



Smart decisions. Lasting value.

# CFO Networking + Corporate Tax Regulations Roundtable

19 May 2022

# What's on the agenda for Today?

- 01 Introduction to Crowe
- 02 Corporate Tax Survey
- 03 Latest developments in Direct Tax in UAE
- 04 How Corporate Tax may affect your business and how to prepare?
- 05 How NetSuite can make new Regulations easier?
- 06 Question and answer



Smart decisions.  
Lasting value.™



## We help clients make smart decisions today that create lasting value for tomorrow.



We're a **global firm** providing skilled resources worldwide – around the clock.



We're a public **accounting firm** building on decades of accounting experience.



We're a **consulting firm** solving problems with our extensive industry experience.



We're a dedicated **NetSuite practice** providing deep specialization.



We're a **technology firm** with expertise across multiple platforms.

Accounting | Consulting | Technology | Global



Smart decisions.  
Lasting value.™

New opportunities and challenges can spring up at any time – anywhere. That's why we've established a global team to offer continuous support whenever you need it.



Global

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**We're a **global firm** providing skilled resources worldwide – around the clock.**

Crowe's NetSuite team has offices across the United States, in Manilla, Philippines, and Dubai, UAE. But that's only a part of Crowe's global reach:

- 8 Countries + 12 time zones
- 40 offices around the globe
- More than 4,300 personnel\*

\*Full-time personnel



Smart decisions.  
Lasting value.™

As a global accounting firm, we can help you identify your gaps, seize opportunities, and help secure your future.



## Accounting

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We're a public **accounting firm** building on decades of **accounting experience**.

- We've been in business for more than 75 years.
- We rank in the top 10 CPA firms in the US and one of the largest in the world.
- We provide audit, tax, and advisory services across multiple industries.



Smart decisions.  
Lasting value.™

We know your industry inside and out. We live and breathe it. So our insights, technologies, and methodologies are crafted out of the exact challenges you face.



## Consulting

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We're a **consulting firm** solving problems with our **extensive industry experience**.

### Industry Experience:

- Wholesale & distribution
- Services
- Software
- Staffing
- Media & advertising
- Hi-tech
- Healthcare
- Manufacturing
- Not-for-profit
- Life sciences



Smart decisions.  
Lasting value.™

As a global accounting firm, we can help you identify your gaps, seize opportunities, and help secure your future.

ORACLE  
NETSUITE

NetSuite

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We're a dedicated **NetSuite practice** providing deep specialization.

#### Deep Specialization:

- NetSuite 5-star partner
- 200+ successful NetSuite implementations
- 15+ years NetSuite implementation & support
- 25+ years of industry experience
- 3,000+ NetSuite users
- Multinational clients + global deployments
  - Public and private
- 70 applications built and delivered



Smart decisions.  
Lasting value.™

Your business is unique and requires a tailored solution to meet your needs. We've built add-ons and have the expertise to customize the platform to fit your industry-specific needs.



## Technology

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We're a **technology firm** with expertise across multiple platforms.

Platform Expertise:





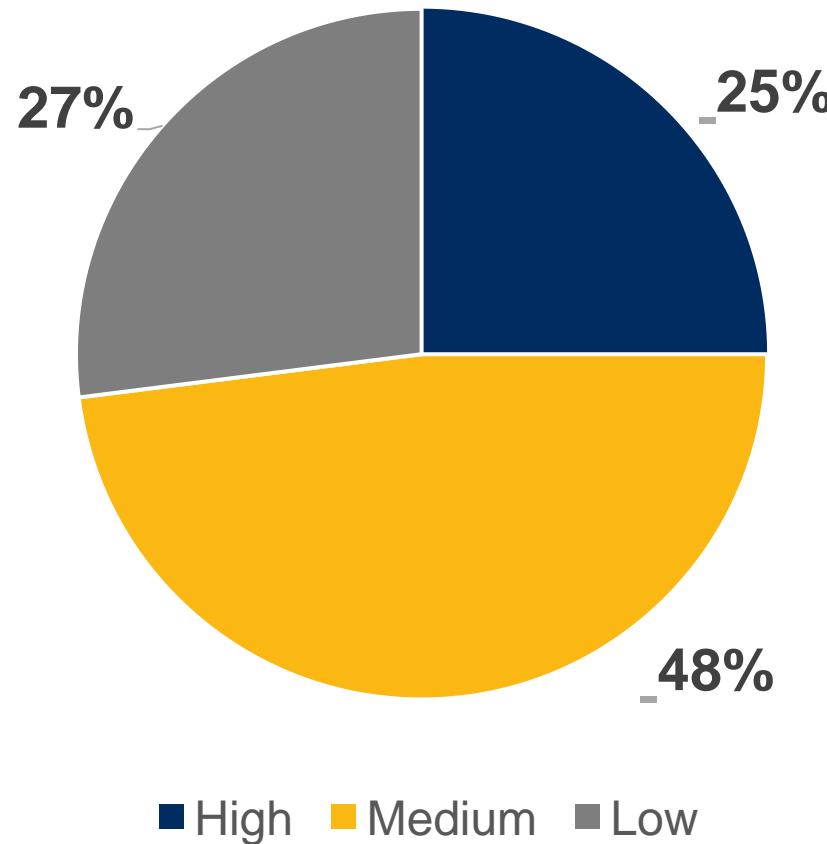
# Corporate Tax Survey

# Corporate Tax Survey

- ✓ Opportunity to align with the UAE Government's economic initiatives.
- ✓ Ministry of Finance released a Public Consultation to seek comments, in line with global best practices.
- ✓ As a stakeholder in the growing UAE economy, we appreciated your input.
- ✓ This survey was circulated to **32,851** contacts.

