



The Transformative Impact of Robotic Process Automation in Audit, Accounting, and Advisory: A UAE Perspective



The Interpreneur survey: Understanding mid-market business trends in the UAE



“In the UAE, all foreign Governments are actively partnering with the UAE Government to attract and bring in foreign direct investments as Government support is key in expanding operations.”



Sudhir Kumar

Senior Partner & Head-Corporate Communications, Kreston Menon
Director-Kreston Global Board | Chair Kreston Middle East

Guest Article



Vineet Rathi

Managing Partner
Kreston OPR Advisors LLP



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UAE Virtual Assets Regulations a leaping excitement to UAE Crypto Market



Susan Thomas

Director
Kreston Menon Corporate Services



Kreston Middle East Conclave 2024
3-4 October, Doha, Qatar



EDITOR'S NOTE



RAJU MENON

I would like to congratulate His Highness Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of the Executive Council, on his appointment as Deputy Prime Minister and Minister of Defence of the UAE, and to His Highness Sheikh Abdullah bin Zayed Al Nahyan, Minister of Foreign Affairs, on his appointment as Deputy Prime Minister and Chairman of the Education, Human Resources and Community Development Council.

Announcing the appointment, His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai affirmed that change is part of the development journey, and development is part of an ambition that knows no bounds.

In this edition we are showcasing the Kreston Global UAE Interpreneur Survey results which gives great insight into what is happening with mid-market businesses in the UAE. The survey highlights the main challenges and opportunities these companies face, as well as the expansion aspiration of the regional businesses.

Vineet Rathi, Managing Partner at Kreston OPR Advisors LLP, India explores the transformative impact of Robotic Process Automation (RPA) on audit, accounting, and advisory services. He talks on how RPA is enhancing efficiency, accuracy, and performance by automating repetitive tasks, leading to faster data processing, reduced errors, and cost savings. The UAE's strong focus on digital transformation and innovation supports the growth of RPA, with initiatives like the UAE Digital Government Strategy 2025 and the UAE Centennial Plan 2071. Looking ahead, RPA, combined with technologies like AI and Machine Learning, promises further advancements and opportunities for growth.

Susan Thomas, Director at Kreston Menon Corporate Services, provides an in-depth overview of "UAE Virtual Assets Regulations – a Leaping Excitement to UAE Crypto Market," detailing the country's pioneering regulatory efforts for virtual assets. She highlights the establishment of the Virtual Assets Regulatory Authority (VARA) and the introduction of the Virtual Assets Law. This includes VARA's role in licensing virtual asset activities in Dubai and the DIFC's Digital Assets Law, which defines and regulates digital assets within the free zone. The UAE Central Bank plays an active role in overseeing digital currencies, ensuring AML compliance for virtual asset service providers, and advancing the Digital Dirham strategy.

According to the recent Arab Economic Outlook report published by Arab Monetary Fund (AMF), the UAE's economy is expected to grow by 3.9% in the current year, 2024, rising to 6.2% in 2025.

The primary driving factors of the predicted growth are the continued progresses in tourism activity, real estate and international trade, increased capital spending, and ongoing efforts to support the economy, including developments in future-tech industries.

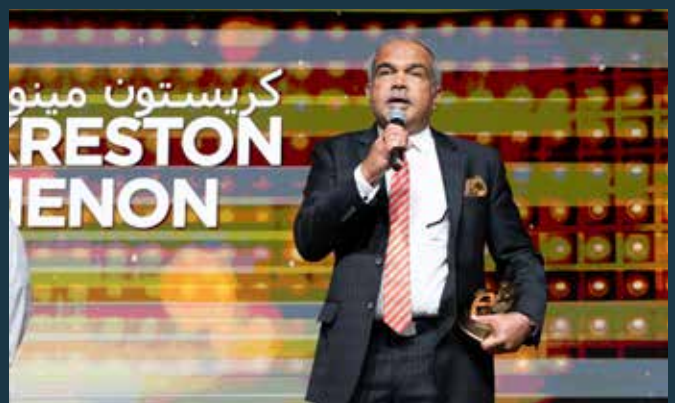
Kreston Menon is equipped and committed to partner with businesses in their growth and expansion plans.

