

Sustain, enhance, and protect your wealth

Deloitte Private Tax services

Wealth planning is personal. Your goals reflect who you are and what you want for yourself, your family and the world around you. Achieving these goals in the complex tax and regulatory landscape can be challenging. Whether you have cross-border presence and overseas assets or operate a multi-generation owned business, we are here to help you.

What are the current global and regional trends?

The world is facing an unprecedented pandemic impacting economic growth. Some of the major economies in the Middle East and North Africa (MENA) region are struggling with low oil prices. The governments are pressured to explore new ways of maximizing revenues. At the global level, we have seen a number of developments such as the proposed global minimum tax. In the Middle East region, governments press forward with reforming the tax regimes in line with global standards. We continue to witness a number of changes such as:

- New Real Estate Transaction Tax (RETT)
- Transfer pricing regulations
- Personal income tax announcement in Oman
- The continued roll out of VAT implementation across the region

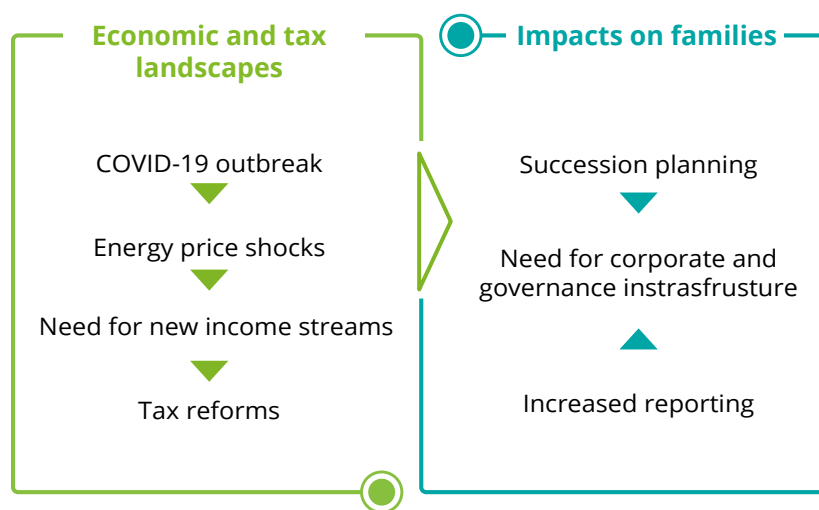
We are also seeing a number of changes regarding transparency and exchange/disclosure of information. Disclosure of the Ultimate Beneficial Owner (UBO) is now required in many countries including the United Arab Emirates (UAE) and Bahrain. Companies need to meet increased substance requirements and disclose financial and operational information under the new Economic Substance rules in the UAE and Bahrain as well as in typical offshore locations that are commonly used to establish/maintain private wealth structures.

In addition, countries in the wider Middle East such as the UAE (and their free zones) and Cyprus have rapidly evolving ecosystems for family offices and private wealth structures and are providing comprehensive solutions to the family wealth segment. The issuance of foundation laws is only one of the latest additions to local structuring options.

How do these trends impact private clients and family businesses?

The resilience of family enterprises in the Middle East has been intensely tested by the COVID-19 outbreak. As per Deloitte's 2020 Middle East Family Office survey, family businesses have shifted their focus from growing their business to succession planning and NextGen preparedness. Succession planning is one of the top priorities along with family governance. There is a clear need to ensure that at a family level there is a structure in place to seamlessly manage the next generation's issues and ensure an appropriate governance structure. For example, the vast majority of single family offices registered in the UAE are held directly by patriarchs and/or family members, exposing the shares and underlying assets to risk. A suitable private wealth structure along with family governance will ensure continuity of the business and mitigate disputes.

Any structuring of family offices and private wealth as well as underlying investments should take into account global developments and regulatory changes. There is not a one size fits all solution. Especially with the increasing regulatory changes globally as well as potential new taxes in the region, which may complicate the consolidation of assets, it is an opportune time to consider alternative options. The need for holistic advice has never been of higher importance.

