MOORE STEPHENS

Winter 2014

MSME News

PRECISE . PROVEN . PERFORMANCE

Moore Stephens Qatar moves to new office

As Embodiment of MS Qatar's vision of growth, we are pleased to announce that we have moved our headquarter to a new larger office on October17th,2014.

Our continuous enthusiasm for exploiting the upcoming opportunities is inspired by those unforgettable success stories, and mixed with the ambition of our growing team, to make a great combination allowing us to achieve our goals

Please contact us and send all correspondence to our new address:

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MOF launched a New Tax Information System

On 28 September 2014, The Public Revenues and Taxes Department (PRTD), a department of the Qatari Ministry of Finance (MoF), launched a new electronic service for tax procedures – the Tax Administration System (TAS).

The TAS is an online information system designed to completely automate and facilitate taxpaying procedures and tax-related administration processes, including tax filings as well as accessing the current and historic return data.

This modernized system aims to offer improved services to taxpayers through greater data integrity, shorter processing times and the removal of manual operations. Taxpayers do not have to visit the PRTD offices anymore.

Inside

MOF will provide each company with private Username and Password which can be used to login to the website. A user is required to complete and submit a form, and then he would have access to the TAS as well as to a wealth of information related to tax matters.

This step shows that the government is keen to expedite processing of Tax procedures and alleviate the discomfort of the usual manual processing.

The Proposed Merger of QDB & EQ

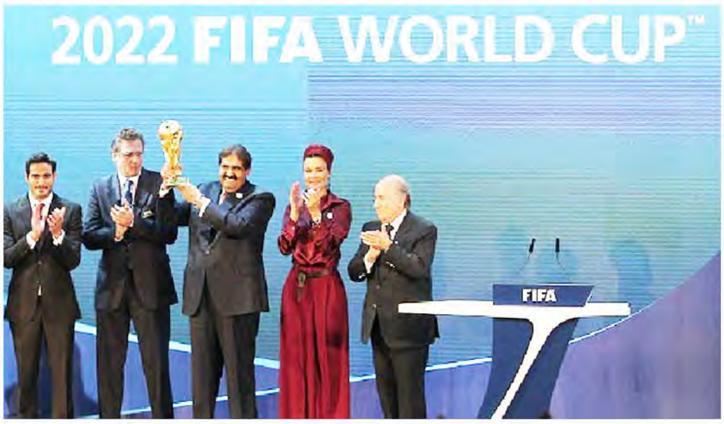
During the 43rd ordinary session of the Advisory Council held on November 11, 2014, The Emir H H Sheikh Tamim bin Hamad Al Thani announced a series of initiatives to further strengthen the private sector.

One of the major announcements included in the session, was the government's intention to merge Small and Medium Enterprises Development Company - Enterprise Qatar (EQ) with Qatar Development Bank (QDB).

HH said "the government is in the process to merge EQ with QDB, in order to unify the efforts and to ensure implementing support projects directed towards this important sector."

Since its establishment in 2011, under the leadership of His Highness Sheikh Hamad bin Khalifa Al Thani, the Father Emir, EQ promotes and supports the prosperity of the Small and Medium Enterprise (SME) sector in Qatar by subsidizing 70% of advisory services to SMEs and entrepreneurs. Services include feasibility studies (JADWA), financial advisory services (TADQEEQ), performance Improvement Services (EYADA) and legal advisory services (OQOOD).

On a different note, Qatar Development Bank (QDB) is a financial entity fully owned by the government, and set up by an Emiri Decree to invest in and develop local industries by supporting small and medium enterprises in Qatar. Its mission is to accelerate the development of the Qatari private sector in line with the diverse needs of Qatar.



FIFA Cleared Qatar To Host 2022 World Cup

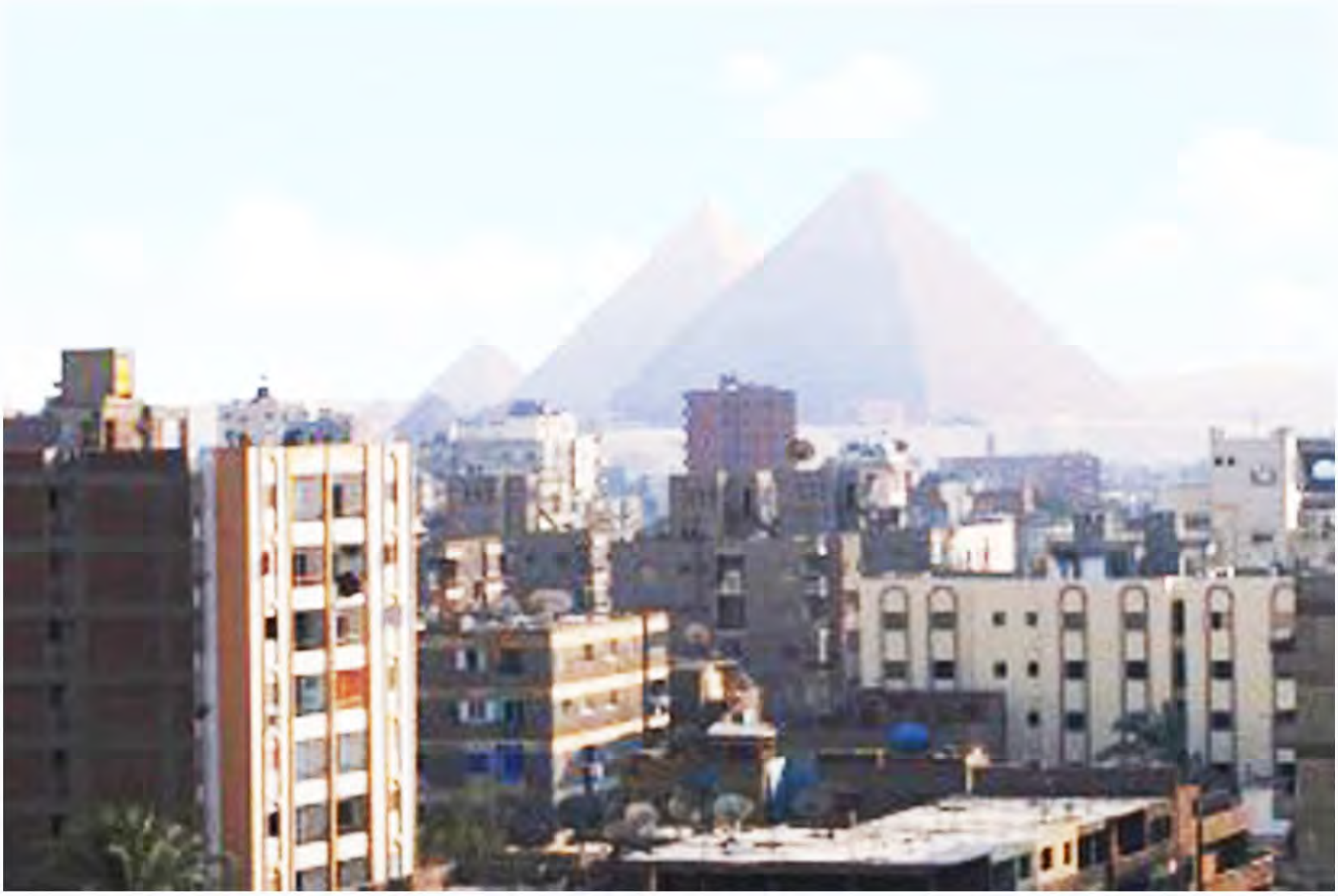
Qatar has been cleared of alleged corruption to host the 2022 World Cup. FIFA's ethics committee stated that any rules breaches by Qatar were "of very limited scope". Accordingly, the investigation into the controversial bidding process was finally closed.

