

THE QUARTERLY ADVISOR



The Association of
Accountants and
Financial Professionals
in Business

IMA Abu Dhabi Chapter Newsletter
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Dear Professional Colleagues,

I am happy to share with you our Q1 IMA Abu Dhabi Chapter Newsletter!

We as the Abu Dhabi chapter are excited to introduce Al Ain University student chapter which is the first one in Abu Dhabi.

We would like to congratulate Al Ain University on this great achievement and wish the student chapter all the best in the future. In our term we are committed to provide full support to the Students and Members of the Chapter.

We are also happy to inform you that, in collaboration with College of Business, AL Ain University of Science and Technology we have conducted a remarkable event - "Finance and Accounting Symposium 2022 - Past, Present, Future, and Beyond". The event was held in Abu Dhabi Campus, we achieved great attendance numbers from Al Ain University students as well as from our members. It was a fruitful and interactive meeting, where we also organized a Graduation Ceremony for our newly Qualified CMA and CSCA Members.

Looking forward to see our valuable members in our upcoming events, which will be announced soon.

Stay safe and healthy!

Sincerely,

Amer Al Ahababi, CMA, CFE

President, IMA Abu Dhabi Chapter

president@imaabudhabichapter.org

We are pleased to present the Abu Dhabi Chapter Board Members serving IMA community:

OUR BOARD MEMBERS



Amer Al Ahababi
President



Jaouad Chadli
Vice President: Engagement &
Treasurer



Chad Myko Bayon-On
Vice President:
Education & Webmaster



Nida Saleem
Vice President:
Administration & Communication



Aliaksandr Razuvanau
Director:
External Affairs



Shayne Samuel Mazarira
Director:
Administration and Board Secretary



Amanda Laura
Director:
Communication



Prabin Kumar Jha
Director:
Education & CMA Program



**Armen De Guzman
Sancho**
Director: Membership



Basem Philip Wassef
Director:
Initiatives & Projects

The summary of new and revised pronouncements as of 31 December 2021 is presented below:

TITLE	DESCRIPTION	EFFECTIVE DATE
IFRS 17 'Insurance Contracts'	IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 'Insurance Contracts' as of 1 January 2023.	Applicable to annual reporting periods beginning on or after 1 January 2023.
Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (Amendments to IFRS 4)	<p>Amends IFRS 4 'Insurance Contracts' provide two options for entities that issue insurance contracts within the scope of IFRS 4:</p> <ul style="list-style-type: none"> • an option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is the so-called overlay approach; • an optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4; this is the so-called deferral approach. <p>The application of both approaches is optional, an entity is permitted to stop applying them before the new insurance contracts standard is applied.</p>	Overlay approach to be applied when IFRS 9 is first applied. Deferral approach effective for annual periods beginning on or after 1 January 2018 and only available for five (5) years after that date.
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.	Annual reporting periods beginning on or after 1 January 2023.
Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)	The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.	Annual reporting periods beginning on or after 1 January 2022.

The summary of new and revised pronouncements as of 31 December 2021 is presented below (*continued*):

TITLE	DESCRIPTION	EFFECTIVE DATE
Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)	The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).	Annual reporting periods beginning on or after 1 January 2022.
Annual Improvements to IFRS Standards 2018–2020	<p>Makes amendments to the following standards:</p> <ul style="list-style-type: none"> • IFRS 1 – The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent’s date of transition to IFRSs. • IFRS 9 – The amendment clarifies which fees an entity includes when it applies the ‘10 per cent’ test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf. • IFRS 16 – The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. • IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. 	Annual reporting periods beginning on or after 1 January 2022.

The summary of new and revised pronouncements as of 31 December 2021 is presented below (*continued*):

TITLE	DESCRIPTION	EFFECTIVE DATE
Amendments to IFRS 17	Amends IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 Insurance Contracts was published in 2017.	Annual reporting periods beginning on or after 1 January 2023.
Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)	The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.	Immediately available.
Classification of Liabilities as Current or Non-current — Deferral of Effective Date (Amendment to IAS 1)	The amendment defers the effective date of the January 2020 amendments by one year, so that entities would be required to apply the amendment for annual periods beginning on or after 1 January 2023.	Immediately available.
Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	Introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.	Annual reporting periods beginning on or after 1 January 2021.
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.	Annual reporting periods beginning on or after 1 January 2023.

