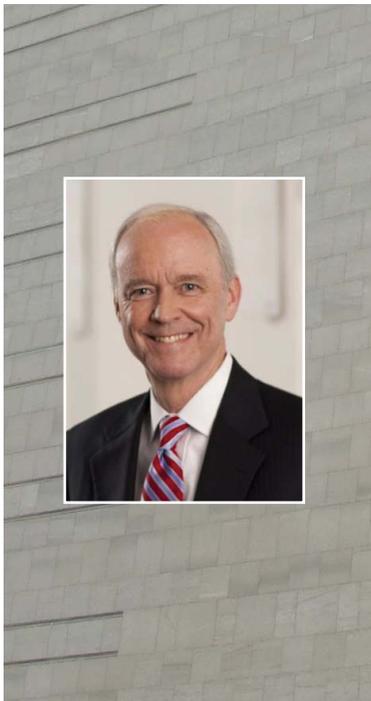




The Business Case

“ Now
more than ever,
we produce results
to increase
shared prosperity ”



The Unique Alternative

Horwath Mak is our lead firm in the United Arab Emirates and a leading firm within our Crowe Horwath International network. Along with being a comprehensive corporate auditing and consultancy network, Horwath Mak is counted among the top ten multidisciplinary practices in the region. The firm continually demonstrates a commitment to quality and provides an exceptional experience to those clients it serves. Horwath Mak is an important component of our vision to create a global network of firms embracing a common brand recognized by national and multinational business as essential to their need for audit, tax and advisory services.

Crowe Horwath International is ranked among the top 9 global accounting networks with more than 200 independent accounting and advisory services firms in over 120 countries around the world. Crowe Horwath International's member firms are committed to impeccable quality, a highly integrated service delivery processes and a common set of core values that guide decisions daily. Each firm is well-established as a leader in its national business community and is staffed by nationals, thereby providing a knowledge of local laws and customs which is important to clients undertaking new ventures or expanding into other countries.

J. Kevin McGrath
Chief Executive Officer
Crowe Horwath International
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“ Due diligence
with client care ”



The Mak Philosophy

We believe our quintessence is not only about independence and professionalism but is also about providing convenience and competitive services to our clients. This personalized service should always "wear a smile" on its face.

It does take time to become an expert in any field and we have put in over 30 years of our dedication to provide satisfaction to our clientele.

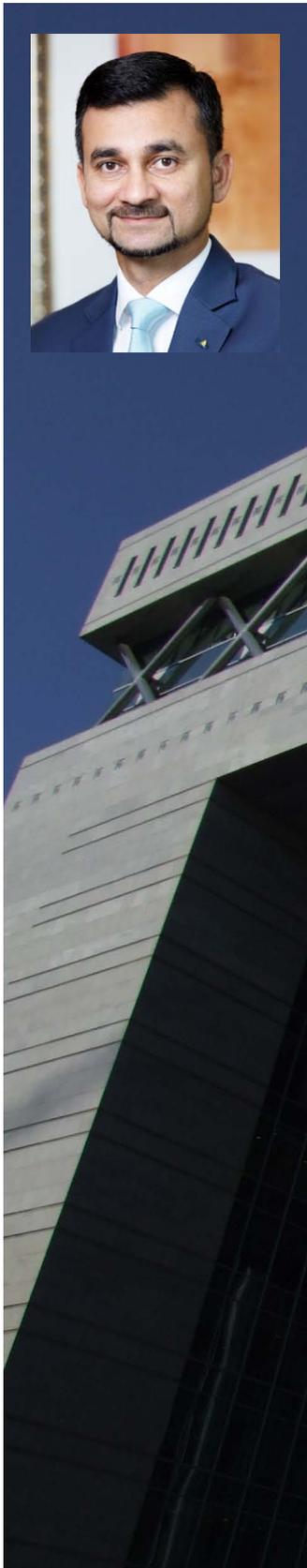
Indeed much has changed in that time, but we still place great emphasis on establishing long term professional relations with each of our clientele. This enables us to work together in an atmosphere of openness and trust.

An offering of full range of professional services, which provides a unique opportunity to deal with a single firm for "total business solutions", helps us to ensure that your success is always our priority.

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“ Doing
business ethically...
makes for
better business ”



The Business Case

I recently attended a conference at the European Parliament in Brussels that was titled; *“Doing Business ethically... makes for better business”*. The overriding theme was around the often discussed topic of the application of ethical values, such as fairness, honesty, openness and integrity to all business behaviour.

In short, it was about how an organisation does its business. Does it treat its employees with dignity and respect? Does it treat its clients fairly? Does it pay its suppliers/employees on-time?