The FIFA's ethics committee has made a decision after an 18-month investigation by the former New York district attorney Michael Garcia.

Meanwhile, Hans-Joachim Eckert, the head of the adjudicatory arm of FIFA's ethics committee, concluded that there is no sufficient evidence to justify the stripping of Qatar from the 2022 tournament.

The controversies have escalated quickly once FIFA announced on December 2010 that Qatar will host the 2022 tournament. As a consequence, large-scale allegations have been made against Qatar, ranging from doubts about the bidding process itself, to concerns about the hot weather during the time of holding the tournament, and the safety of workers building the infrastructure.

Hosting the 2022 has initiated a series of infrastructure projects which are expected to increase the overall state GDP due to the overall improvements in the economy. Such projects have caused an additional increase in the employment rates and have created several vacancies for expatriates. Actually, hosting the 2022 tournament has opened the doors for investors to eye Qatar as their new land of opportunities.



Amendments to the Income Tax & Stamp Duty laws:

The Government passed a number of amendments to the Income Tax Law No. 91 of 2005 & the Stamp Duty Law No. 111 of 1980 by Law No. 53 of 2014 and it came into effect from July 2014.

The following major amendments passed by Law No. 53 now apply:

- Articles from Law No. 91 of 2005 that have been replaced by new tax amendments have been cancelled and no longer apply.

- A transaction that would be regarded as aggressive tax planning is now defined (Law no (53) has introduced a new article no. 92 providing that a transaction and the resulting tax consequences will not be acknowledged or accepted upon determination of a tax assessment where it is proved that the main purpose or one of the main purposes of such transaction is to avoid or postpone taxes.)

Stricter penalties have been introduced for non-compliance with reporting requirements (A stricter penalty is imposed for the non-compliance or failure with providing data, books and documents, including lists of customers and suppliers requested in writing by authority. For such non-compliance the penalty is not less than EGP 20,000 and not exceeding EGP 50,000 under the old law it was not less than EGP 2,000 and not exceeding EGP 10,000).

- Stamp duty on securities currently subject to capital gains tax has been canceled.

- Individuals resident in Egypt are now subject to income tax on their total worldwide net income if Egypt is the headquarter location of the commercial, industrial or professional activity. In the past, such resident individuals were subject to tax on income realized in Egypt only.

- Salary tax exemption for employee contributions to private insurance funds and premiums for life and health insurance is subject to additional limitation. (Shall not exceed 15% of the net income or EGP10, 000, whichever is less. The tax exemption used to be 15% of the net income or EGP3, 000, whichever was more).

- Add-on tax system has been repealed and replaced by new reporting requirements. The law revokes the add-on tax system previously applied to the sale or distribution of any manufactured goods, products or agricultural crops to the private sector whether for the purpose of trade or manufacturing. The entities and establishments previously obligated to apply the add-on tax are now required to report the transactions previously subject to add-on tax to the Egypt Tax Authority (ETA) on a quarterly basis. The law has also removed the add-on tax imposed on rental payments for premises owned and ready for renting, manufacturing, rendering or preparing services, foods or beverages. Similarly, the entities and establishments obligated to apply the add-on tax are now required to report rental dealings and the amounts collected from the lessees on a quarterly basis. The government will determine which goods, products, agriculture crops, activities and rentals are subject to these provisions and the quarterly reporting requirement. The entities and establishments as prescribed in these provisions and the reporting responsibilities also applies to taxpayers who enjoy a tax holiday or who otherwise are not subject to tax. Taxpayers who do not comply with the new reporting requirements will be subject to a penalty of not less than EGP10, 000 and not exceeding EGP50, 000.

- Dividends distributions that resident and nonresident individuals receive are subject to income tax. Dividends distributions shall include any income derived from stocks or shares including preferred stocks, mining stocks, issuance stocks or any other rights that entitle obtaining profits, whether in the form of cash dividends or free shares, bonds, issuance shares or similar. Tax is not applicable to dividend distributions in the form of free stocks. Dividends distributions from a source in Egypt are taxable at:

•Ten percent without deduction for any expenses

•A reduced rate of 5% without deduction for any expenses on condition that the individual or corporate person holds more than 25% of the distributing company's capital or voting rights and shares are held for a duration of not less than two years. Dividends received by resident individuals in Egypt from corporations or partnerships, including companies established as per the special economic zone system, whether the dividends were realized in Egypt or abroad, regardless of the form of distribution, are subject to tax. Dividends distributed to individuals shall be subject to tax on the basis of:

•Resident individuals not engaged in activities subject to commercial and industrial income tax will be subject to tax on dividends, when the dividends received exceed EGP10, 000 annually.

•Resident individuals engaged in activities subject to commercial and industrial income tax will be subject to tax on all dividends received from all sources in Egypt or abroad .Profits realized from investments in securities abroad are subject to income tax, if Egypt is the headquarter of the taxpayer's commercial, industrial or professional activity. The general income tax rate provided in Article No. 8 of Law No. 91 of 2005 is applicable. The withheld taxes shall be deducted from the final tax due.

- CGT applies on sale of securities by individuals. Capital gains realized from the disposal of securities or shares in Egypt or abroad will be subject to tax. Capital gains subject to tax will be calculated based on the net profits at the end of the tax year; the difference between the price of sale, exchange, or any form of disposal and the acquisition cost, after deducting the brokerage commission. Capital losses realized from disposal of securities and shares will be deducted but limited to the capital gains realized from disposal of securities and shares within the same tax year.In case the capital losses exceed the capital gains realized from securities and shares disposal within the tax year, the excess can be carried forward up to three years. The CGT rate applicable to individuals shall be determined on the basis of the following:

•Ten percent for capital gains realized from securities registered with the Egyptian Stock Exchange and when the source of income is in Egypt

•The tax rate provided in Article No. 8 of the Income Tax Law No. 91/2005 for the capital gains realized from the sale of securities or shares whether the source of income is in Egypt or outside Egypt

•Ten percent for nonresident natural person (same as the tax rate applicable to non-resident corporate persons) The withheld taxes on capital gains should be deducted from the final tax due. Capital losses incurred outside Egypt are not allowed to be deducted from the taxable amount in Egypt for the same tax period or any following period. Moreover, capital gains realized in any country outside Egypt are not allowed to be offset with losses incurred in another country outside Egypt. The party performing the transaction will be liable to notify the tax authority of the transaction.

