



Dear Friends and Clients,

As summer approached in the northern hemisphere it is interesting to see how few reactions were made by clients who have their bank accounts abroad, despite an automatic exchange of financial information coming on stream as the 'early adopters' of the OECD's Common Reporting Standard begin to exchange this year.

The UAE meanwhile closed bilateral agreements with most of the important economies worldwide.

What does it mean for you, when you are living in UAE, you are a tax resident here but your bank still has your former address in your home country on file?

We talked to many banks. They all gave the same answer: As soon as a foreign address shows in the file (even when the account opening dates back decades) they will inform the local tax authority about this (former!) residence and the UAE tax authorities will send the information to your country of origin.

When you open a NEW bank account and prove that you are ONLY a resident in UAE (employment, investor, dependent) and show a proof of residence (e.g. lease agreement, utility bill, bank account) then your county of origin will not count and no information will be provided. If you are holding bank accounts with your original address it will be very difficult to persuade the bank to delete this information – almost impossible.

To most of you, it probably won't do any harm RIGHT AWAY if your home country's tax authorities are informed about your accounts in UAE. But maybe one day you are planning to repatriate. Then all information about your income shows in the files "at home". Even though this won't lead to immediate taxation, it can still be embarrassing for the oncoming years, especially with questions like: "What did you do with the money you earned abroad? Does it generate interests? Do you receive rental income? When and to whom did you sell your business and for how much? When will the purchase price be paid? How many days/weeks/months did you really spend abroad in the recent years? etc."

As always in times of uncertainty, clients and their advisers would do well to monitor their arrangements on a frequent basis to make sure that they are still fit for purpose. We are at your service providing advice in international taxation for the past 4 decades.

Kind regards,
Theodor Strohal

Abu Dhabi: UAE's non-Muslim expats now have a will for a way

After a decision to change rules governing wills, non-Muslims expatriates can now dictate where they want their assets to go when they die. The changes will ensure that the will of the deceased is safeguarded over his material assets and the care of his children. Previously, there was no such possibility for expats in Abu Dhabi, only Sharia law was applied. In such a case, a court would first freeze the assets to ensure that all heirs were contacted before the assets were split. This usually led to long delays and high legal costs.

Yousef Al Ibri, State Secretary to the Jurisdiction, said, "that this is the recognition of the 'real needs' of all sectors of society in Abu Dhabi". This legislative framework establishes and protects the rights and freedoms of people of different faiths. Mr. Al Ibri said further that "these rights will now be protected under the constitution of the state, which will have a positive effect on the attraction of people of excellent expertise to work and live in Abu Dhabi" and "improve the competitive position of Abu Dhabi's emirate, making it an ideal destination for those to stay and invest." Wills in Abu Dhabi as well as in Dubai are registered in English.

Sean Hird, director of DIFC Wills and Probate Registry, said "the announcement of a register of wills and probate in Abu Dhabi is a positive step for people living and investing in the Emirate. At DIFC, we have eligible individuals, available for the past two years, who now offer various options for people to protect their assets in Dubai and RAK".

A will secures and protects a client's assets and property, which includes: real estates, bank accounts, shares, cars and end-of-service tip. So a non-Muslim expat can register his will, for whomever he chooses, whether it be his wife, his daughter or any member of the family.

If you require further information, please do not hesitate to contact us. We draft and register wills according to federal and emirate's law, as well as in DIFC or notary public and the court.

ADNOC looks for new partnership

The Abu Dhabi National Oil Company (Adnoc) announced the expansion of its partnership model. The initiative is based on ADNOC's flexible operating model, as well as the growth strategy 2030. This is intended to increase business and revenue growth, optimise performance and provide better access to its products in key growth markets. The focus of this new approach is a series of new partnership and co-investment opportunities in the oil, gas, refining and petrochemical sectors.

Dr. Sultan Ahmed Al Jaber, UAE Minister of State and CEO of Adnoc Group, said: "The shift in global trends creates a new energy landscape that requires new rules of engagement. In this new energy era, we need more creative strategies and more flexible business models to capture the growth." He carried on, "Expanding our partnership model across the whole of our value chain and more actively managing our portfolio will allow us to both unlock value and reinvest capital into new, high growth opportunities" and will "improve integration across the Adnoc value chain" as well as "bring new jobs and benefits to the UAE and its citizens."

Adnoc's new approach focuses on the more active management of its portfolio of assets and companies. In addition, Adnoc also envisages exchanges of some of its minority interests in service companies that have attractive investments and growth profiles. According to Adnoc, such IPOs would support the growth and expansion of the UAE's private sector and equity markets and enable public and other investors to invest alongside Adnoc and benefit from the future growth of these assets.

UAE cuts residency permit processing time for private firms by 50%

The ministries of Interior, Foreign Affairs and International Cooperation, Health and Prevention, as well as Human Resources and Emiratisation, and the Emirates Identity Authority have announced a reduction to the transaction process for the residency permit by 50 per cent. The cut is part of the world's first government accelerations of the National Agenda of the UAE Vision 2021. Furthermore, the government bodies want to transform their services in record time through implementing joint projects.