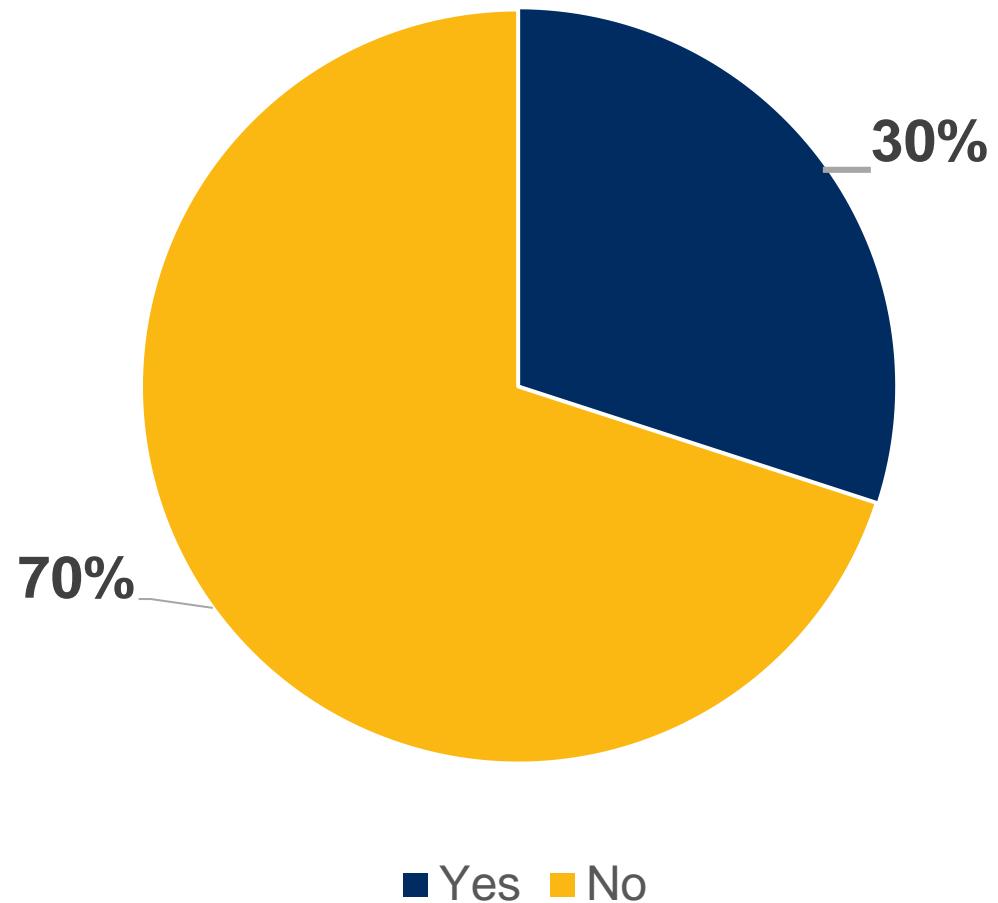


## What Is Your Awareness About Corporate Tax Calculations?



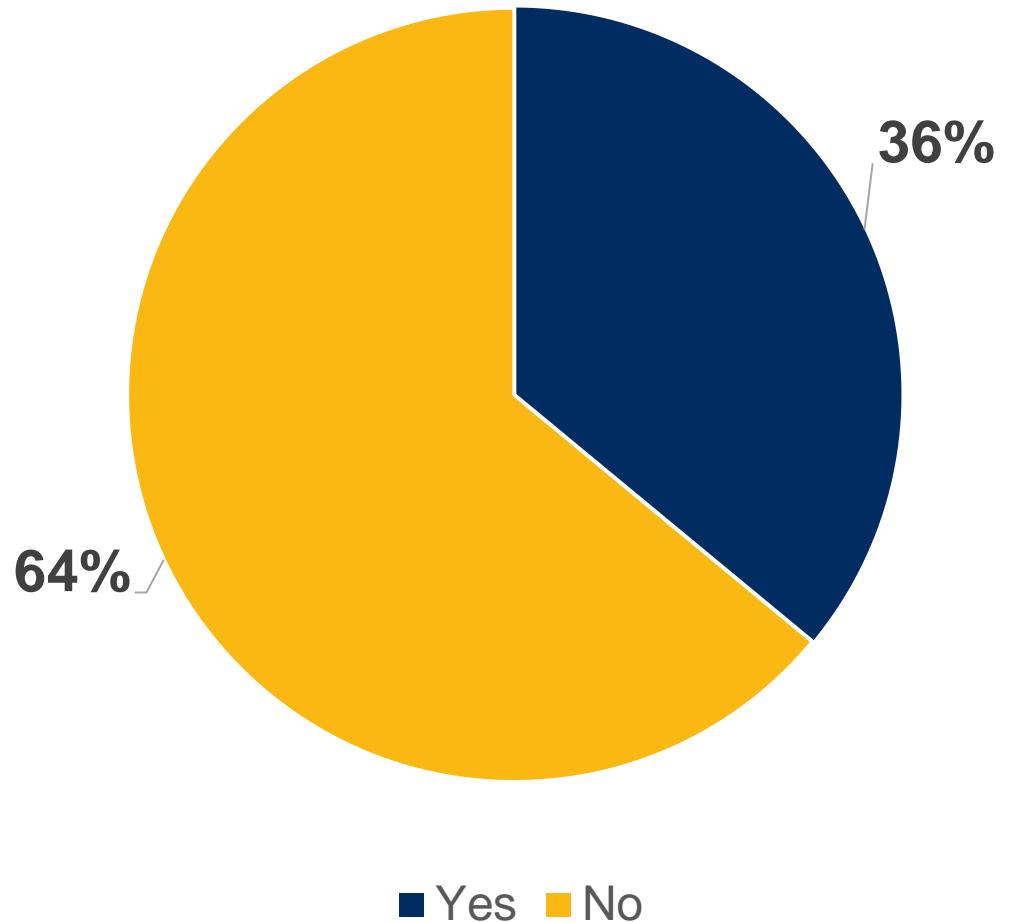
Response	Survey %
High	25%
Medium	48%
Low	27%

