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UAE elects a new president after Sheikh Khalifa bin Zayed dies

DUBAI, United Arab Emirates — United Arab Emirates President Sheikh Khalifa bin Zayed al Nahyan has died at age 73, announcing a 40-day mourning period. Sheikh Khalifa was the Gulf country's second president, serving since 2004. He is credited with helping to bring the UAE, a small desert sheikhdom of seven emirates, to global prominence and leading the country through turbulent times during the 2008 financial crisis.

"The Ministry of Presidential Affairs condoles the people of the UAE, the Arab and Islamic nation and the world over the demise of His Highness Sheikh Khalifa bin Zayed Al Nahyan, the president of the UAE," a statement from state news agency WAM read.

"The Ministry of Presidential Affairs also announced that the UAE will observe a forty-day state mourning with the flag flown at half-mast starting today, and suspend work at all ministries, departments, and federal, local and private entities for three days," the news agency wrote in a tweet.



In a smooth transition of power over the weekend, the United Arab Emirates' Supreme Council of rulers selected the nation's third president.

Sheikh Mohammed bin Zayed Al Nahyan, known as MBZ, took the reins on Saturday after his half-brother Sheikh Khalifa passed away a day earlier. The former crown prince of Abu Dhabi had been running the day-to-day affairs of the country during his brother's prolonged illness.

Sheikh Mohammed takes leadership of an evolving country. That evolution has been gradual and smooth and was also spelled out by the government in recent policy positions. Late last year, as part of the 50th anniversary of its founding, the UAE announced its direction for the next half-century. Foreign policy, it said, would be guided primarily by its economic interests and good neighborliness. It subsequently identified the countries that it sees as its future economic partners, singling out Israel, Turkey, India, the United Kingdom, South Korea, Indonesia, Kenya, and Ethiopia as partners for trade and investment. What could however shed more light on the nation's future direction and partnerships is the list of delegates that flew in to offer condolences.

UAE: Sheikh Mohammed announces unemployment insurance

The scheme will offer a cash amount for a limited period of time

A new insurance scheme announced in the UAE will protect employees against job loss.

Taking to Twitter after chairing a UAE Cabinet meeting, the UAE Vice-President said the unemployment insurance scheme will offer a cash amount for a limited period of time to the insured person who suddenly loses his/her job.



The system will be implemented through insurance packages. An insured employee will be compensated for a certain period of time till he or she finds another job.

“The aim is to enhance the competitiveness of the labour market in the UAE, protect employees and establish a stable work environment,” tweeted His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai. According to the International Labour Organization, unemployment insurance schemes are implemented in both emerging and advanced economies to protect employed individuals against the risk of job loss.

The UAE’s move is the latest in a string of reforms announced in recent months to attract and retain global talents. A five-year Green Visa announced recently to attract skilled professionals, freelancers, investors and entrepreneurs offers longer flexible grace periods that reach up to six months to stay in the country after the residence permit is canceled or expired. The country has also introduced a job-seekers visa, allowing foreigners to come to the country specifically to seek employment.

GCC central banks raise interest rates after US Federal Reserve move to curb inflation

Consumer prices in the world's largest economy rose 8.5 percent in March



The central banks of the UAE, Saudi Arabia, Bahrain, Kuwait, and Qatar increased their benchmark interest rates following the US Federal Reserve's move to raise its key rate by half a percentage point, its most aggressive decision in 22 years, as it tries to curb soaring inflation in the world's largest economy. The Fed's move is its second in less than three months as the US job market overheats and inflation reached 8.5 percent in March, the highest level since 1981.

Most central banks in the six-member economic bloc of the GCC follow the Fed's moves on key interest rates due to their currency peg to the US dollar, with the exception of Kuwait, whose dinar is linked to a basket of currencies.

The Central Bank of the UAE also increased its base rate for the overnight deposit facility (ODF) by half a percentage point. The CBUAE maintained the rate applicable to borrowing short-term liquidity from the regulator through all standing credit facilities at 50 basis points (bps) above the base rate, it said in a statement on Wednesday.

The base rate, which is anchored to the Fed's interest on reserve balances (IORB), signals the general stance of the central bank's monetary policy and provides an effective interest rate floor for overnight money market rates.

The International Monetary Fund also lowered its growth forecast for the global economy to 3.6 per cent in 2022 and 2023, revising it down 0.8 and 0.2 percentage points from its January forecast, respectively.

The IMF expects inflation to hit 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies this year. Inflation in 2023 is projected at 2.5 percent for advanced economies and 6.5 percent for emerging markets and developing states.

There is limited headroom for monetary policymakers around the globe, whose only recourse is to increase rates to curb inflation.

“We expect that the Fed will follow in June with another 50 bps hike and at least 100 bps more hikes by the end of the year,” Emirates NBD said in a research note.