In my opinion, business ethics is largely about the organisation’s culture. It involves doing all these things ethically. At Crowe Horwath, we believe that doing business ethically makes for better business and will be more rewarding in the longer term. One must remember there is no short cut to success.

“We want to be proud of Enron and know that it enjoys a reputation for fairness and honesty and that it is respected”... wrote Chairman Kenneth Lay, in the forward to the final edition of the company’s Code of Ethics, published in July 2000, less than 18 months before it collapsed. Kenneth Lay was later found guilty of fraud in ten different areas. To practice is more important than just writing the policies and procedures.

Diversity on Board

Talking about policies, at Crowe Horwath, we fully support gender balance in all the facets that make-up an organisation, including on the board, the forum tasked with reviewing the company’s stakeholder relationships holistically. To have women representation on companies’ boards ensures diversity and different perspectives, which can bring lot of value to any business.

The better board does this based on the company’s core values and following the regulatory requirements. The board needs to understand how to influence behaviour throughout the company so that all employees make the right decision. Those key words such as honesty, truthfulness, transparency, which when truly embedded form part of the corporate culture, are the foundation as to how the business is done, whatever the sector or whatever the situation may be.

Tone from the Top

A better business is also more sustainable in the long-term: by reducing integrity and reputation risk; attracting top talent; increasing brand loyalty; enhancing shared value. We believe a more trustworthy business is more secure and sustainable.

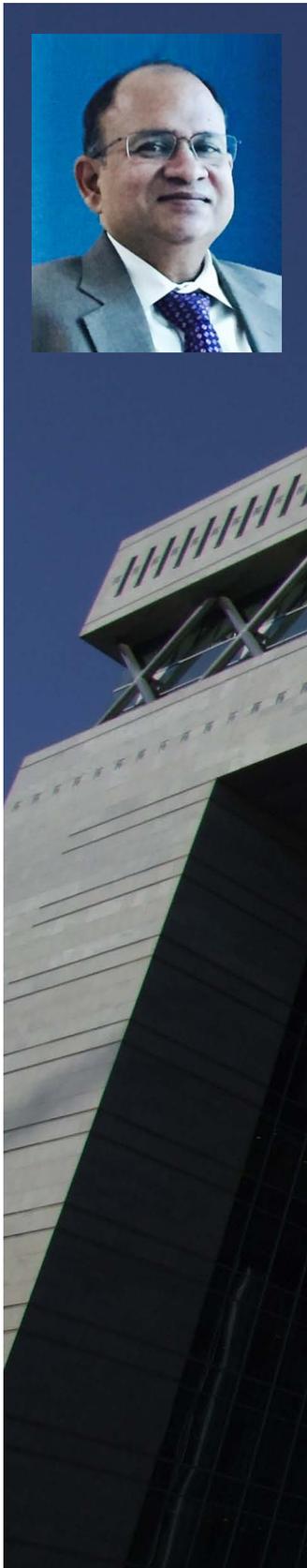
From our experience of working with many entities we believe that a company’s culture is influenced by the tone from the top. This is not only in promoting its values but also through example and behaviour, as senior leaders demonstrate what it means to be living the company’s values. However, boards sometimes need a starting point to begin explicit conversations on values and that is where regulatory requirements drives the endeavor.

We welcome any feedback as we seek to raise awareness of ethics in the board, to have women in the board and share practice of this important element of the role of the board.

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“A Stitch in Time Saves Nine”

Laws, rules and regulations set parameters for almost all activities. They influence various business decisions like the amount of capital required, entry into particular product market or establishing a distribution network.

Managing right balance between opportunities and threats, and conducting business within the four corners of law is becoming increasingly challenging day by day. Delegation of powers and responsibilities within a growing business organisation while retaining ultimate control has always been a challenge to owners and senior management, particularly when an organisation cannot afford unlimited resources. A business may be exposed to;

- Risks arising from contracts
- Product liability risks
- Non-compliance with relevant law and regulations
- Negligent acts or omissions of employees which may result in claims from third parties
- Personal liabilities of directors and officers arising from breach of duties
- Inadequate protection of confidential information, trademarks and other intellectual property rights

The global financial crisis has made every one realise the importance of risk management and good governance. Several studies have indicated that firms with good risk management and governance practices withstood the crisis well. Establishing an effective risk management system is easier said than done. The entire process requires professional advice throughout.

Corporate Strategy

A good risk management should create value, be an integral part of organisational processes, dynamic and capable on continual improvement and enhancement. A sound knowledge and understanding of ever changing regulatory landscape as well as a thorough understanding of the corporate strategy and the business are essential pre-requisites for developing an efficient methodology tailor-made to suit a particular organisation. There cannot be a “one-size fits all” solution.