## Has your organization undertaken a Corporate Tax impact assessment?



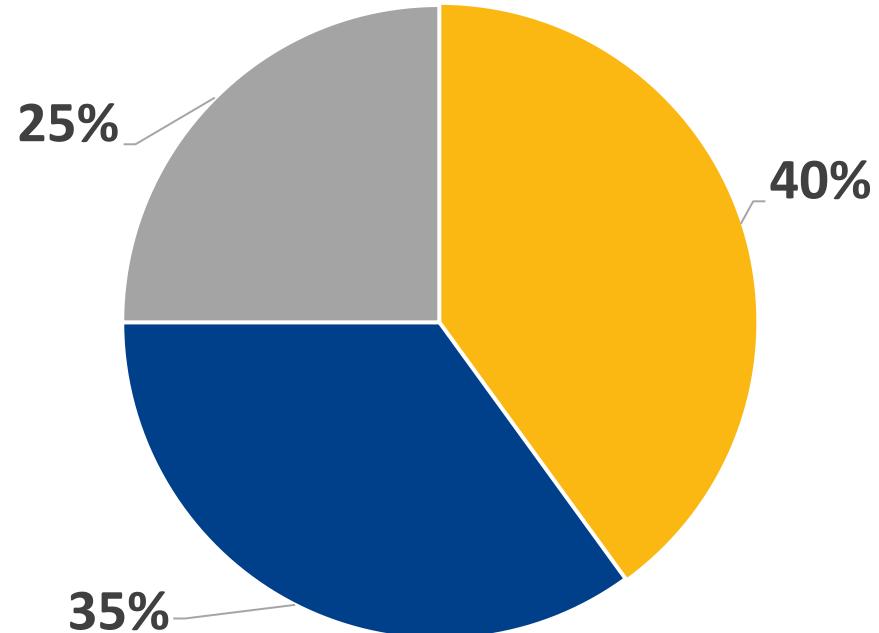
Response	Survey %
No	70%
Yes	30%

## Is your organization paying Corporate Taxes outside the UAE?



Response	Survey %
No	64%
Yes	36%

Please rank in order of importance (1 being highest)



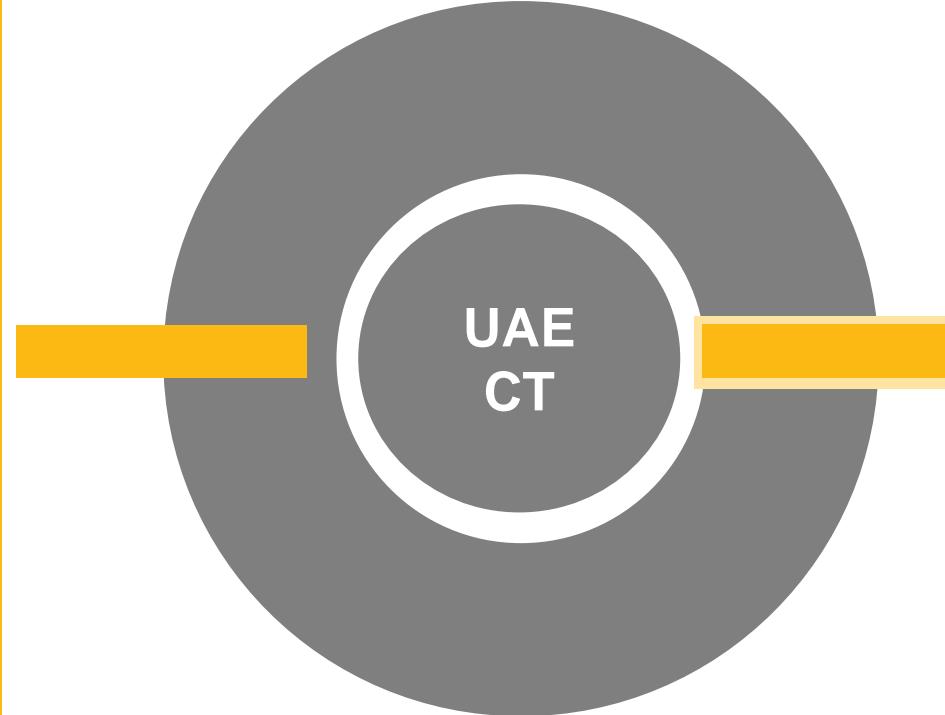
- Implementing an Accounting System that can handle Corporate Taxes.
- Developing a Transfer Pricing policy.
- Creating/ re-defining a Tax Group and undertake tax re-structuring.