- The following articles from Law No. 91 of 2005 have been repealed and no longer apply. Exemption of yields from dealing in securities registered with the Egyptian Stock Exchange. Exemption of earnings realized by individuals from the yields of bonds listed with the Egyptian Stock Exchange issued by the State or Corporations, dividends distributions and

dividends from investment securities issued by investment funds Income tax on re-evaluation capital gains arising from:

•Purchase or acquisition of 33% or more of the shares or voting rights by number or value in a resident company

•Purchase or possession of 33% or more of the asset and liabilities of a resident company .Add-on tax provisions related to establishments not subject to tax or exempted.

- Repeal of stamp duty on securities now subject to CGT. The article of the stamp duty tax Law No. 83 which states that "a stamp duty of 0.01% shall be borne by the purchaser, and 0.01% shall be borne by the seller on all securities sale or

Anniversary

Moore Stephens Egypt will be celebrating its 60th year anniversary next year 2015 on the 27th of May, the firm was established during 1955 by late Mr. Mustapha Hozaien who was one of the pioneer Tax consultants in Egypt .

A New Partner to be for Moore Stephens Yemen Office

Moore Stephens Yemen is very pleased for Mr.Hesham Al-Atnah

for his new promotion to partner, which will take place on January 2015.

Hesham Al- Atnah , ACCA, CIA, CRMA, YemCPA

Hesham is enjoying more than 14 years of versatile professional experience in the field of accounting, advanced audit techniques, internal audit, financial planning, banking operations and facilities, budgeting, development of policies and procedures, business automation, designing and implementing customized systems, and evaluating ERP solutions.
Hesham is the president of the Yemeni Association of Certified Internal Auditors and is the head of the Audit Committee and member of the Board of Directors of the Central Bank of Yemen.
Before joining Moore Stephens - Yemen, Hesham was an Internal Audit Supervisor with Yemen LNG Company. During his work at Deloitte he was in charge of a number of assurance assignments for oil and gas company such OMV and Dove.

Hesham has an extensive experience in auditing Projects and Programs which are implemented or financed by IDA, UNDP, and other international donors.
He holds a BSc in Applied Accounting from Sana'a University and is a member of the Associations of Chartered Certified Accountants (ACCA), Certified Internal Auditor in USA (CIA) & Certified Public Accountant in Yemen. He is a Certificated of Risk Management Assurance (CRMA).

Hesham Al Atnah
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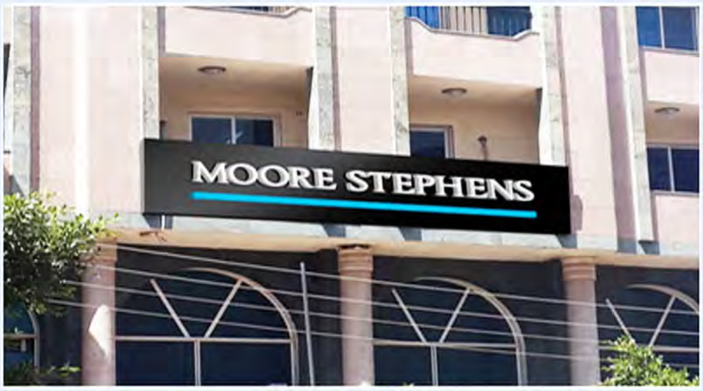
Moore Stephens Office in Yemen



Moore Stephens Yemen After one year of launching, which practically has been operating in the Market since 1 January 2014, Growing and strengthening delivering a wide industrial service providing the highest level of quality services to our clients, Moore Stephens Yemen has a range of elements to ensure the quality of the outputs of our services values Excellence, Integrity, Independence, respect, teamwork, communication, and community.

Crew of Moore Stephens Yemen

Crew in Moore Stephens Yemen always keens to follow up on the latest developments occurring in the business and its resulting impacts on the work of our clients. Our professionals are able to provide distinctive services, and integrate the professional knowledge in the nature of the organization business.

Moore Stephens celebrates 25 successful years in Oman

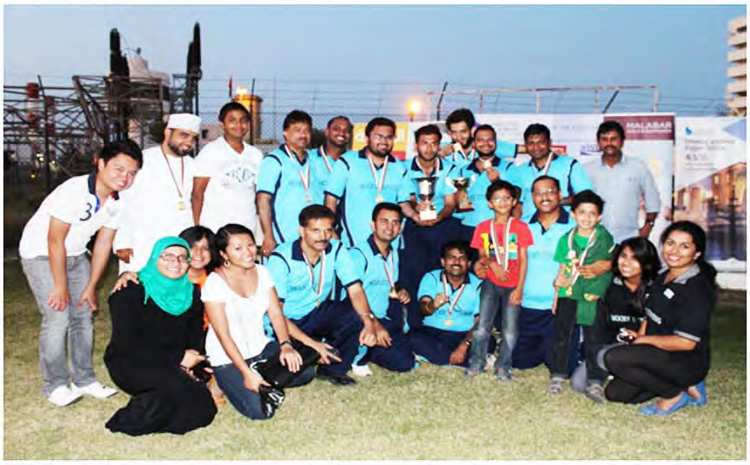
Moore Stephens Oman celebrated the completion of 25 successful years of its operations in the Sultanate of Oman at a gala event organised at the Crown Plaza. Dr Ali bin Masoud al Sunaidy, the Minister of Commerce and Industry was the Chief Guest at the function, while Richard Moore, the Chairman of Moore Stephens International Ltd was the Guest of Honor. The function was attended by various eminent personalities, clients and Partners from the Moore Stephens regional offices in the Middle East. Speaking on the occasion, John Adcock, the Managing and founding Partner of Oman operations and the Chairman of Moore Stephens Middle East thanked the Government of Oman and the clients for their valued support extended over the past 25 years.

John recounted the early days of Moore Stephens in Oman and the steady increase in the overall size of its operations in Oman witnessed over the years. The practice has developed considerably and now services more than 300 clients, including major business Groups, government organisations and Ministries providing either audit, tax or management consultancy services. Locally the firm's assurance, tax and management consultancy functions are overseen by the Directors Vinodh Raman and Prasad Inna, while Sandeep Kunte heads the firm's internal audit and other risk advisory services.