UAE banks set up cyber-security sharing platform

The 49 member of the UAE Banks Federation have started a cyber-security sharing programme to help prevent crimes against lenders. The Cyber Threat Intelligence Initiative 2017 created a cyber-intelligence sharing platform that shall help banks identify and protect themselves from cyber-attacks. Abdul Aziz Al Ghurair, the chairman of the banking federation says, that "a robust platform for collection and sharing of cyber-threat intelligence will allow banks to answer the 'who, what, where, why and how' questions needed for immediate decisions and actions required". The sharing of critical information will allow banks to prevent and reduce sensitive data exposure and they will be able to make more informed decisions around risk management. The platform allows banks to share cyber threats, such as hackers looking for open ports or brute-force scanning attacks. Furthermore, ways that are known to bypass security are shared, as well as known weaknesses, the association said.

This innovation comes as a result of an increasing number of attacks on financial institutions around the world. For example, a total of 46 large finance institutions in the US were attacked by cyber-attacks between 2011 and 2013, which prevented hundreds of thousands of customers from accessing their accounts and costing companies millions of dollars to upgrade their systems. According to the association, this cooperation will allow the banks to have more resilience in cyber-attacks, which will lead to greater transactional security and peace for the bank customers in the country.

In this context, the lender Emirates NBD announced it plans to use Blockchain technology to minimise possible fraud. The check-chain initiative begins with a pilot phase for the employees themselves and will be extended to the customers later this year. A unique QR code is printed on each sheet of newly issued check books, making them more difficult to forge. "In the following phases, the QR code will register each check on the bank's Blockchain platform to ensure that the bank employees can confirm their authenticity and track it as soon as the controls are received and deleted", said Emirates NBD.

Abdulla Qassem, Chief Operating Officer of cyber-security, said, "the initiative would lead to a significant improvement in the safety assessment and to ensure the security of customers business at all times".

S&P affirms Abu Dhabi's AA/A-1+ credit ratings

S&P Global Ratings confirmed the credit ratings for Abu Dhabi despite the low economic growth rate due to the low oil prices from the large cash reserves of the emirate. The rating agency also confirmed the credit ratings of Sharjah and Ras Al Khaimah.

Thus, Abu Dhabi's AA / A-1 + sovereign credit rating remains stable. "The ratings are supported by Abu Dhabi's strong fiscal and external positions," the agency said. "The extraordinary strength of the state's net asset position provides a buffer to counter the negative impact of the lower oil price on economic growth, government revenue, external accountability and increased geopolitical uncertainty in the region," the agency continued that, "Abu Dhabi's strong net fiscal position, over 200 percent of the gross domestic product throughout 2017, means that by 2020, it will be one of the highest among the government economies that the rating agency is reviewing".

Ras Al Khaimah has also confirmed its A / A-1 rating as it continues to record tax surpluses and low net debt. Sharjah's BBB + / A-2 was also confirmed on the back of a recovery in construction, tourism and manufacturing. Both Emirates had maintained their stable prospects.

As in other oil-producing countries, the economy of the UAE has slowed in recent years due to the collapse of oil prices. As a result, expenditure in the public and private sectors has been cut for projects and jobs. Although consumer spending is still strong, it was cautious and dampened growth. At the beginning of July, the International Monetary Fund lowered its growth forecast for the country for this and next year as the low oil prices continue to affect the economy. According to the IMF, total growth is projected to be 1.3 percent this year, compared to the 1.5 percent forecast of the fund in April. This is due to a slow expansion of the non-oil economy.

The IMF said that medium-term non-oil growth is expected to remain around 3 percent, thanks to increased investment in preparation for Expo 2020. At the same time, the IMF also said that the introduction of a 5 percent VAT (VAT) in January next year "will not have a significant negative impact on growth".

Contact:



STROHAL LEGAL GROUP
UAE/SINGAPORE/MYANMAR/AUSTRIA

UAE Head Office:

STROHAL LEGAL CONSULTANTS
Villa 2, 20b Street, Community 153
P.O.Box 31484, Ras Al Khaimah, UAE
Tel: (971) 7 2364530 ,
Fax: (971) 7 2364531
Mobile: (971) 503765847

SINGAPORE Office:

STROHAL LEGAL GROUP PTE. LTD
20 Upper Circular Road #02-10
The Riverwalk, Singapore, 058416
Fax: +65 65330313,
Tel: +65 65330212

MYANMAR Office:

**STROHAL LEGAL GROUP
COMPANY LTD.**
7 B189-195 Pansodan Tower
Pansodan Street
Yangon, Myanmar
Tel: +959971992340

AUSTRIA Office:

MARSCHALL & HEINZ
Goldschmiedgasse 8, A 1010
Vienna – Austria
Tel: +431 5335256
Fax: +431 513191124

Email: office@slg-strohallegalgroup.com

Web: www.slg-strohallegalgroup.com

If you do not wish to receive our newsletter anymore just write an email mentioning, "unsubscribe" to office@slg-strohallegalgroup.com