Inadequate regulatory and compliance risk management could potentially lead to significant financial losses besides eroding reputation. Timely and proactive actions will not only save the business from these serious consequences but also increase the abilities to quickly grab new opportunities.

At Crowe Horwath UAE, we design appropriate proactive risk management strategies based on evaluation of each risk exposure and assist in implementation of these strategies. Our Risk and Compliance practice comprises skilled professionals and sector experts who are well equipped to assist clients in achieving appropriate risk avoidance, risk reduction and risk transfer solutions that are cost-effective and tailor-made to suit your business.

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High Stakes Hiring

When firms hire critical senior-level appointments, they look for a candidate who meets all the requirements in terms of their experience; is the right fit for the position; and will commit to the company for a significant period of time. For the employer, finding the right person is absolutely key as he or she will be integral to overall organisational success. The selection process therefore has to be extremely rigorous.

As executive jobs have evolved, so too have the core traditional expertise. C-suite roles today require greatly different and broader skills than they did merely a decade ago. During this period, important demographic trends in the workforce have also been taking a different dimension.

These emerging patterns are the result of the diversification of the population and labour force, as expatriates continue to account for a sizable part of the UAE's population growth. That's why an in-depth assessment of a new foreign hire must also illustrate potential for learning, growth and adaptation. Never underestimate the value of what executive search can do for your business.

Market Knowledge

Sourcing and selecting a candidate can be a tedious job and involves a lot of risk for the firm. It demands specific professional expertise, market knowledge and experience. It is a specialised practice and has a very specific place and purpose.

Executive search has been designed for two very specific areas:

- (1) acquiring specialised professional skills that are hard to find and
- (2) acquiring the best senior level management/leadership skills in the market in order to fulfill the business' needs on strategic levels.

At Crowe Horwath UAE we ensure our clients have access to the widest possible candidate pool through our recruitment processes.

To us, qualified means:

- Can they do the job? – Skills, experience and qualifications
- Will they do the job? – Behavior, attitude and competencies
- Will they fit the culture? – National and Company

The key to our selection process is candidate care and business knowledge. Absolute confidentiality ensures outcomes that can be trusted by candidates and clients for accuracy and sensitivity.

Robert Richards

Partner

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A Healthy Investment Landscape

The healthcare sector in the UAE and the entire Gulf is undergoing significant growth largely driven by recent changes to insurance laws, rising incomes of residents, population growth, an increase in lifestyle related diseases such as obesity, diabetes and cardiovascular diseases, which will require additional treatment.

These factors present significant opportunities for investors and operators of healthcare facilities and at Crowe Horwath, our experts are fully equipped to provide bespoke advisory services that help clients respond to these transformative factors in innovative ways, thereby bringing high returns on their healthcare investments.

Key Insights

- With an estimated population of 10.2 million residents with a CAGR of 7.9%, the UAE healthcare sector caters to a rapidly growing population and this means the overall supply of healthcare facilities struggle to keep pace with this burgeoning population.
- Introduction of compulsory health insurance. The UAE spends on average \$1,200 per person each year in healthcare, ranking it among the top 20 countries in the world for healthcare spending per capita. A law passed recently requires all local and expatriate citizens to have medical coverage, and this requirement will definitely boost the sector.
- Rising incomes and unhealthy lifestyles with lack of exercise have led to a higher prevalence of obesity and diabetes, high occurrence of cardiovascular diseases and an increase in incidences of cancers. These 'unfortunate positives' have led to the increasing demand for specialised healthcare services.
- The UAE offers tremendous healthcare investment opportunities due to its safe haven status, as conflicts across the Middle East are boosting medical tourism in the emirates, and bringing in investors who would have otherwise gone to the affected countries.

These are just a few of the elements that will play a major role in helping to strengthen the market and encourage investments in the healthcare sector from foreigners, UAE nationals and expatriates... in the coming years.

Based on the factors outlined above, our healthcare practice helps clients tap to these potentials that help them optimise their business processes thereby leading to growth in revenues. We provide a full suite of service offerings to support all kinds of clients, drawing on our broad experience and deep knowledge of the healthcare industry in the region.

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Cast Your Burdens on us

The economic growth of the GCC countries is increasingly attracting multi-national companies (MNCs) to set up their presence within the region. But what are the challenges that these businesses will need to overcome to make this a successful move to a new jurisdiction?

Moving into new territories means challenges for MNCs to be in compliance with the local rules and regulations. Every country in the GCC region has its own unique regulations, set of procedures and levels of bureaucracy.