Setting up the vision for the future, John also announced the decision to appoint an Omani Partner, Abdullah al Bakari, who has been with the firm for nearly 10 years. Abdullah has acquired significant experience in audit, consultancy and tax over the past decade and will now oversee the firm's training program for Omani Nationals. John also reaffirmed the firm's commitment to Omanisation and increased focus in motivating and developing the Omani nationals to acquire the necessary expertise. Also speaking on the occasion was Richard Moore, who presented an overview of the Moore Stephens international operations and the various initiatives taken internationally to develop the operations across the globe in the past year. Another highlight of the evening was a musical concert played by the young and talented Omani musicians from the Royal Oman Symphony Orchestra.

Moore Stephens Oman bag Bank of Beirut Auditors' Cricket Cup

Moore Stephens Oman won the Bank of Beirut Auditors' Cricket Cup for the year 2014 defeating Ernst & Young in the finals. For the fourth successful year, the event saw audit executives from 6 audit firms participate in healthy and competitive spirit for the trophy. The participating teams included Moore Stephens, Ernst & Young, Price Waterhouse Coopers, Deloitte, Grant Thornton and Crowe Howarth. Bank of Beirut was the lead sponsors. Shoeb Shaikh from Moore Stephens was the Man of the Series.



KUWAIT UPDATES

CMA COMPLIANCE BY 31st DECEMBER 2014

The Capital Markets Authority (the “CMA”) issued resolution no. 25 on 27th June 2013, covering Corporate Governance Rules for companies subject to the CMA.
These Rules had to be complied with no later than 31 December 2014.
Non-compliance of these Rules would expose the Companies to disciplinary accountability, in accordance with the CMA Law and its executive regulation which include but are not limited to penalties and suspension of license.
The Deputy Premier and Minister of Commerce and Industry has now confirmed that the amended law of the Capital Markets Authority (CMA) will be ready within 60 days from 18th November, 2014.

It has been noted that the role of CMA lies in the development of the capital market, including development of the comprehensive law awareness (7) of 2010, in addition to finding a clear monitoring mechanism to oversee the implementation of executive regulation.

MIDDLE EAST HIGHLIGHTS

 Qatar to release White Book Qatar 2014 shed light on orporate Social Responsibility (CSR) initiatives highlighting activities and programs by companies and social organisations in Qatar
 The Capital Market Authority (CMA), represented by the Oman Centre for Corporate Governance and Sustainability organised a seminar on 'Governance of Family Businesses and the Separation of Ownership from Management and Succession Planning' to promote a culture of accountability, transparency and good corporate governance and best practices in the Arab world.
 Saudi Arabia – tough new sanctions on auditing firms
 Dubai – Dubai SME and the International Finance Corporation (IFC) organised a new workshop for Dubai SME100
companies to increase their corporate governance capabilities.

1st GCC AUDIT AND ACCOUNTING BUREAU SYMPOSIUM

Organized by Kuwait Association of Accountants and Auditors (KWAAA), between 11-13th of December 2014, the two-day international conference on accounting and auditing underscored the significance of boosting contacts and cooperation among the Gulf Cooperation Council (GCC) accounting and audit bureaus and the target institutions for upgrading efficiency and effectiveness of control bodies. Specialists of accounting and auditing taking part in the sessions of the conference discussed major issues like transparency, disclosure, corruption, accounting education, corporate governance, needs of the labor market and the international criteria of financial reports and their application.
The event was to highlight:

- the importance of cooperation between the monitoring agencies and the bodies targeted by their work
- need to revise laws regulating the profession of accountants and auditors in the Arab world
- adoption of fresh law, based on the SOX act, pertinent to the internal control system should be adopted by Arab countries with a view to cutting accounting and auditing mistakes
- enacting pieces of legislation bearing on corporate governance, with the goal of improving the quality and safety of financial data

GLOBAL UPDATES- ISLAMIC FINANCE INDUSTRY

Global Sukuk issuances hit USD 114 billion over 11 months

Between January-November 2014, the global primary Sukuk market recorded total issuances of USD 114.7 billion, compared to USD 105.7 billion in the same period last year. Sukuk has played a pivotal role in infrastructure financing and has been utilized for both public and private projects. Sharia prohibits trade in debt, so unlike conventional bonds, which give ownership of debt, Sukuk are asset-based securities that give investors a share in the project. They also offer better yields. Malaysia continued to dominate the Sukuk market, accounting for a 64.6 percent share of total issuances; with Saudi Arabia (10.3 percent), Indonesia (5.4 percent), the UAE (5 percent) and Turkey (3.6 percent) rounding up the top five markets. Notably, the Sukuk market is more geographically-dispersed this year, which is a healthy sign of expansion into new markets.

Islamic finance sector Industry could be worth $4 trillion by 2020

The International Monetary Fund (IMF), the World Bank, and other global economic bodies estimate that the assets of Islamic financial institutions grew nine-fold to $1.8 trillion between 2003 and last year. The industry, which spans more than 70 countries, could be worth $4 trillion by 2020, according to forecasters including Standard and Poor's.
About 80 percent of the assets are now in banks, 15 percent in Islamic bonds called Sukuk, four percent in investment funds and one percent in Islamic insurance known as Takaful.

Moore Stephens Al Bahar & Co., Kuwait

Moore Stephens - Al Bahar & Co., Kuwait is a Member Firm of Moore Stephens International. Our brand stands for investment in long-term relationships, focus on technical expertise and a commitment to professionalism and discretion.
Moore Stephens is a member of the Forum of Firms. The objective of the Forum of Firms is to promote consistent and high quality standards of financial and auditing practices worldwide.

Our aim is to provide comprehensive, valuable services to clients, through the development and maintenance of a cohesive network that operates to high standards of professionalism.
Moore Stephens leads the way in the provision of the highest quality of personal services to businesses and their owners to support them in creating and preserving wealth.
We at Moore Stephens, Kuwait offer a range of integrated services to help you grow, realize and protect your wealth, both in your home country and internationally. The aim of all of the services offered is to add real commercial value to you and your business.