# Corporate Tax - Update

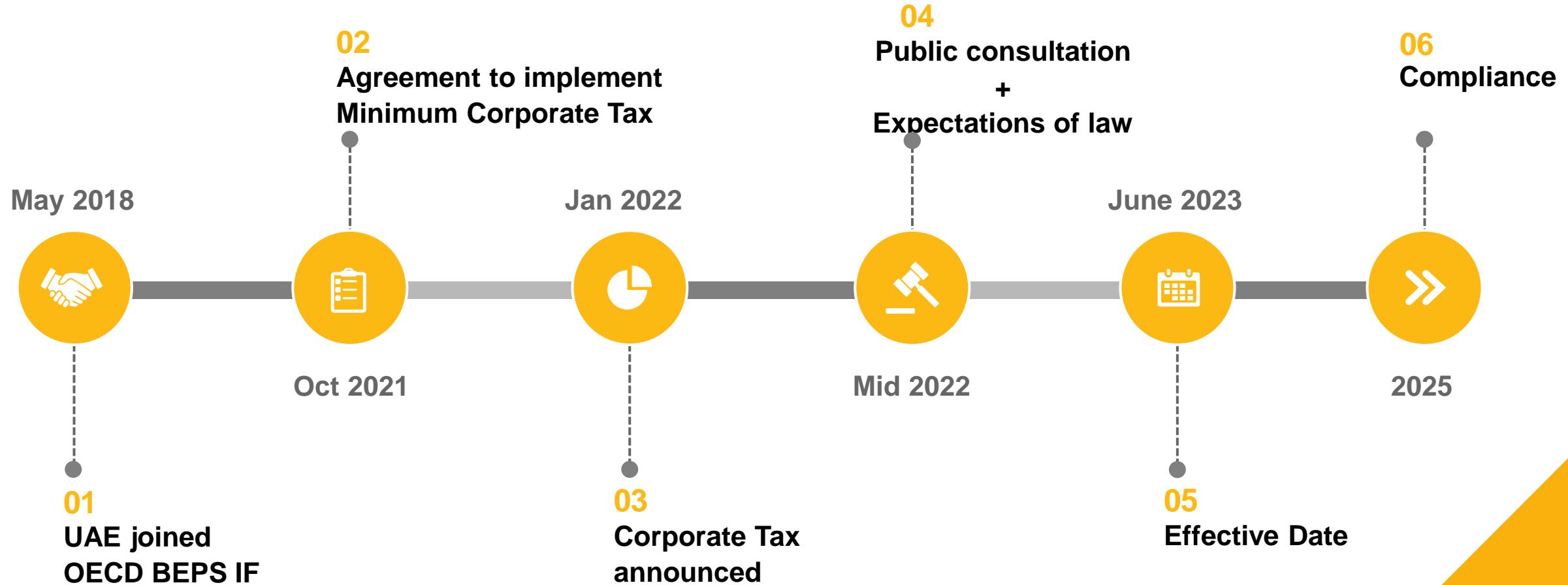
# Objective

- Competitive Economy
- Support/ encourage growth
- Attract foreign investment



- Respond to international tax development
- Certainty for business/ tax administration
- Minimise compliance burden

# Landscape



# Public Consultation Document

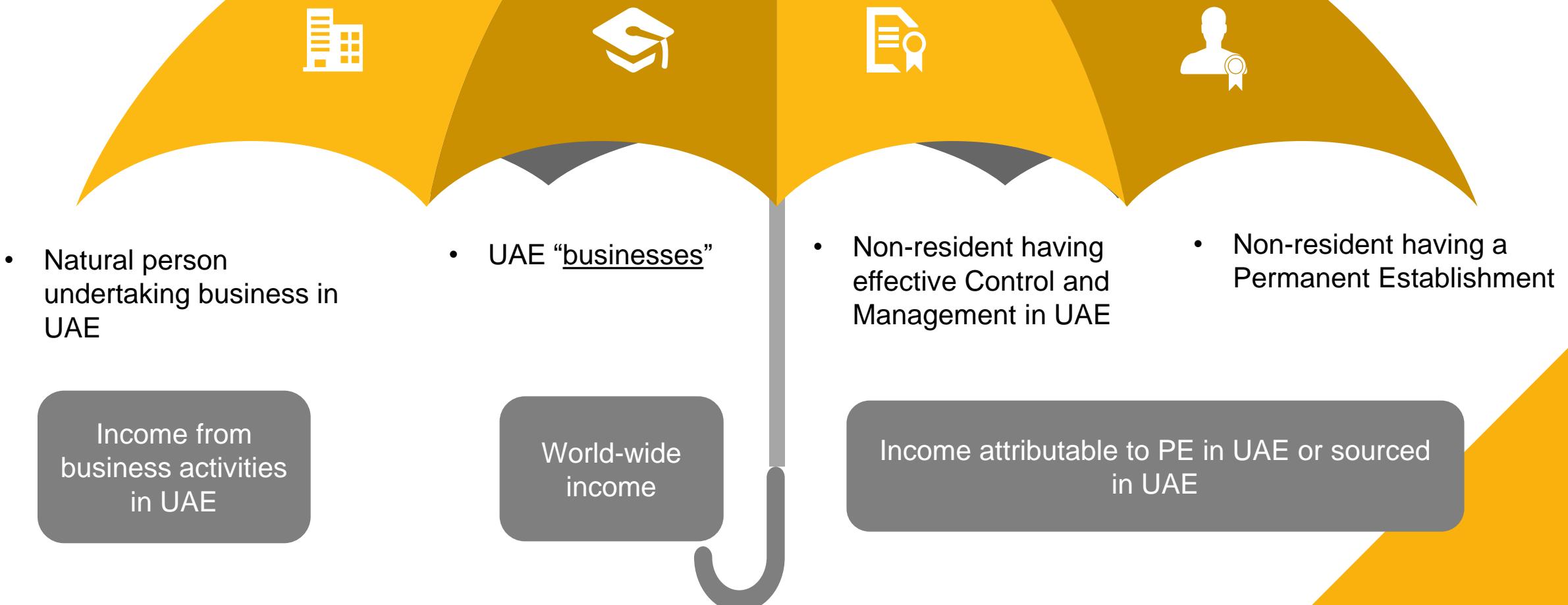




# Scope and Exempt Person

# Scope

- Transparent entity
- Place of Management
- Offshore entity



# Exempt persons

- Federal and Emirate Government – sovereign/ mandated activity
- Government owned UAE companies
- Businesses engaged in extraction/ exploitation of natural resources



- Charities and public benefit organization (discretion of MOF)
- Public and regulated private social security; retirement pension funds
- Investment funds