SMB Awards 2024

On July 10, 2024, e& UAE announced the winners of the SMB Awards 2024 at a gala dinner event held at Jumeirah Emirates Towers, recognizing and celebrating the outstanding achievements of Small and Medium Businesses (SMBs) in the UAE.

Kreston Menon is honored to be the strategic partner at this prestigious event. We are committed to being part of creating and nurturing the future entrepreneurs in the UAE. Thank you to e& UAE, the jury members, and congratulations to all the winners! Your dedicated efforts across various categories are shaping the future of business excellence in the UAE.

Sudhir Kumar, Senior Partner and Head of Corporate Communications - Kreston Menon, Director-Kreston Global Board, and Chair-Kreston Middle East, along with Khalid Al Shams, Senior Partner and Group CEO - Kreston Menon, received the award. The welcome note was delivered by Esam Mahmoud, Sr. Vice President/SMB - e& UAE, and CBO keynote address by Haitham Abdulrazzak, Chief Business Officer - e& UAE.



The Transformative Impact of Robotic Process Automation in Audit, Accounting and Advisory: A UAE Perspective



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In recent years, Robotic Process Automation (RPA) has emerged as a game-changing technology in the fields of audit, accounting, and advisory services. As businesses in the United Arab Emirates (UAE) continue to embrace digital transformation, RPA is playing an increasingly crucial role in enhancing efficiency, accuracy, and overall performance. This article explores the impact of RPA on these sectors, with a particular focus on its adoption and benefits in the UAE context.

The Rise of RPA in the UAE

The UAE has been at the forefront of technological adoption in the Middle East, and RPA is no exception. The country's vision for a knowledge-based economy, as outlined in initiatives like 'We the UAE 2031' and the UAE Centennial Plan 2071, has created a conducive environment for the implementation of advanced technologies like RPA.

A prime example of this commitment is the UAE Ministry of Finance's recent implementation of RPA, which has resulted in a remarkable 85% boost in efficiency. The Ministry now uses bots for 1.8 million transactions with over 98% accuracy, saving an impressive 39,000 hours of human labor. This initiative aligns with the UAE Digital Government Strategy 2025, which aims to embed digital aspects into overall government strategies.

RPA in Audit: Enhancing Accuracy and Efficiency

In the audit sector, RPA is revolutionizing traditional processes by automating repetitive, high-volume tasks. This automation not only saves time but also significantly reduces the risk of human error.

Key benefits of RPA in audit include:

- **Faster and more accurate data collection:** RPA can automate data collection from various sources, consolidating it into a single system for analysis. This process is up to 10 times faster than manual methods.
- **Improved efficiency:** By automating repetitive tasks, RPA frees up auditors to focus on higher-value activities, such as data analysis and risk assessment.
- **Increased quality:** RPA provides a consistent and repeatable process, ensuring that no steps are missed and data is collected accurately.
- **Enhanced analytics and insights:** RPA can help identify trends, outliers, and risks that might be overlooked in manual audits.

RPA in Accounting: Streamlining Financial Processes

In the accounting realm, RPA is transforming core functions by automating routine, repetitive tasks. This automation leads to increased efficiency, reduced errors, and improved overall productivity.

Key impacts of RPA in accounting include:

- **Elimination of manual data entry:** RPA bots can automate tasks such as copying and pasting data between systems, significantly reducing time and effort while minimizing human error.
- **Improved data accuracy:** RPA can validate data against predefined rules, automatically flagging discrepancies and improving overall data quality.



- **Enhanced employee satisfaction:** By automating mundane tasks, employees can focus on more fulfilling, high-value work, potentially leading to higher job satisfaction and reduced turnover.
- **Cost reduction:** The implementation of RPA can lead to significant cost savings by reducing the need for manual labor in routine tasks.

RPA in Advisory: Driving Strategic Value

In the advisory sector, RPA is enabling firms to provide more strategic and value-added services to their clients. By automating routine tasks, advisory professionals can focus on delivering insights and guidance that drive business growth.

Key applications of RPA in advisory services include:

- **Process optimization:** RPA can help identify inefficiencies in business processes and suggest improvements.
- **Risk management:** By analyzing large volumes of data, RPA can help identify potential risks and compliance issues more effectively.
- **Strategic decision-making:** RPA can provide real-time insights and analytics to support informed decision-making.