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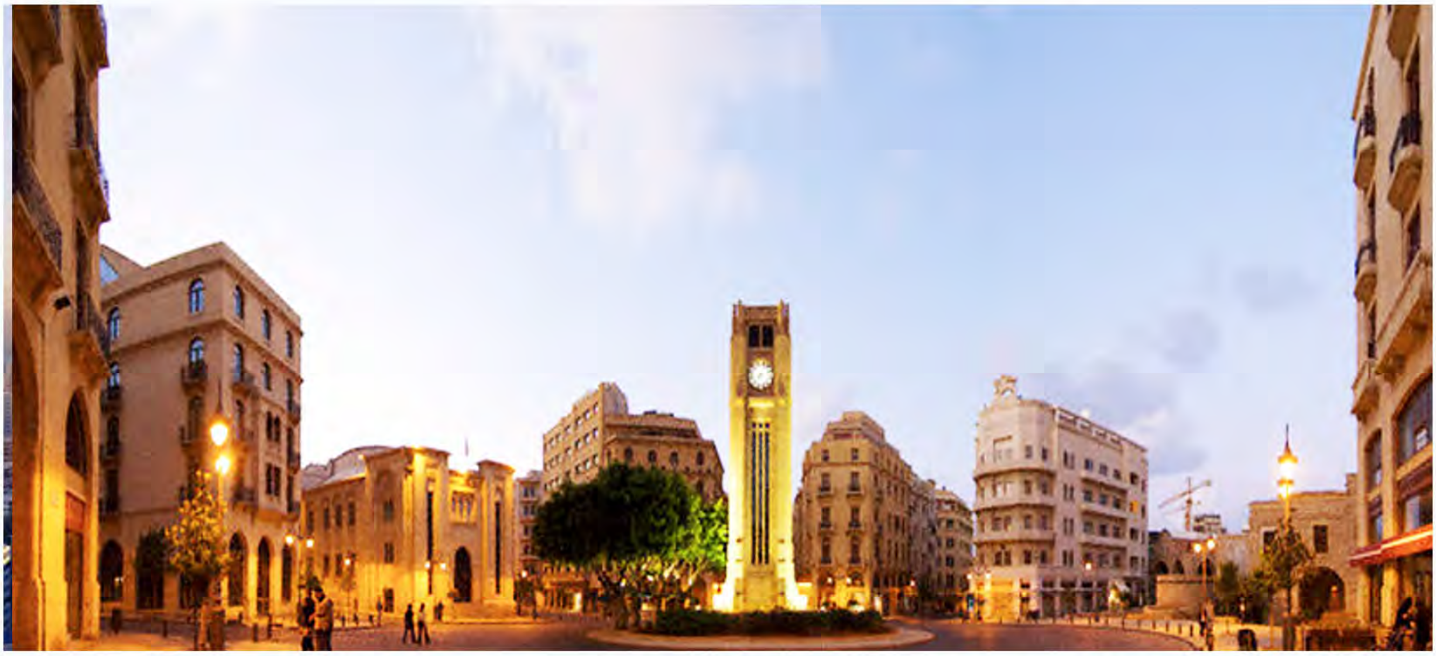


The financial and tax affairs issued on 2014 in Lebanon.

We are pleased to announce the following legislations, rules, and instructions Regarding the financial and tax affairs issued on 2014 in Lebanon.

- Law No. 248 issued on 15.04.2014 includes the exemption of the profits of the Lebanese industrial exports from 50% of the income tax.
And it has been mentioned in the text of law: "In order to determine the instructions and details of the application of this law, a decision will be issued by the Minister of Finance. To date this decision has not been yet issued, thus there are some difficulties in the implementation of this law.

- Law No. 273 issued on 15.04.2014 includes adding a new paragraph to Article N°16 of the Income Tax Act which relates to the transfer of the deficit that occurred in the following years: 2005, 2006, 2007, and 2008.
After this law, a new applicable law No. 1184 dated on 19.11.2014, which was issued by the Minister of Finance, includes how to externalize those losses and its conditions with models of financial statements especially related to externalizing the losses.

- Legislation No. 1157 dated on 25.10.2013, which was issued by the Minister of Finance, states the obligation of the assigned VAT taxpayers to submit their declarations through the electronic tax system.

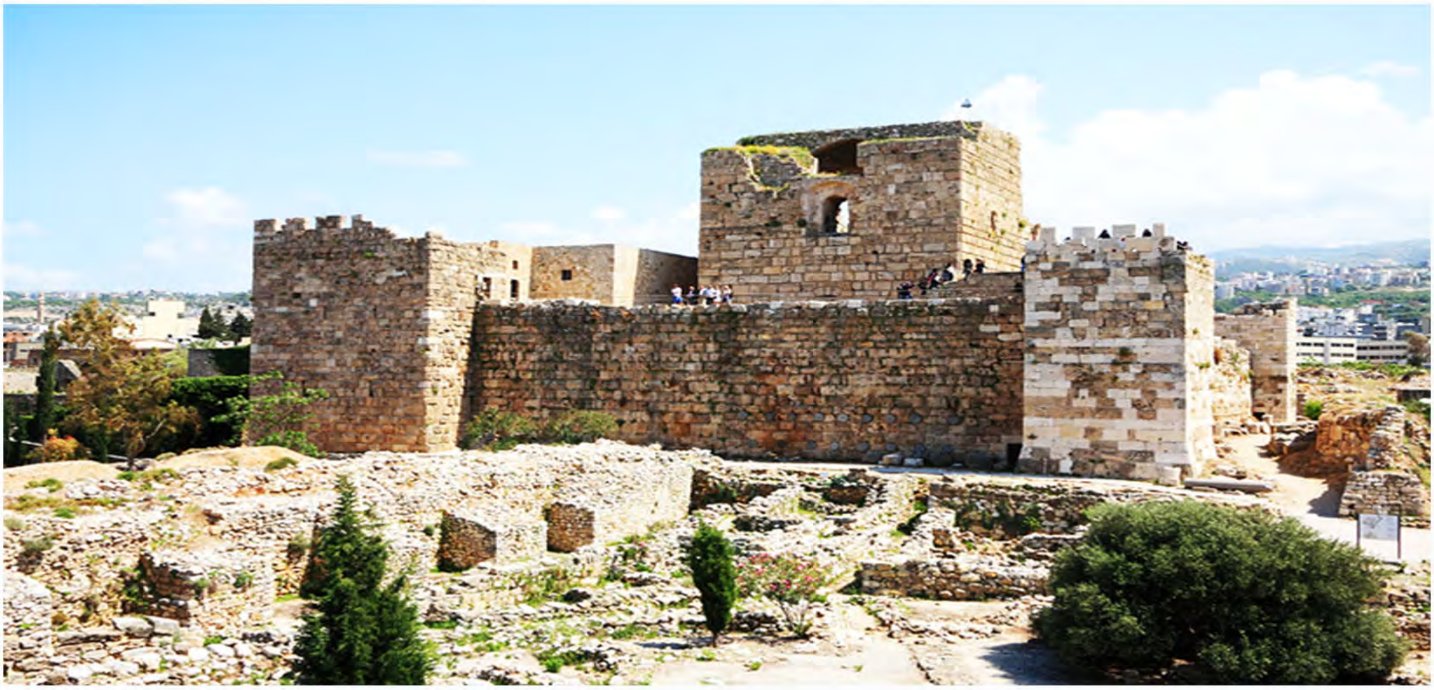
- A note No. 4818/R dated on 27.12.2013, which was issued by the Minister of Finance, states that in addition to imposing a penalty fee amounting for five times the fee imposed on taxpayers who didn't pay the payment of a fee of a financial nature within five days from the date of the actioning the fee, it is required to impose a fine collection rate of 1 % per month starting from the maturity date of paying the fee. Thus, the fine collection will be applied starting from 1.1.2014.

