

Cooperate tax rewards Program.

Assem Hijazi – Experience, Knowledge & Ideas

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UAE market

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Main goal:

- Establish new incentive program, offering a reduced tax rate of 9% to eligible companies.
- The primary objective is to reward companies that actively contribute to the local economy and national development.



Corporate tax rewards program

Industry panels:

- Companies are categorized according to industry panel to ensure focused support.

- The country divides companies into industry panels, covering critical sectors such as the economy, healthcare, education, and others

Program Structure:

- The program identifies top-performing companies and provides tax reductions based on industry-specific panels.
- Reductions are determined according to the industry's critical role in national development, such as the economy, education, and other essential sectors.

Points Reward System:

1. Establish a clear points reward policy tailored to each industry panel.
2. Define a transparent policy outlining the criteria for earning and redeeming points within the rewards program.
3. Implement gamification concepts wherever feasible to enhance user engagement and participation.

Tax Rates:

- Tax rates range from 5% to 12% depending on a company's performance and its alignment with the national interest, as assessed by industry panels.
- Top-performing companies may benefit from a reduced tax rate of as low as 5% annually.
- Tax percentages may vary based on the specific requirements of each industry panel.

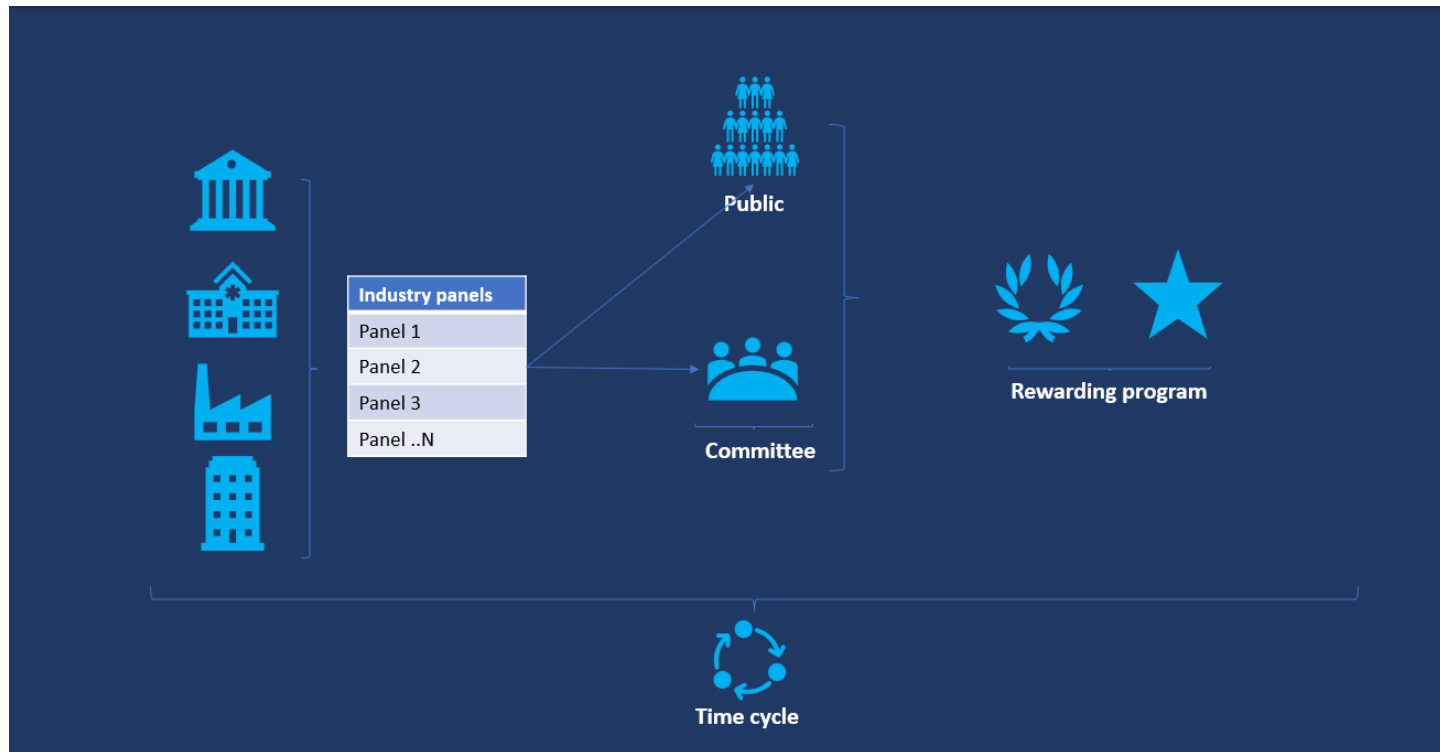
Program Duration:

- The program operates on a time cycle tailored to each industry.
- Time cycles range from a minimum of 3 years to 5 years, depending on industry requirements.
- Companies must demonstrate consistent performance over at least three consecutive years to qualify for tax reductions.
- The duration of each cycle is determined by the specific needs of the industry panel.

Assessment Committee:

- An assessment committee is established to evaluate and review company performance across various industries.

- Assessment committees are formed for each industry panel or group of panels to ensure comprehensive evaluation.
- Public feedback is incorporated into the assessment process to provide a holistic evaluation of company performance as necessary.



The program structure

Suggested industry panels

Promoting Local Employment:

- The program aims to incentivize companies that prioritize the employment of local residents by providing a substantial percentage of their workforce from the local community over a minimum period of three years.
- By rewarding companies for employing locals, the program seeks to boost local employment rates and enhance community prosperity.

Enhancing Local Skills:

- The program incentivizes companies that invest in training and certifying local residents with industry-relevant skills across various sectors.

- By rewarding companies for skill development, the program aims to enhance the pool of skilled local workforce across multiple industries.

Supporting Local Culture:

- The program rewards companies that actively support and promote local culture, traditions, and heritage.
- By incentivizing companies to support local culture, the program aims to preserve and promote the rich cultural heritage of the region.

Ensuring City Sustainability:

- The program incentivizes companies that contribute to the sustainability of the country and its cities through environmentally friendly practices.
- By rewarding sustainable practices, the program aims to enhance the overall sustainability and resilience of urban areas.

Promoting "Made in UAE":

- The program rewards companies that establish factories and promote goods manufactured in the UAE.
- By incentivizing local production, the program aims to support local industries, boost manufacturing, and promote goods made in the UAE.

Advancing Healthcare:

- The program incentivizes hospitals that provide exceptional healthcare services and establish research and development centers to improve the health and well-being of local residents and to position the UAE as a global healthcare hub.
- By promoting healthcare excellence, the program aims to enhance the healthcare industry and position the UAE as a leading healthcare destination worldwide.

Marketing UAE

- The program rewards companies that effectively market the UAE and its cities globally, enhancing the country's international image.
- By incentivizing effective marketing, the program aims to promote the UAE as a premier destination for investment, tourism, and business.

Encouraging Revenue Recycling:

- The program incentivizes companies that reinvest their revenue within the UAE and local cities, thereby boosting the economy and supporting specific industry panels.
- By promoting revenue recycling, the program aims to enhance economic growth and bolster the international profile of companies operating in the UAE.

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