A case in point is the recently updated Commercial Companies law in the UAE, which may require changes to existing structure and policies, particularly with regards to foreign ownership restrictions. The existing rules on foreign ownership have not yet been amended, but will reportedly be considered separately as part of an investment law to be issued later. It is therefore advisable to be in compliance with these regulations, to avoid any adverse consequences.

Regulatory Compliance

Your first decisions concerning hiring and setting up shop in a new country should be well-informed regarding entity structure, regulatory compliance, and other business strategies so that you don't make mistakes that could come back to haunt you as your business grows.

This is where we come in.

At Crowe Horwath UAE we are providing our platforms to the MNCs to ensure they are fully compliant with the local rules and regulations ... and within the other GCC countries through our seamless network of firms spread across the region.

With our experience and expertise, we can set up your entities for you, file all appropriate local registrations, and make sure your business gets the best start possible. We take on the administrative details of entity setup and registration so you can focus on growing your business.

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Integrity Check?

A recent research done by the Society for Human Resource Management (SHRM) in the US shows that 53% of all résumés and applications contain false information. Other studies have shown that about 30-50% of résumés contain mistruths.

This is a rising menace and a common phenomenon globally. In the GCC region, particularly here in the UAE where almost 75-80% of the job applicants are expatriates, conducting employee background checks can provide a significant return on investment, as a company can lose substantial amount of goodwill and consumer trust in case of a mishap of bad hire.

There are many types of employee background checks available, including verification on previous employee employment history, education credentials, criminal history search etc. We carry out these background checks in compliance with standards set forth by our international ethics practice.

The management mantra “you cannot manage what you cannot measure” effectively sums up the role and importance of Key Performance Indicators (KPIs) during the process of employee recruitment. Thus we identify key quantifiable measures in potential candidates that gauge their performance in terms of meeting the objectives of the company.

Mitigating the Risk

Remember, the biggest risk lies within the organisation itself. It is not surprising to say that employee theft causes more bankruptcies than any other crime. So, can your business afford to skip the most important, yet inexpensive steps such as background checks which could save time, money and headaches when it comes to hiring?

At Crowe Horwath UAE, we assist organisations to mitigate the risk of hiring the wrong candidates, a procedure which enhances control over the threats, which may lead to huge financial and/or reputational loss. Our Risk & Compliance practice has the expertise in providing these services, not just locally, but across the globe.

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Trends and Tracks

The UAE is the second largest Foreign Direct Investment (FDI) recipient in the West Asia region, after Turkey. Its main investors are Britain, Japan and Hong Kong, and according to recent statistics, foreign investments into the country have soared, boosted mainly by regional investors fleeing the revolutions of the “Arab Spring”.

Rising FDI opportunities in the UAE are also largely driven by the country’s geographical location which provides the companies established here access to 2 billion population market within reach of 4 hours of air flight. Other factors include:

- The UAE does not tax corporations (apart from oil, banking and insurance sector) and individuals.
- Ease in repatriation of funds from UAE for multinationals.
- The country has readily available foreign workforce and access to low cost energy.
- World-class infrastructure.
- Safety and security.
- Free zones: 100% ownership remains one of the biggest incentives for foreign companies establishing in the free zone areas.
- Ease of doing business.

High Quality of Infrastructure

The gas and oil remain the key sectors for foreign investments, however, high potential and booming sectors include real estate, hospitality, healthcare, aerospace & security and agro produce services.

At Crowe Horwath UAE, we assist local and foreign companies in expanding and investing across the region and around the globe, by leveraging strategic partnerships with our network of international firms and professional service providers. Our experts galvanize channels to capture FDI business opportunities by offering a seamless, integrated, coordinated go-to-market approach. These overseas partner firms are experienced and well positioned at offering in-country FDI advisory services.

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About Us

The Crowe Horwath International network consists of more than 200 independent accounting and advisory services firms and in over 120 countries around the world.

Crowe Horwath International member firms are known for their local knowledge, expertise, and experience balanced by an international reputation for the highest quality in audit, tax, advisory and risk services. They are unified through a shared commitment for impeccable quality service, highly integrated service delivery processes and a common set of core values and management philosophies that guide their decisions daily.

Horwath MAK in the UAE is a comprehensive audit and corporate consultancy network counted amongst the top ten multidisciplinary practices in the Middle East/GCC region. We provide tailored, cost-effective, efficient professional services leveraged by our extensive experience of local business and a high level of personal involvement. This customer-centric attitude has reaped us great benefits and today we can boast an extensive list of clients ranging from small businesses to large multinational organizations.

Audit | Tax | Advisory | Risk

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