The summary of new and revised pronouncements as of 31 December 2021 is presented below (*continued*):

TITLE	DESCRIPTION	EFFECTIVE DATE
Definition of Accounting Estimates (Amendments to IAS 8)	The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.	Annual reporting periods beginning on or after 1 January 2023.
Covid-19-Related Rent Concessions (Amendment to IFRS 16)	The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.	Annual reporting periods beginning on or after 1 June 2020.
Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)	The amendment extends, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.	Annual reporting periods beginning on or after 1 April 2021.
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.	Annual reporting periods beginning on or after 1 January 2023.
Initial Application of IFRS 17 and IFRS 9 — Comparative Information (Amendment to IFRS 17)	The amendment permits entities that first apply IFRS 17 and IFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset before.	An entity that elects to apply the amendment applies it when it first applies IFRS 17.

UAE Introduces Corporate Tax With Effect From 1st June 2023

The UAE Ministry of Finance has recently announced its introduction of Corporate Tax on business profits which will be effective from 1st June 2023.

Corporate Tax (CT) is a form of direct tax levied on the net income or profit of corporations and other entities from their business. Corporate Tax is sometimes also referred to as “Corporate Income Tax” or “Business Profits Tax” in other jurisdictions.

UAE Corporate Tax Objectives

- Cementing the UAE’s position as world-leading hub for business and investment.
- Meeting International Standards for tax transparency and preventing harmful tax practices.
- Accelerating UAE’s development and transformation to achieve its strategic objectives.

Effective Date

The UAE CT regime will become effective for financial years starting from 1st June 2023.

Examples:

1. A business that has a financial year starting on 1st July 2023 and ending on 30th June 2024 will become subject to UAE CT from 1st July 2023 (which is the beginning of the first financial year that starts on or after 1st June 2023).
2. A business that has a (calendar year) financial year starting on 1st January 2023 and ending on 31st December 2023 will become subject to UAE CT from 1st January 2024 (which is the beginning of the first financial year that starts on or after 1st June 2023).

Tax Rates

- 0% for taxable income up to AED 375,000;
- 9% for taxable income above AED 375,000; and
- a different tax rate for large multinationals that meet specific criteria.

Exclusions

- Not applicable on an individual's salary and other employment income.
- Qualifying intra-group transactions and reorganizations will not be subject to UAE CT provided the necessary conditions are met.
- CT will not be levied on foreign investor's income from dividends, capital gains, interest, royalties and other investment returns.
- Interest and other income earned by an individual from bank deposits or saving schemes will not be subject to UAE CT.

Free zones

- A company established in a free zone will be required to register and file a CT return.
- Free zone businesses that meet all the necessary requirements can continue to benefit from corporate tax incentives.
- However, it is to be noted that, businesses registered in free zones and conducting business in mainland may not be able to avail the tax benefits.

Other Relevant Tax Provisions

- Excess tax losses may be carried forward and used against taxable income in future years.
- A UAE group of companies can elect to form a tax group and be treated as a single taxable person. Single tax return for the entire tax group applies.
- UAE withholding tax will not be applicable on domestic and cross-border payments of any nature.
- Only one CT return will need to be filed electronically per financial period.
- No provisional or advance CT filings will be required.

Similar to other taxes in the UAE (e.g. VAT), businesses will be subject to penalties for non-compliance with the CT regime.

Reference: [Federal Tax Authority](#)

ETHICAL DILEMMA



Sharing with you a non-fiction event that happened during my working career. I worked for a UAE based company as “Head of Finance”. Recently, my company participated in the tendering process for a large project and was successfully awarded a prestigious contract in the region. Being Head of Finance operations, I had the key responsibility to tie-up funding requirement from banks.

During the bank loan application process, I was amazed with the working style of a bank official (Mr. Oliver). Appearance wise, he looked smart and handsome, wore a rolex watch and chewed on gum very often. He was proactive and expedited the bank loan approval procedure with timely arrangement of my meeting with the bank credit team and actively facilitated the deal finalization at a faster pace. Meanwhile, the other lenders were still evaluating the proposal.

One day Mr. Oliver called me to let me know that my credit proposal had been approved by the Bank's Board. I felt very happy, at least I would be able to get the loan support from one lender for the project. I was anxiously waiting for the original bank offer letter due to stringent deadline; the project had to be initiated at the earliest.

On the following day, Mr. Oliver called me and mentioned that the approval according to the Credit Department was conditional.

I was shocked to hear this and I mentioned to him “You said it is approved by your Board and now what do you mean conditional?” I mentioned to him, how it was going to be difficult to tell this to the CEO and the Chairman of my company as I had previously conveyed to them that the loan had been approved. Mr. Oliver replied, “Prabin, don’t worry, everybody can be managed. Leave it to me. Please arrange some CASH”. What he meant, was to pay some money to the Credit Manager in cash out of, ~1% of the loan amount, which was supposed to be paid to the bank as official processing fees. I was shocked. He in fact wanted me to bribe the Credit Manager to get my way.

I was stuck in a dilemma. Do I pay this money and ensure that the loan sanction offer stays? What if, I don’t pay this money and the loan sanction offer invalidates? Do I go with Mr. Oliver or go with my ethics and moral values?