- A legislation No. 135 dated on 7.2.2014, issued by the Minister of Finance, includes the adoption of new models for the declaration of the movement of capital (Part III) starting from 1.7.2014.

- A legislation No. 474 dated on 19.05.2014, which was issued by the Minister of Finance, includes procedures and conditions imposed on the respective personnel assigned for serving the "Virtual Offices": both those who provide services or who benefit from them.

- A legislation No. 475 dated on 19.05.2014, which was issued by the Minister of Finance, includes tax treatment of taxpayers in case of their death in individual institutions.

The financial and tax affairs issued on 2014 in Lebanon.



- Legislation No. 1195 dated on 21.11.2014, which was issued by the Minister of Finance, involves identifying the mechanism of applying a simplified system for issuing bills "Cash-Receipts". The decision included the legal deadline for submission of applications to the Income Tax Department in Beirut, and the services of taxpayers department for prior approval of tax administration to apply the simplified system for the issuance of cash bills. Added to that, the pre-approval that was either obtained or not obtained by the taxpayers from the VAT department.

- Notes issued by the Director of the Imports under No. 1074 dated on 18.09.2014 regarding the extent of which the joint stock companies engaged in the breeding of cows and trafficking resources is subject to profit.

- Legislation No. 140/1 dated on 11.02.2014, which was issued by the Minister of Finance, includes adding new tax accounts on the Value Added Tax (VAT) to the annex No.2 (Chart Of Account).

- Clarifications No. 18 dated 01.08.2014 was issued by the Director of the imports for handling the issue of Lebanese off-Shore companies and their ability to enter into contracts for trade of goods and services with other Lebanese Off-shore companies.

- Notes issued by the Director of imports under No. 1109 dated on 27.08.2014 regarding shareholders' ability to benefit from the Lebanese insurance companies SAL and reduce company's cumulative accounting losses from their current accounts payable.

Erbil UPDATES

Doing business in Kurdistan Region:

The Kurdistan Region is an emerging market offering excellent opportunities with a young and increasingly prosperous population of 5.2 million; the Kurdistan Region covers about 40,000 square kilometers.
By 7September 2014, the investment board had approved 716 projects with a capital value of $41.9bn, which encourages schemes in the following sectors: manufacturing, power generation, agriculture, tourism, health, environment, science and technology research, education, information technology, communications, transport, banking, insurance, housing, roads and bridges, irrigation and dams.
A total of 2955 foreign companies are registered to operate in the Kurdistan Region,
The KRG Ministry of Planning predictsannual economic growth at a rateof 8% for the 2014-2016 period.

Anyone carrying out business in Kurdistan Region must do so through a registered corporate entity.
Several types of legal business structures are allowed under the law 21 for the year 1997 and its amendments, such as limited liability companies, joint stock companies and branch offices.

Registered companiesand branches of foreignentities are required toprepare annual financial statements and make annual corporatetax fillings and make paymentof corporation tax, by30th of June followingyearend.

The corporate income tax rate is currently a flat 15 percent on the net income. This percentage is applicable to all industries.

No withholding tax is imposed on the services payment in Kurdistan Region.

Employees are subject to payroll tax at 5% on all amounts above 5% of the basic salary.

Employers operating in Kurdistan Region are required to enroll their employees in social security. The contribution in social security is 17% which is 12% paid by the employer and 5% paid by the employee.

7th Annual Global Competitiveness Form (GCF) 2014

In its 7th year, the GCF focused on showcasing local and regional authorities and business leaders opposite world renowned global thought leaders to shed light on local, regional, and global business trends and opportunities. For 2014, the theme was "Building Competitive Partnerships", In other words, investing in strategic alliances enabling businesses to gain a competitive advantage through access to partners' resources, technologies, and capital, essentially building a solid workforce to deliver a prosperous economic future. The agenda will touch on all forms of investment opportunities in the Kingdom highlighting the success stories as well as addressing the global and regional trends in business competitiveness; including strategies for economic growth, developing a world class infrastructure, and international trade partnerships. In addition, the GCF presented a series of breakaway workshops that will expand on some of the valuable topics discussed onstage in small and intimate workshops.

8th Annual Global Competitiveness Form (GCF) 2015 January 25-27, 2015 / Riyadh – Saudi Arabia

GCF 2015 will focus on the country's priority investment sectors and major development projects including Jeddah's Burj al Arab and the Kingdom's economic cities. It will also include the 'Invest in Saudi Arabia exhibition, which will showcase investment opportunities and provide the perfect networking venue for delegates and potential investors.
The Global Competitiveness Forum (GCF), the only event of its kind, is an annual meeting of global business leaders, international political leaders, and selected intellectuals and journalists brought together to create a dialogue with respect to the positive impact organizational and national competitiveness can have on local, regional and global economic and social development. It was founded in 2006 by the Saudi Arabian General Investment Authority (SAGIA), and is held in Riyadh, Saudi Arabia under the patronage of HM King Abdullah Bin Abdulaziz, the Custodian of the Two Holy Mosques.

Ministry of Commerce and Industry
Announces Launching the Program of Electronic Input of the Financial Statements "qawaem"

The Project would contribute in Promoting Transparency and Serving the Commercial Institutions in the Saudi market, as Confirmed by MCI.
MCI has launched the Electronic Platform "qawaem" which will greatly serve both the public and private sectors, through promoting transparency and serving the Commercial Institutions in the Saudi market, by facilitating and organizing the process of inputting the financial statements of the Commercial Institutions working in the Kingdom. MCI announces the start of this service on Thursday, 10/03/1435 AH, 01.01.2015 AD, in the Consolidated Financial Statements Input Center, via MCI website as an initial phase, where the paper financial statements will no longer be received as from the above mentioned date.

H.E. the Minister of Commerce and Industry, Dr. Tawfiq Bin Fawzan Al Rabiah has issued a decree for the adoption of the electronic input program of the financial statements via the electronic platform "qawaem" as a Consolidated Program for the Electronic Input. Accordingly, a decree has been issued by H.E. the Minister, Chairman of the Board of Directors of the Saudi Organization for Certified Public Accountants to amend Article IX of the Implementing Regulations of the Chartered Accountants Law, stipulating that the one enrolled in the Chartered Accountants Registration should be committed to provide the Ministry with the financial statements and reports by inputting them via the electronic input program "qawaem".

All the companies, working in the Saudi market, are requested by MCI regulations to provide their financial statements on an annual basis, where it passes through series of stages, starting by preparing the company's financial statement in the form of paper and then to be audited and approved by a chartered accountant, then to be handed over manually to MCI officials. All these procedures have become electronic through the e- platform "qawaem".

Through the program of "qawaem", MCI is trying to provide assistance to Accounting and Auditing Offices to promote and develop this profession and to contribute in the preparation of National cadres in such profession, to be trained to the highest levels, as befits the economic status of the Kingdom, MCI is also keen on providing multiple options for all sectors, whose works require the access to the financial statements of an institution working in the Kingdom.