The UAE Perspective: Challenges and Opportunities

While the adoption of RPA in the UAE is growing, it also presents certain challenges. These include the need for upskilling the workforce, ensuring data security, and managing the cultural shift towards automation.

However, the opportunities far outweigh the challenges. The UAE's focus on innovation and digital transformation

provides a fertile ground for RPA adoption. The government's initiatives, such as the UAE Strategy for Artificial Intelligence 2031, further support the integration of technologies like RPA across various sectors.

Looking Ahead: The Future of RPA in the UAE

As we look towards the future, the role of RPA in audit, accounting, and advisory services in the UAE is set to grow exponentially. The Ministry of Finance's success with RPA implementation is just the beginning. We can expect to see more government entities and private sector organizations adopting RPA to enhance their operations.

Moreover, the integration of RPA with other advanced technologies like Artificial Intelligence (AI) and Machine Learning (ML) is likely to create even more powerful solutions. This combination, often referred to as Intelligent Automation or Hyperautomation, has the potential to transform entire business models and create new opportunities for growth and innovation.

Conclusion

Robotic Process Automation is not just a technological trend; it's a transformative force that is reshaping the landscape of audit, accounting, and advisory services in the UAE. As organizations continue to embrace RPA, we can expect to see significant improvements in efficiency, accuracy, and strategic decision-making across these sectors.

The UAE's commitment to digital transformation and innovation positions it well to leverage the full potential of RPA. As we move forward, the successful integration of RPA will be crucial in maintaining the UAE's competitive edge in the global economy and realizing its vision of becoming a knowledge-based, innovation-driven society.

The Interpreneur survey

Understanding mid-market business trends in the UAE



2024
Going global



Mapping the route to interpreneurial success

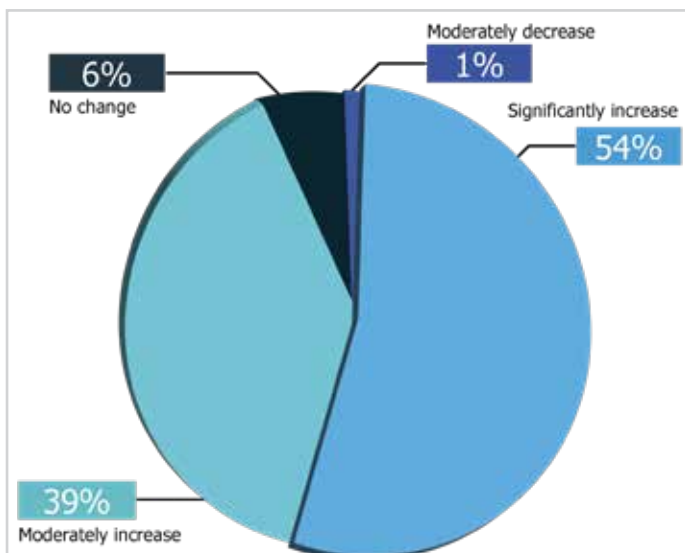
The UAE's inclusion in BRICS in 2024 is expected to enhance trade and investment while its record FDI inflow of over \$22 billion in 2022 highlights its status as a premier investment hub in the MENA region.

Overseas business expansion is widely expected to increase at 93%, the UAE is one of the most optimistic countries in the world where global expansion is on the rise.

To understand how this landscape is affecting mid-market businesses, we recently surveyed 1,400 C-suite business leaders in 14 countries, in private sector companies earning up to £300m a year that have expanded internationally. We call these CEOs 'interpreneurs'.

We have analysed the UAE-based data to understand better what drives Middle Eastern business owners when expanding abroad.

Global business trends: Do UAE business leaders believe that more businesses will expand overseas in the next 12 months?