“That will bring the Fed Funds rate at the end of 2022 to 2.5 percent, up from our previous expectation of 2 percent. In addition to higher rates, the Fed will also start to run down its balance sheet at a monthly pace of \$95 billion, helping to tighten liquidity conditions further.”

The Fed rate increases and matching moves by the UAE banking regulator will help UAE lenders boost profitability, S&P Global Ratings said in February.

“On average, banks in the UAE will benefit,” S&P said. “We calculate a 15 percent increase in net income and 1.4 percentage-point rises in return on equity for every 100 basis points increase.”

A guide to benefits for Emiratis in private-sector jobs and fines for non-compliance

Support for Emiratis and levy on private companies to open up opportunities for UAE nationals

Recent government announcements of social support for Emiratis and punitive measures against the private sector where it falls short of hiring UAE nationals indicate authorities want companies to step up, experts say.



The measures illustrate the government's resolve to encourage citizens to join the private sector and persuade companies to take Emiratis on board. In September 2021, the Nafis initiative set a target of getting 75,000 Emiratis into private-sector jobs in five years.

This month the UAE Cabinet decreed that companies with more than 50 employees should have a 2 percent Emirati workforce by next year, moving up to 10 percent by 2026.

A company that fails to reach the target must pay Dh6,000 a month for every Emirati it fails to hire. "The government wants to make it clear they are serious about Emiratisation," said Raka Roy, partner at Galadari Advocates & Legal Consultants. "Punitive measures are not something we have seen earlier. "The figures on Emiratisation may not be encouraging enough, so making it mandatory and backing it up with a fine will ensure implementation."

UAE lists first dirham-denominated treasury bond on Nasdaq Dubai

The inaugural issuance was 6.3 times oversubscribed

The UAE's first dirham-denominated treasury bond was listed on Nasdaq Dubai on Thursday, May 12.

Mohamed Hadi Al Hussaini, Minister of State for Financial

Affairs, rang the market-opening bell to celebrate the listing and circulation of the t-bond issued by the UAE federal government acting through the Ministry of Finance.

The inaugural issuance of the local currency treasury bonds worth Dhs1.5bn was 6.3 times oversubscribed during the first auction that concluded. The issuance forms part of a strategy that includes a series of t-bond issuances to develop the fixed income market in the UAE, the official news agency *WAM* reported.

The Ministry plans to issue six treasury bond tranches this year with a total value of Dhs9bn, where the value of the tranches (two-year and three-year) in the first auction amounted to Dhs1.5bn with a fixed coupon rate of 3.01 percent and 3.24 percent, respectively. In contrast, other tranches will be issued with various tenures for up to five years at later dates throughout the year.



UAE: The Corporate Tax

Nearly a year ago, the UAE Cabinet issued an updated Cabinet Decision No. 49 on amending some provisions of Cabinet Decision No. 40 of 2017 on the Administrative Penalties for Violation of Tax Laws in the UAE (“Cabinet Decision on Penalties”) in April 2021. The amendments mentioned therein have taken effect from 28th June 2021.

While the general perception was that the penalty regime update pertained to the relaxation of penalties, the change of definitions has actually led to a very different outcome.

Consultation on Corporate Tax by the UAE Ministry of Finance

On April 28th, the UAE Ministry of Finance (‘MoF’) released a consultation paper to provide insight on the potential Corporate Tax (‘CT’). As it has been clarified by the MoF, the information provided on the public consultation document should not be considered as final, however, it supports UAE’s commitment to transparency and recognizes the importance of input from respective stakeholders. UAE businesses could provide their comments on this consultation until 20th May 2022.

UAE’s Wage Protection System, Financial literacy boost personal and business wellbeing: experts

The UAE’s mandatory electronic salary system not only provides financial access, but also enhances digitisation, and improves the traceability of consumer spending. Implementation of mechanisms to boost financial inclusion and financial literacy remain stepping stones towards personal and business well-being and is a pre-requisite to meet several goals under the UN’s Sustainable Development Goals, according to experts at the World Economic Forum 2022 (WEF 2022) in Davos, Switzerland.

Currently, more than half the world is yet to gain equitable access to finance and this remains one of the biggest challenges facing the world today, the state-run news agency Wam reported.

Need to boost access, digitisation, and personalization


More than 1.1 billion people worldwide are still locked out of formal financial channels due to lack of a verifiable identity. Adeeb Ahamed, the managing director of LuLu Financial Holdings, responded to this concern calling for improved access to connect the underprivileged with prudent products.

The UAE's Wage Protection Scheme – which is a mandatory electronic salary transfer system legal requirement in the UAE for businesses registered under the Ministry of Human Resources and Emiratization – not only provides financial access, but also enhances digitisation, and improves the traceability of consumer spending.


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Our Services

- Audit & Assurance
- Accounting & Business Advisory
- International Tax Advisory
- VAT Advisory
- IS Audit & ERP Implementation
- Business Consultancy
- PRO Services

*Disclaimer: All the information is sourced from the latest updates of the Ministry of finance, and media updates