During the process of designing the program "qawaem" , MCI did not overlook putting precise control on the financial statements of the institutions, and to be followed up regarding the financial aspects, and did not overlook as well the importance of the economic feasibility of the project, contributing the activation of what is known in the business as "Corporate Governance", where the financial statements, audited by chartered accountants, allow accuracy in providing information before inputting into the electronic platform, in addition to the commitment to the Rules and Regulations of the Ministry, especially adhering to the dates of inputting the financial statements, and follow the Saudi Accounting Standards, where such procedures may achieve the greatest economic feasibility.

Saudi Arabia Tax and Zakat Update 2014:

1. Withholding tax on payment of technical services fee to non-resident affiliate (related party):

The Department of Zakat and Income Tax has issued a Ministerial Resolution No. 1776 dated 18.05.1435H (19 March 2014) allowing the DZIT to impose 15% withholding tax (along with delay fine) on payment of technical services fee to non-resident affiliates.
It now therefore appears that a new Ministerial Resolution was issued on 19 March 2014 amending the tax Bye-laws to support imposition of 15% withholding tax on payment of technical services fee to non-resident affiliates, as opposed to 5%.

2. Depreciation method:

In accordance with Article 17 of the tax regulations as well as circular No. 2574/9 dated 14/5/1426H, The calculation of Zakat / tax depreciation is in terms of asset grouping, accounting of additions and proceeds received from disposed assets and depreciation rates as per the said Article No. 17 of the income tax. The calculation of the depreciation is determined as follows:
Remaining group value at the yearend plus the deferred 50% of the added assets value during the year, minus the deferred 50% of the compensations for the disposed assets during the year
The Department of Zakat and Income Tax has recently issued a supplementary circular No. 3299 dated 26.05.1435H giving options to the Zakatpayers to calculate their depreciation as above mentioned Article or using the book value as per financial statements of the fixed assets on the straight line method pursuant to the previous application of the entity before the issuance of circular No. 2574/9 dated 14/5/1426H, but to comply with the depreciation rates determined by Zakat & Income Tax Department.

3. The period extension to appeal:

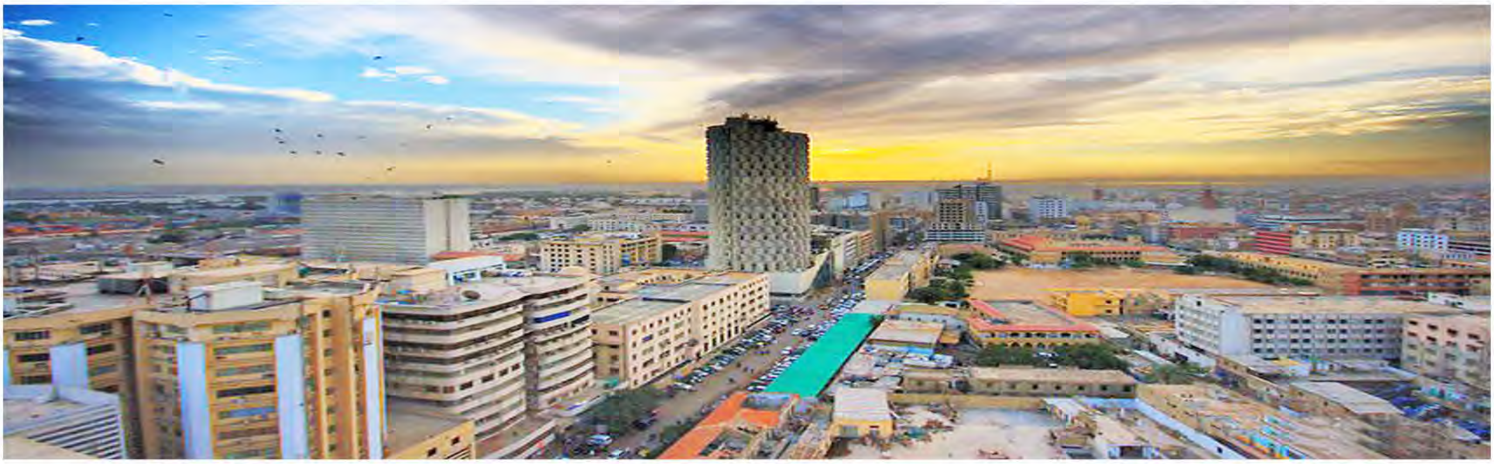
Ministerial resolution No. 1527 dated 24/04/1435H , issued by Ministry of Finance concerning the period extension to appeal against the preliminary objection Decision within 60 days instead of thirty days ,to be similar as the objection against final assessment , for unification purposes.

4. The non objected items:

If the taxpayer objects against the final assessment, must at first settle the accepted items which did not object against it , otherwise the objection will be rejected from the formal side of the objection, but for the Zakat payers can be accepted without payment for the non objected items, and payment can be made to obtain the final certificate.

5. Online submission of Zakat declaration through DZIT's electronic portal:

The Department of Zakat & Income Tax has announced to all the zakat payers that the declarations along with its annexure and the financial statements must be submitted online through the electronic portal to the Department of Zakat and Income Tax.



1- TRAINING & LEARNING SESSIONS

MS Pakistan carried out Winter-2014 training sessions spanning four days on "MS Audit Methodology" on 11th, 13th, 14th and 20th December 2014. The training sessions, which were attended by all members of the audit team, were conducted by senior members of the Firm belonging to the Audit and Corporate Advisory Services.

The objective of the sessions was to demonstrate the application of risk-based audit methodology including using the Pro-Audit software and also apprise participants of areas related to audit such as taxation, corporate compliances etc. Participants were allowed hands on experience of the software through the use of simulations tailored to cover all aspects of the sessions.

2-SECP APPROVES THE COMPANIES (EASY EXIT) REGULATIONS 2014

The winding up of limited liability companies in Pakistan is a cumbersome, lengthy and costly process, even where the company is dormant or defunct. Therefore to facilitate closure of such companies Securities & Exchange Commission of Pakistan introduced, a few years ago, a Companies Easy Exit Schemes (CEES).This scheme provides an alternatemechanism for striking off a company. In the last few years the schemes were launched a number of times,but for specified periods only.

Now the Securities and Exchange Commission of Pakistan has approved the Companies (Easy Exit) Regulations, 2014 for de-registration of dormant or defunct companies. Subject to meeting of certain pre-conditions, prescribed under the regulations, the option of putting the company for striking-off through this mechanism has become a permanent feature available to dormant and defunct companies.

This route is there for all private and public (non-listed) companies, barring subsidiaries of listed companies, public sector companies and foreign companies.

