal deficit:

- Seen at 3.9% of GDP in 2015/2016
- Poised to achieve the fiscal target of 4.1% of GDP
- The current account deficit (CAD) less than 13% of GDP
- Remains committed to attain 3% of GDP as medium term fiscal deficit target

Growth

- GDP growth expected to lie between 8%-8.5% year-on year
- Soon expecting growth rate in double digit growth

Inflation:

- Anticipated around 5% consumer inflation by March
- Creating avenues for enhanced ease in monetary policy
- Objective of keeping inflation below 6% as per Monetary policy framework agreement with the RBI

Revenues:
- Revenue deficit seen at 2.8% of GDP
- Non tax revenue seen at Rs 2.21 trillion
- Agricultural incomes are slowing down

Disinvestment:
- Government targets Rs 410 billion from stake sales in companies
- Total stake sale in 2015/16 seen Rs 695 billion

Market reforms:
- Propose to merge commodities regulator with SEBI
- Proposes to introduce a public contract resolution of disputes bill
- To improve public sector banks management
- To introduce a new bankruptcy code
- To set up agency for public debt management

Policy reforms:
- To enact a complete new law on black money
- Proposal for a universal social security system for all Indians
- To increase employability of rural youth with soon to be launched national skills mission
- To provide facility for visa-on-arrival for 150 nations instead of 43
- Allocates Rs 346.99 billion for rural employment guarantee scheme

Borrowing:
- Gross market borrowing reaches Rs 6 trillion
- Net market borrowing reaches Rs 4.56 trillion

General anti-avoidance rules (GAAR):
- Government delays introduction of anti-tax avoidance rules GAAR by two years
- GAAR to rollout from April 1, 2017
- Retrospective tax provisions will be ignored

Taxation:
- To replace wealth tax with additional 2% surcharge on super rich
- Proposes to cut to 25% corporate tax over next four years
- Corporate tax of 30% is uncompetitive
- Tax proposals' net gain seen at Rs 150.68 billion
- Expects implementing services and goods tax by April 2016
- Proposes to rationalise capital gains tax regime for real estate investment trusts
- To minimize custom duty on 22 items
- Basic custom duty on commercial vehicle increased to 20%
- To increase service tax rate and education cess to 14% from 12.36%
- Plans to bring direct tax regime that is internationally competitive on rates without exemptions
- No change on exemptions for individual tax payers
- To impose tough penalties for tax evasion in new bill
- Tax department to clarify indirect transfer of assets and dividend paid by international companies

Infrastructure:
- Investment in infrastructure expected to grow by Rs 700 billion in 2015/16 over previous year
- Plans to set up national investment infrastructure fund
- Proposes tax-free infrastructure bonds for rail, road and irrigation projects
- To build additional 100,000km of road
- Proposes 5 "ultra mega" power projects, each of 4,000MW
- Public sector ports will be encouraged to corporatise under Companies Act
- Second unit of Kudankulam nuclear power station to be commissioned

Expenditure:
- Plan expenditure estimated at around Rs 4.65 trillion
- Non-plan expenditure seen at around Rs 13.12 trillion
- Allocates Rs 2.46 trillion for defence spending and Rs 331.5 billion for health sector

Gold:
- To come up with a sovereign gold bond
- To bring gold monetisation scheme to enables allow depositors earn interest
- To introduce Indian-made gold coin to minimize foreign gold coins demand

Subsidies:
- Fertiliser subsidy seen at Rs 729.69 billion
- Fuel subsidy seen at Rs 300 billion
- Food subsidy seen at Rs 1.24 trillion

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The firm is registered with the UAE Ministry of Economy & Commerce having offices in Dubai and Sharjah.

The firm excels in offering accounting, audit services that include: statutory, internal and management audit and a host of consultancy services. It offers professional guidance that leverages formalities needed to set up businesses in the industrial, trade or services sector either offshore, local, or in any of the free zones in the UAE.

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