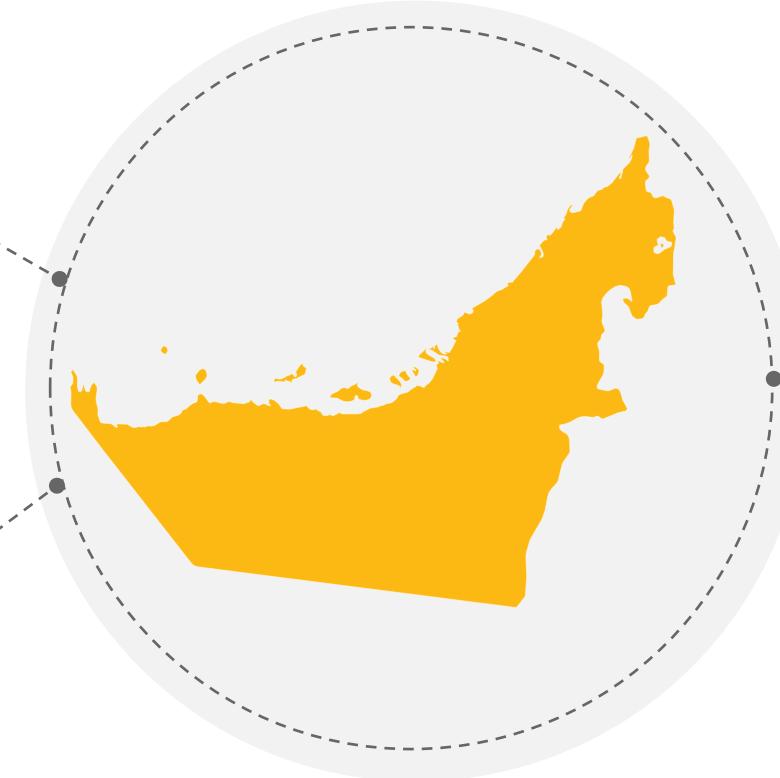


# Free Zone Person

# Impact on Free Zones

Free Zone and Financial Free Zone businesses subject to Corporate Tax

Need to register and file a CT return



0% CT for following income:

- Business from outside UAE
- Business from same/ other Free Zone
- If branch in Mainland – other than Mainland sourced income
- If no branch in Mainland - Passive income from Mainland
- Income earned by Designated zone entity from sale of goods to mainland business that are importer of records



No tax deductibility for payment by Mainland to Free Zone Related Party

- Substance requirement
- Audit requirement
- PE Rules for Mainland operations



# Taxable Income

# Computation of Taxable Income

## Accounting profit/ loss

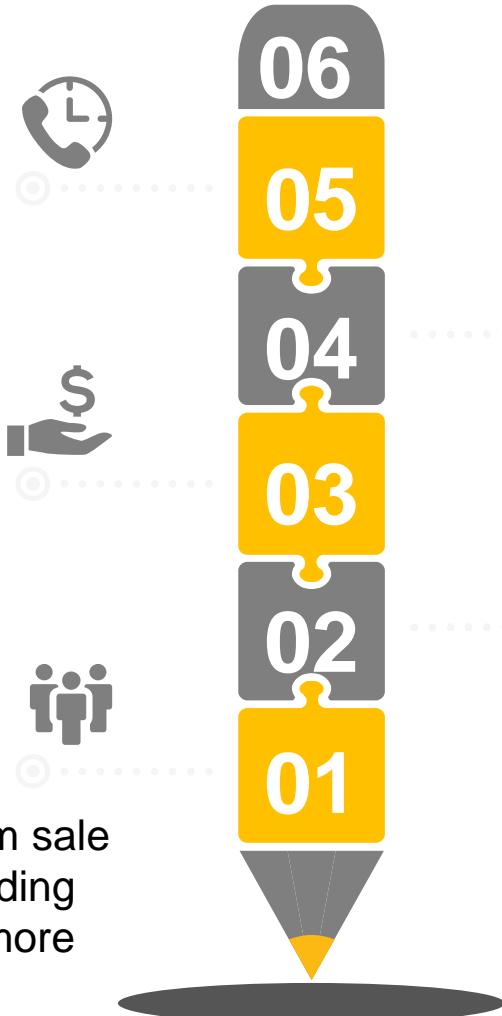
- Starting point – acceptable standard
- Alternative reporting standard – startups/ small business

## Unrealized gain/ loss

- On revenue item – to be included
- On capital item – Not to be considered

## Dividend & Capital gain

- Dividend from UAE co – Exempt
- Dividend from Foreign co & Capital Gain from sale of share – Exempt provided (a) 5% shareholding and (b) foreign SubCo subject to CT 9% or more



## Interest Capping rules

- Deduction upto 30% EBITDA
- Exempt to certain industries
- RPT interest –if valid commercial reason

## Other income/ expense

- Entertainment exp – 50% disallowed
- Donation, penalty – 100% disallowed
- Income from operating/ leasing aircraft/ ship – Exempt in Reciprocity principle