3- SECP ALLOWSELECTRONIC TRANSMISSION OF ANNUAL REPORTS BY COMPANIES

Under the Companies Ordinance, 1984 every company is required to circulate, to its shareholders, annual audited financial statements and directors reports, along with notice of Annual General Meeting. The SECP has now allowed electronic transmission of the same, subject to prior consent of the individual shareholder.

4- CONCEPT PAPER ON LIMITED LIABILTY PARTNERSHIP IN PAKISTAN

In Pakistan, general partnership firms are not considered as legal personality and partners of the firm have unlimited liability to fulfill the obligations and liabilities of the firm. General partnerships are normally formed where there is a desire to have some structural flexibility along with some formality of relationship between partners. There is no compulsory requirement for registration of a general partnership in Pakistan rather it is option for the members to keep it formal or informal.

Limited liability Partnership "LLP" is an alternative corporate business vehicle that provides the benefits of limited liability of a company, but allows its members the flexibility of organizing their internal management on the basis of a mutually arrived agreement, as is the case in a general partnership firm. This business structure is currently not available in Pakistan.

The Securities and Exchange Commission of Pakistan (SECP) has introduced the concept paper of Limited Liability Partnership (LLP) in Pakistan in collaboration with USAID. SECP has also completed consultation and awareness sessions with stakeholders through Pakistan. The main features of LLP framework proposed by the SECP are as under:

- LLP is a body corporate
- LLP will be incorporated by two or more person
- LLP will have separate legal entity and perpetual succession
- Right and duties of partners of an LLP and those of the LLP and its partners are governed by an agreement
- Partner is an agent of LLP but is not of other partners
- Partners are trustee of the assets of the firm
- LLP will be liable to the full extent of its assets, with the liability of the partners limited to their agreed contribution in the LLP
- The Partnership Act, 1932 shall not be applicable

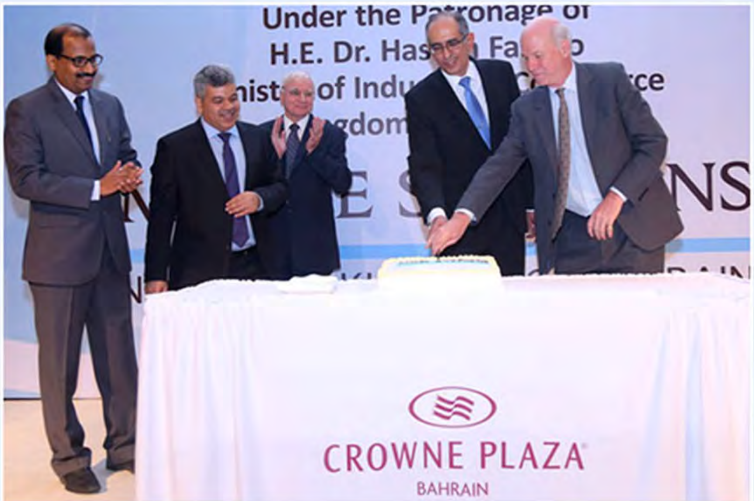
The proposed enactment will bridge the gap between formal corporate sector Limited Liability Company (LLC) and informal partnership firms. It will provide a flexible model suitable to the requirements of various stakeholders especially for the small and medium sized enterprises (SMEs).

MSME Partners meeting - Bahrain 2014 - 16 November 2014

The MSME Partners met on the 16th of November 2014 in Bahrain to discuss regional matters. Mr. Richard Moore, The Chairman of Moore Stephens International chaired the meeting along with Mr. John Adcock, the Chairman of Moore Stephens Middle East

Moore Stephens International Limited inaugurated in Bahrain

Manama, Nov. 16.2014 (BNA)



Moore Stephens International Limited is a global accountancy and advisory network with its headquarters in London.
Since Moore Stephens London was founded in 1907, Moore Stephens International Limited has grown to be one of the largest international accounting and consulting groups worldwide. Today the network comprises 667 offices in 105 countries throughout the world.

Offshore Companies in the U.A.E.

The United Arab Emirates has over the last four decades, become a major business centre and has developed as the largest re-exporting centre in the Middle East. Its low logistical and operational costs and excellent infrastructure, international outlook and liberal government policies has attracted investors from all over the world.

As part of the diversified growth of the economy and to meet the needs of the worldwide business community that includes high net worth individuals, professionals, businesses and corporate entities, the Emirates of Dubai and Ras Al Khaimah has been promoting the registration of offshore companies.

The general characteristics, advantages and limitations of offshore companies that do act as a vehicle for asset protection, real estate holding, bank account operation etc. is briefly examined below.

Offshore Company

The term "offshore company" generally refers to a company that is incorporated in a country other than one's place of residence, citizenship and domicile and that is regulated by a specific legislation that provides full tax exemption and high level of privacy and security.

The Jebel Ali Free Zone and the Ras Al Khaimah Free Zone Authorities have while maintaining a high reputation with international financial authorities, set up the regulations to register and monitor offshore companies.

Structure

The offshore company is generally set up as a limited liability company. The share capital of the company can be determined by the shareholders and the company should have a minimum of one shareholder although no maximum limit has been specified. All shares must be fully paid up and allotted and only one class of shares is permitted.

Management

The offshore company is managed by a Board of Directors and it should also appoint a Secretary. While the offshore companies registered in the Jebel Ali Free Zone should have a minimum of 2 directors, the companies registered in the Ras Al Khaimah Free Zone should have at least 1 director. The shareholder can act as the director and the shareholder/directors can also act as the Secretary.

The offshore company should appoint an legal firm or auditors or consultants that are approved by the free zone to act as the registered agent of the company. The registered agent's office will be the registered office of the company.

The offshore company can open a bank account with an U.A.E. bank for the purpose of conducting its operational activities. However no credit lines are granted to these companies.

Activities

As the offshore company is not issued a trade licence, it cannot carry out any business activity in the U.A.E. However, it can invest as a shareholder in companies that are set up in the U.A.E. and can also own immovable properties that are approved by the authorities. There are certain type of businesses that an offshore company cannot engage or invest in and these include those carrying on banking, insurance, re-insurance or insurance broking business.

The offshore companies registered in the U.A.E. has been an extremely popular vehicle for investors across the world to take care of their several business and personal requirements, some of which are detailed below:

(i) Holding of movable and immovable assets;
(ii) Protection of assets
(iii) Succession planning;
(iv) Planning and optimization of tax;
(v) Confidentiality and security.
(vi) Registration and financing of high value assets

Accounts and Audit

The offshore companies are required to maintain books of accounts and the annual financial statements should be approved by the Directors. At the time of winding up the offshore company, an auditor must be appointed

Conclusion

Since promulgation of the Offshore Companies Regulations by the Jebel Ali Free Zone Authority in 1993 and by the Ras Al Khaimah Free Zone Authority in 2006, more than 4,000 offshore companies have been registered in these two jurisdictions in the U.A.E.

For more information, you can contact us at
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