What would you do in such a situation?

ETHICAL DILEMMA (*cont`d*)

There were only two weeks left for the commencement of this prestigious project. No other lenders had given any credit facility confirmation or approval. What do I do?

I lost sleep and was restless – Do I fight against the corruption or forego my ethics.

Mr. Oliver, was continuously following up with me and trying to convince me. A few days later while in a high-level virtual Zoom meeting, my phone rang. I took a pause from the meeting and took the call. “Hi Prabin, what’s going on? ...Have you decided?” It was Mr. Oliver on the other side. To which I responded “Oliver, you mentioned during our last conversation that I should something in cash and something in cheque. But I’m confused, how much and to whom. Please tell me exactly what I need to do.” Mr. Oliver said, “You need to pay 80% cash to me and 20 % to the bank through cheque.”

While we were having this conversation, there was another group of audience who were put on hold in the Zoom meeting and they could hear every word of this conversation Mr. Oliver had with me.

The Zoom meeting was with my company CEO as well as with the senior bank officials of the same bank which Mr. Oliver represented.

Bank officials present in this Zoom meeting immediately reacted and responded “Thank you Mr. Prabin you nailed down the corrupt employee of our bank”, we will terminate Mr. Oliver with immediate effect. They continued “Our apologies for the inconvenience caused to you and your esteemed organization”. They further continued “Our credit facility offer letter is ready with us, we will deliver it to your office by tomorrow”.

Warren Buffett once said “In looking for people to hire, you look for three qualities: integrity, intelligence, and energy. And, if they don't have the first, the other two will kill you”.

We can't simply talk ethics, empathy and integrity in the schools. You teach that at home, and children learn by examples. All I did is, I went back to my core values: Remember! Values will always prevail. They must.

Prabin Jha, CMA



Disclaimer: (i) All the characters and events depicted are fictitious. Any resemblance to a person living or dead is purely coincidental. (ii) Name of the Bank is not disclosed due to confidentiality.

GLIMPSE OF FINANCE AND ACCOUNTING SYMPOSIUM 2022

The era of COVID-19 restrictions is almost gone and we are excited to put more focus on offline events to engage with Abu Dhabi IMA Community members.

As an excellent start we are proud to share below glimpses from our first post-pandemic event “Finance and Accounting Symposium 2022 - Past, Present, Future, and Beyond” held at the Al Ain University Abu Dhabi Campus. We were happy to honor newly certified CMA and CSCA members recently joined our professional family.



The list of new CMA & CSCA Professionals for the period from August 2021 to April 2022 is presented as follows:

Miss Aysha Zakaria Awda, CMA

Mr. Hazem Khalil El Haj Khalil, CMA

Mr. Dhilkhas Ahamed
Peringattuthodiyil Ahamed, CMA

Mr. Taher Abdalla Elsaid
Abouelnaga, CMA

Mr. Osman Bin Omar, CMA

Ahmad Kassem Azzam, CMA

Miss Jeralyn Carmen Caneja
Conge, CMA, CPA

Mr. Safic Paravanda, CMA

Mr. Shayne Samuel Mazarira, CMA

Mrs. Fadia Ahmed, CMA

Miss Nouf Ali Al Ameri, CMA

Miss Raghad Mustafa Mohammad
Dawoud, CMA

Mrs. Devika Vilas, CMA

Hussa Humaid Alzaabi, CMA

Mr. Ahmed Emam Ragab, CMA

Miss Krizel Kaye Mendoza Asi,
CMA

Ms. Irene Rose Jamoralin Armario,
CMA, CPA

Abdul Kareem Qasim Obeidat, CMA

Mr. Mohammed Nadeem, CMA

Mr. Ralfh Rudolph Aguilos Manlulu,
CMA

Mrs. Gracia Mendoza Jones, CMA

Mr. Mukesh Mohandas Kewlani,
CMA, CA

Ms. Amanda Laura, CMA

Mr. Kevin Joe Novilla Ragadio, CMA

Mr. Mahmoud Fathy Sayed Ahmed
Aly, CMA

Mr. Fadi Ayman Harba, CMA

Miss Celeste Medrano, CMA

Mrs. Meenal Kumar, CMA

Simone Huijs, CMA

Ms. Sara Ali Kittaneh, CMA

Mr. Roy Knaven, CMA, CIA, CISA

Mr. Williard Alcaraz Maquirang,
CMA, CPA

Miss Marivic Domincil Arcilla, CMA,
CPA

Mr. Salman Esaf, CMA

Fabio Previtali, CMA

Ms. Jerrie Mae Abuya Conde, CMA

Mr. Fahad Salim Mohammed Alfarsi,
CMA



Speaker: Mr. Devlal Sahadevan, CHE

*Co-founder and Learning Consultant for Topklowd
Hospitality Management Professional
Certified Trainer with 24+ years of experience
in Learning & Development, Performance
Management and Operations*

About the topic:

Communication is much more than the explicit meaning of words. It also includes implicit messages, whether intentional or not, which are expressed through non-verbal behaviors. Facial expressions, the tone and pitch of the voice, kinesics and proxemics give clues and meaning of communication.