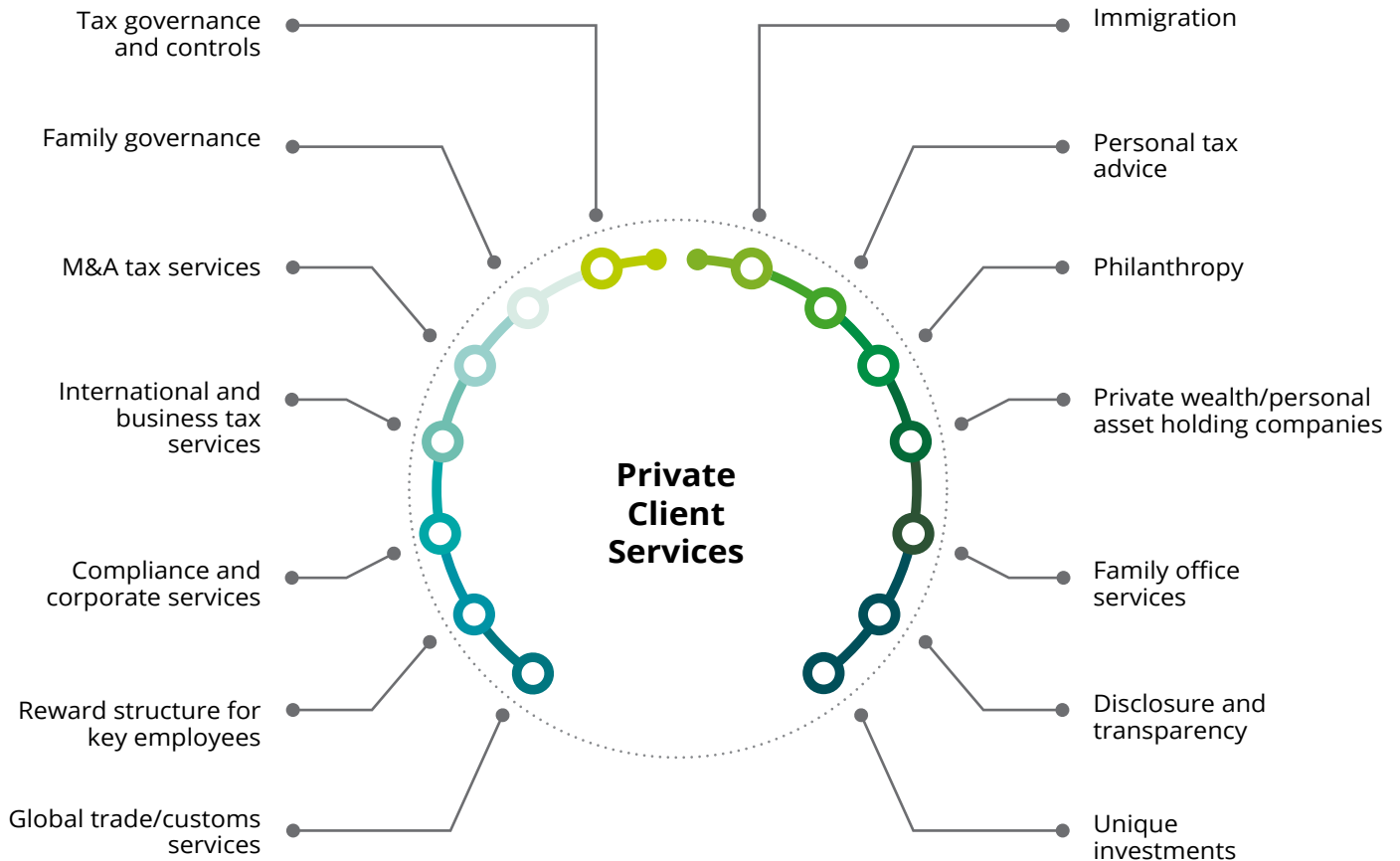


How can Deloitte help?

Deloitte Private specialists help family enterprises as well as their owners. We assist with reviewing the tax and legal implications of the current ownership structure of their family business, both at the company and personal level. We advise on optimizing holding structures that consider the objectives of the family, such as succession, asset segregation, protection, control, flexibility, wealth preservation and simplicity.

Private companies face a range of challenges that affect not only the success of the business enterprise, but also the professional and personal goals of their owners. Whatever the end goal - an IPO, expansion into new markets, succession to a family member, or sale - integrated tax planning is critical. Our services to private clients and their companies include entity income tax planning and compliance services, individual tax and wealth planning matters, international tax, indirect tax and family office services.

Some of the services we provide are included below:



Immigration: Advice and support with travel and immigration rules and residency/citizenship by investment programs across the world.

Personal tax advice: Advice on personal income, inheritance, gift and wealth tax matters of family members/global citizens and tax residency rules.

Philanthropy: Tax and structuring advice regarding charitable activities such as donations and different charitable planning vehicles, trusts and foundations.

Private wealth/personal asset holding companies: Tax and structuring advice on suitable asset holding vehicles including trusts, private trust companies, foundations and Waqf structures. Tax advice regarding the transition of assets and ongoing implications such as distributions to the beneficiaries.

Family office services: Tax structuring and implementation services regarding the set up of family offices, devising on the most appropriate structure/location and workforce strategy.

Disclosure and transparency: Advice on disclosure requirements and transparency rules such as economic substance, UBO rules, FATCA and CRS.

Unique investments: Tax and structuring advice on the purchase, holding and sale of unique investments such as art, houses, aircrafts and yachts including compliance (e.g. customs) support.

International and business tax services: Ongoing advice regarding the family business and operational assets from an international and domestic tax perspective (e.g. corporate tax, indirect tax, withholding tax, RETT, global trade and customs duties, and tax treaty law) as well as tax controversy solutions.

M&A tax services: Tax advice on the purchase/sale of investments including tax due diligence, Sales and Purchase Agreements (SPA) review and post-merger integration.

Compliance and corporate services: Support regarding establishing and maintaining corporate vehicles including corporate secretarial services, accounting and tax compliance services.

Reward structure for key employees: Designing a reward structure to enable the office to attract and retain the right people, and align their objectives with the family for the long term.

Family governance: Advice on and implementation of shareholder protocols and family constitutions to ensure continuity and mitigate potential conflicts.

Tax governance and controls: Tax function design and implementation of an effective tax governance framework and controls supported by tax technology to manage the evolving tax obligations and exposures.

Why Deloitte?

Having been established in 1926, Deloitte Middle East is the longest standing professional services firm in the region. Deloitte's experts are dedicated to providing confidence in markets and finding innovative solutions that contribute to a stronger economy and healthier society. Deloitte clients are able to benefit from experts that are well-aware of the environment, culture, and the specific industry that they are operating in.

Deloitte's Tax professionals in the Middle East provide both compliance and advisory services across a broad range of matters affecting businesses. This approach ensures clients' most demanding challenges when operating in multiple jurisdictions are holistically addressed in a coordinated way, by subject matter and industry specialists, locally and abroad.

Deloitte's Middle East practice has been awarded a Tier One ranking in tax services since 2010 by the International Tax Review's World Tax Awards. Top tier rankings are provided to firms that have "an international network and leading reputation" which is "reflected in the size and quality of transactions" in the relevant jurisdiction.

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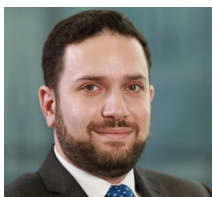
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