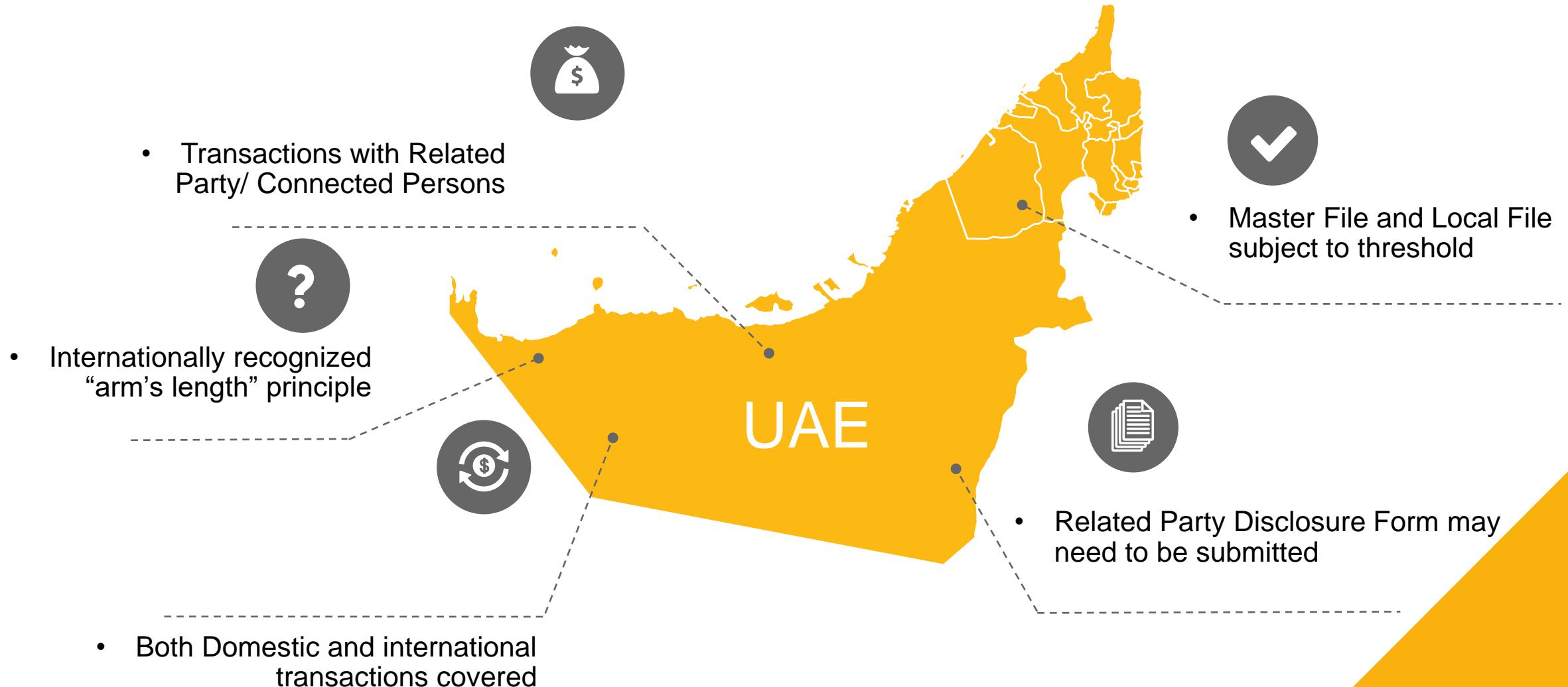
## Foreign branch profit

- Claim Foreign Tax Credit
- Claim exemption for profit



# Transfer Pricing

# Transfer Pricing Implications





# Tax Grouping & Losses

# Losses and Tax Grouping

## Tax Grouping

- Share capital/ voting power – 95% or more
- Exempt/ Free Zone person – Cannot be included

## Losses

- Allowed to carry forward indefinitely
- Set-off allowed upto 75% of taxable income
- If 50% or more change of ownership, continuity of same business requirement
- Losses not allowed before effective date of CT

## Without forming a group

- Transfer of losses or assets/ liabilities between UAE Group companies – 75% of common ownership
- Corporate restructuring in exchange of shares – Tax exempt – provided no subsequent transfer within 3 years



# Peculiar Aspects

# Peculiar aspects

## International Tax development

- UAE is working with members of Inclusive Framework to implement Pillar 2
- Announcement to embed Pillar 2 in UAE CT will be made in due course
- Existing CbC requirement will continue to be applicable for large MNEs

## Other Aspects

- Tax Registration Number to be obtained for CT
- De-registration to be applied within 3 months of cessation
- CT Return filing and payment of taxes – within 9 months from FY
- Application to be filed for refund

## Administration

- No requirement for Advance tax or provisional tax return
- Withholding tax at present – 0%
- Foreign Tax Credit will be available

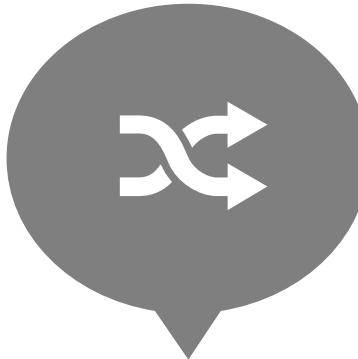


# Next steps

# Next Steps



CT - Impact  
assessment



Re-structuring  
operations



Transfer Pricing  
Policy/ Document



Intra-group  
agreement



Corporate Tax  
advisory

Right time to assess the CT Impact is Now

# What's on the agenda for NetSuite

- 01** NetSuite Cloud Solutions Practice at Crowe
- 02** About NetSuite
- 03** Demonstration
- 04** Question and answer



# NetSuite Cloud Solutions Practice at Crowe

# Meet the team.

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Our team is made up of real people who have dedicated their careers to helping people like you solve their business problems. We represent hundreds of years of combined experience in business, accounting and technology solutions.