**Non-verbal
communication and
Leadership**



Speaker: Mr. Apoorva Parmar

*Delivery Excellence role for Concentrix
Corporation, Six Sigma Black certification,
Idea Champion certification, Best VSM award
across enterprise and Best Innovation at client
vendor forum*

About the topic:

The webinar discussed the meaning of Artificial Intelligence (AI), the difference between AI, Analytics and Deep Learning, Introduction to Neural Networks, the three main types of AI and their examples and the wide theoretical applications of AI and their current usage.

**Business Intelligence
& Data Analytics with
Power BI**



**Speaker: Mr. Mohannad Alhariri,
CMA, MBA**

*Senior Auditor and Chartered Accountant at
WALL Street Consultancy in Abu Dhabi with
10+ years experience in Accounting, Auditing,
Financial management and Data analysis*

About the topic:

This workshop discussed Business Intelligence and Data analytics using program "Power Bi Desktop".
Data analysis skills nowadays is the one of the most important skills to learn.
Creating interactive dashboard and visualize the data became necessary for better illustrate beside that it is helpful tool to assist making decisions.

**Business Intelligence
& Data Analytics with
Power BI**



Speaker: Mr. Sunil Deshmukh
CMA, CBM

*Global Board Director IMA
Member: IMA Leadership Academy, Strategic
Planning Committee, Nominations Committee
President IMA Pune Chapter
Leadership Coach, Start up Mentor,
Independent Director*

About the topic:

The session allows participants to obtain following knowledge:

- Define what is career transition;
- Identify stages in Transition
- List skillsets needed for an effective CFO to CEO Transition;
- Describe steps and approaches involved in CFO to CEO Transition.

**Leadership
transition from CFO
to CEO**



Speaker: Florendo Padilla,
Associate CIPD

*Certified Master Black Belt and project
management professional.
Founder and managing director of several
companies in the UAE namely, Black Pearl,
Perlas Typing Center, Pearl Grain and,
Amazing Pearl.*

About the topic:

Senior management has increased their demand to review numerous business reports, forcing accounting/ financial professionals to be on their toes and ensuring delivery of financial and management reports up to date, on time, and complete. With this new challenge how can professionals cope with the increasing demand of the senior leaders?

**Leadership
transition from CFO
to CEO**



**Speaker: Bernice
F Jenkins,**
CMA, CPA

*Management accountant
professional with 20+ years
across multiple industries
and geographical regions;
MBA and MAcc holder*

**Speaker: Paul
Myers, CMA,
CSCA, CPA**

*Accounting and finance
leader; Chair of IMA's
Diversity, Equity and
Inclusion Committee*

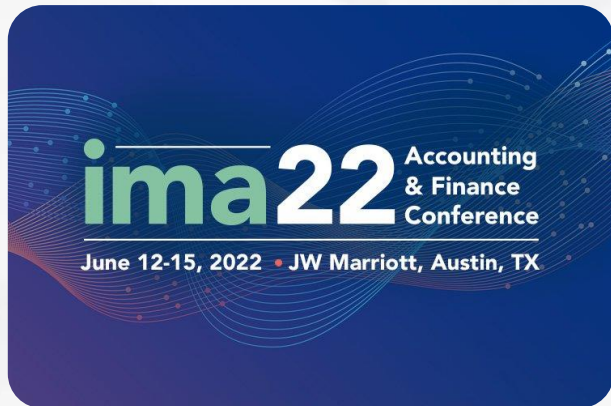


About the topic:

This course explores and defines bias, stereotypes, patterns of bias, diversity, and inclusion, and covers both personal and corporate strategies for reducing bias and increasing diversity and inclusion. Begin your path to cultivating a bias-free workplace here.

**Cultivating a Bias
Free Workplace**

CLICK THE IMAGE TO KNOW MORE:



IMA Webinars &
Inside Talks



IMA
Women's
Leadership
Summit



IMA Student Leadership Conference
PITTSBURGH 2022



October 20-22, 2022 ~ Wyndham Grand Pittsburgh



Local Events

Key Contacts



For help, please don't hesitate to contact us admin@imaabudhabichapter.org

Stay connected with our president: president@imaabudhabichapter.org

For further information visit our website <https://abudhabi.imanet.org/>