360

combined years of experience in accounting and technology solutions

10

countries represented on our Crowe team for NetSuite

22

employees maintain a CPA license

15

MBA degrees

47

NetSuite accounting certifications

15

NetSuite Global business management certifications

23

NetSuite Professional Services certifications

40

staff members have kids

200+

implementations

45

integration certifications

# Some Middle East and Crowe References



art partner



mumzworld  
#1 mother, baby & child site in the Middle East

TRANS CORP



Qashio



GASKET FACTORY Branch Of  
AL-IMAN Factories Co.

selfologi





# About NetSuite

# The numbers tell a story.

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About NetSuite

**ORACLE<sup>®</sup>**  
**NETSUITE**



The first cloud company



Customers in over 203 countries and territories



Record growth



10,000<sup>+</sup>

Employees globally



25,000<sup>+</sup>

Customers worldwide



4,500<sup>+</sup>

New logos in the last 12 months

## NetSuite – Enabling Global Business Growth



**215+**  
Countries & Dependent Territories Deployed



**27**  
UI Languages



Countries Tax Calculation & Reporting



**203+**  
Countries & Dependent Territories Transacted



**90**  
Bank Payment Formats



Currencies Updated Daily

## NetSuite – Enabling Global Business Growth



**80%+**  
Transactional Activity  
Outside the US



**99%**  
Customers Transact  
in Multiple Currencies



Customers Transact  
in Multiple Countries



**57**  
# of Countries  
Operated in by Single  
Customer



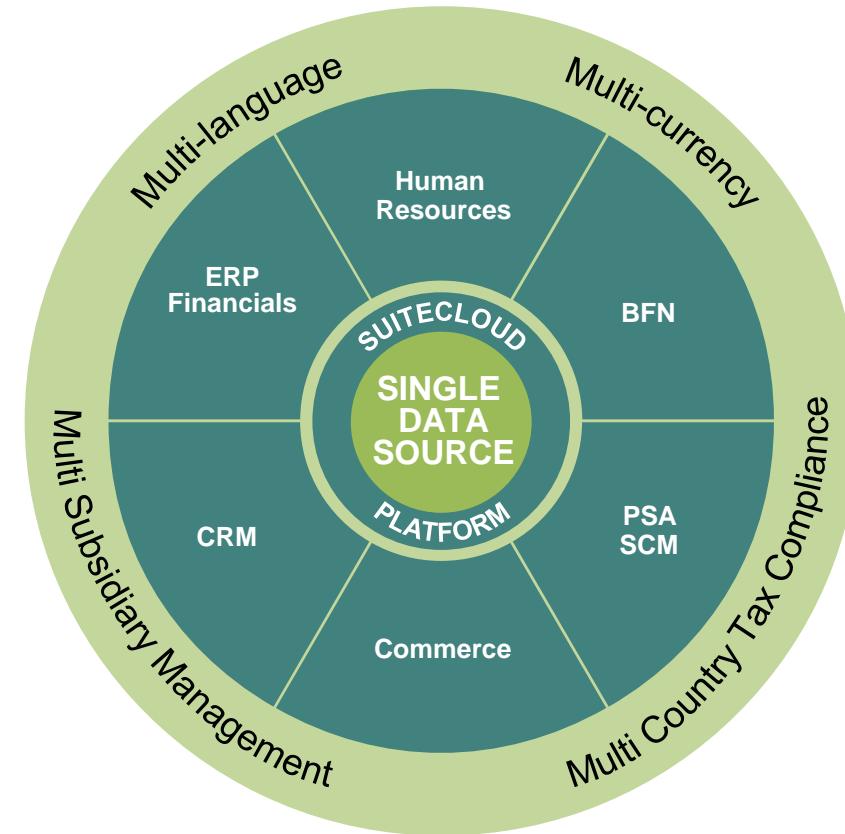
**161**  
# of Currencies Used  
by a Single Customer



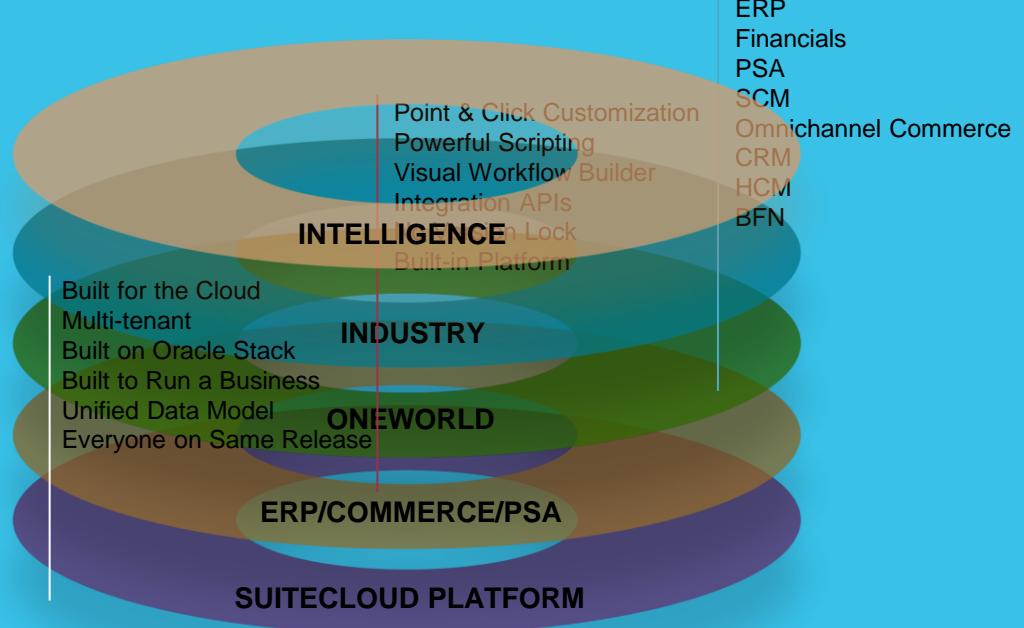
# of Subsidiaries  
Owned by a Single  
Customer

## All the Functionality Required to Run a Business

- Software
- Services
- Advertising
- Nonprofit
- Manufacturing
- Wholesale Distribution
- Retail
- Media/Publishing
- Sub Verticals
- Built For NetSuite
- KPI's
- Dashboards
- Roles
- Workflows
- Forms
- Integrations
- SuiteApps
- Thousands of hours of pre-configuration
- All Based On Leading Practices



# NetSuite



# Streamline your efficiency with an ERP built for real business needs.



## Unified cloud platform

- Built for the cloud
- Multi-tenant
- Built on Oracle Stack
- Built to run a business
- Unified data model
- Everyone on same release



## SuiteCloud platform

- Point & click customization
- Powerful scripting
- Visual workflow builder
- Integration APIs
- No version lock
- Built-in platform



## ERP/ commerce/PSA

- Financial services
- Professional services automation (PSA)
- Supply chain management (SCM)
- Omnichannel commerce
- Customer relationship management (CRM)
- Human resource management (HRM)
- Build for NetSuite



## Industry

- Financial services
- Advertising
- Media & publishing
- Software
- Services
- Not-for-profit
- Manufacturing
- Wholesale distribution
- Retail
- Life sciences
- Staffing
- Insurance



## Global reach

- Multi-book
- Multi-language
- Multi-currency
- Multi-country tax compliance
- Master data management



## Intelligence

- AI
- Machine learning
- SuiteAnalytics workbook
- Predictive
- Reporting
- KPIs & dashboards

# We've thought of a lot, so you don't have to.

---



## Countless dashboards

Over 300+ BI components are available "out of the box."



## Mobile friendly

Your team can now access important information from anywhere with a mobile view.



## Upgrades on us

We roll out new features two times a year that make your life easier and your business run better. No additional charges or upgrades – you are always using the latest features.



## Secure and reliable

You can have peace of mind with continuous security monitoring from NetSuite's dedicated security team, together with role-based access, strong encryption, and password protection.



## Scalable

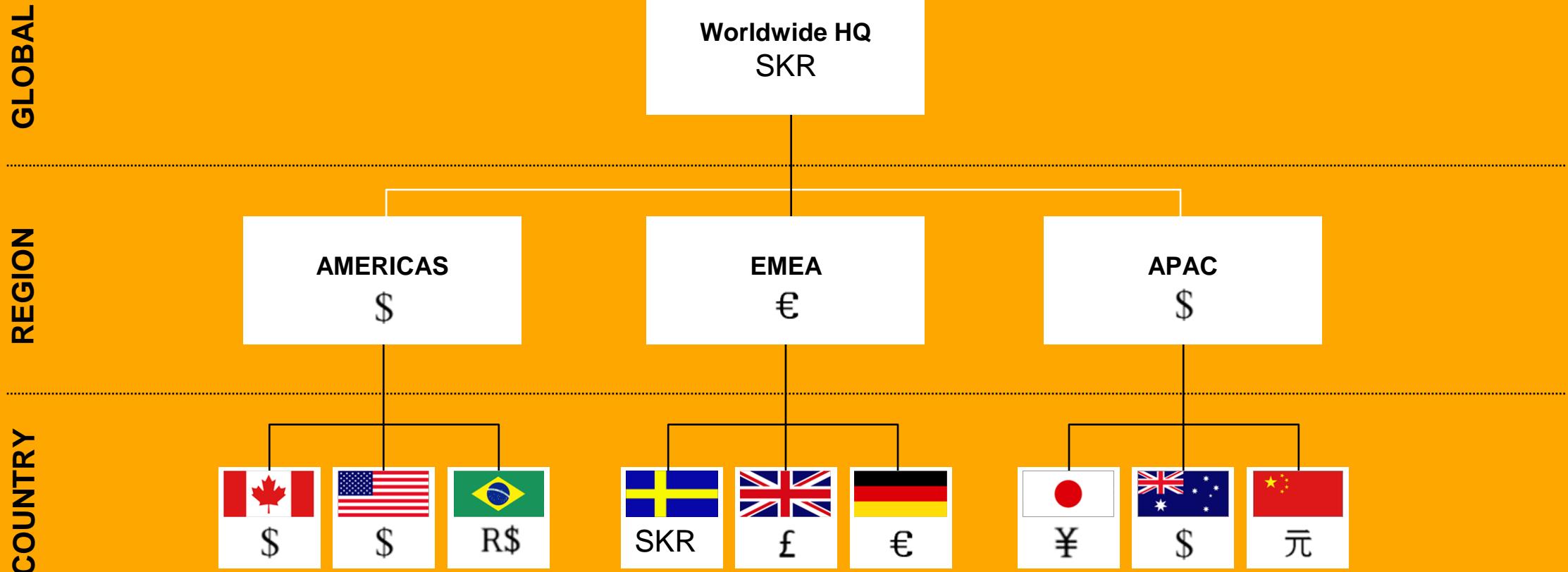
We work with companies of all sizes. Our experience with NetSuite and the award-winning technology is ready to support you as you grow your business.



## Quick time to value

With our proven implementation methodology, you can expect an implementation on time and budget – quickly seeing value for your company.

# The World's Greatest Multi-company, Multi-currency System





## Establish

- Financials (GL/AR/AP)
- CRM and order processing
- Revenue management
- Software KPIs, reports and dashboards

## Elevate

- International expansion
- Electronic payment integration
- Workflow and approval processing
- Asset management

## Expand

- Opportunity-to-cash automation
- Subscription and renewals management
- Payroll and people management
- Purchasing

## Accelerate

- Financial planning and analysis
- SaaS metrics
- Professional services automation

## Dominate

- Operate with global scale
- Country-to-country localizations
- Usage, meter and consumption-based billing



# Demonstration





# Any questions?



**If you want to learn more about  
technology for your business,  
we're here to help.**

Reach out today.



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**If you want to learn more about  
Corporate Tax for your  
business, we're here to help.**

Reach out today.



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