“

The UAE Interpreneur report is precise and will be valuable for any investor. **In the UAE, all foreign Governments are actively partnering with the UAE Government to attract and bring in foreign direct investments as Government support is key in expanding operations.** Every Diplomatic Mission in UAE has set up their separate Trade Offices to attract UAE interpreneurs. And the investor numbers are increasing regularly. New areas and sectors for investments are discussed and planned. The main challenges for UAE Interpreneurs for international expansion are market volatility, right business partner and talent. Most of the Governments have formed special Teams to handle international investors and that Team relates with the Trade Offices in UAE. This helps the Interpreneur's expansion plans go seamless. A trusted and knowledgeable advisor is what all interpreneurs look for to take them through the process.

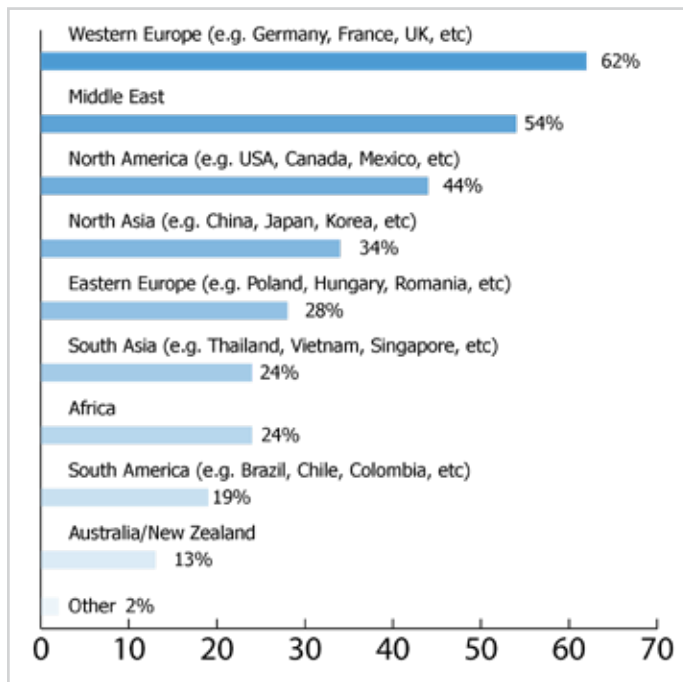
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Sudhir Kumar
Senior Partner & Head-Corporate Communications



Which markets do UAE businesses prefer to expand into?



Western Europe is number one choice for UAE entrepreneurs when expanding businesses globally or Western Europe is UAE's number one choice for global expansion

62% of UAE respondents call Western Europe their number one location for business expansion, and they are not alone. Globally, 52% of respondents agreed that Western Europe was in their sights for expansion.

Closer to home, Middle East is on the radar with a score of 54%. However, UAE companies aren't afraid of truly going global, and strong trading relations with North America are reflected in the fact that 44% are considering expanding there.

What makes a country more attractive to UAE businesses looking to expand globally?

Which, if any, of the following would make a country most attractive for international expansion? [Select up to five]

Government support (e.g. grants, incubators, and mentorship programs)	49%
Skills and talent (e.g. availability of local talent and openness to skilled talent immigration)	45%
Favorable trade agreements (e.g. free trade zones, diplomatic partnerships, or preferential tariff treatment)	42%
Tech infrastructure and digitalisation	42%
Future economic growth prospects	39%
Alignment with long-term growth strategy (e.g. regional investment into specific industries)	39%
Favorable tax policies	33%
Transparent regulatory environment	31%
Geographic proximity to existing operations	24%
Cultural and language similarity to existing operations	23%

Government support is the primary attractor for UAE business leaders

UAE respondents were the only country to value government support the most attractive when considering expansion into a country. Cultural and language similarities to existing operations were valued as the least important.

The emphasis on future economic growth as a key trait for international expansion among UAE respondents highlights the region's forward-thinking mindset. Additionally, the high value placed on local talent availability and openness to skilled immigration (45%) indicates a strategic focus on harnessing human capital to drive innovation and competitiveness.

What motivates UAE entrepreneurs to expand internationally?

Half of UAE businesses are driven to expand internationally by market growth opportunities. Meanwhile, 43% aim to outpace rivals by securing new market footholds, and 38% are motivated by access to cutting-edge digital technologies and innovation.

What are the biggest international expansion challenges in 2024 according to UAE entrepreneurs?

Top 3 biggest challenges during international expansion process

Managing economic volatility (e.g. currency fluctuations, inflation and or low growth)	46%
Adapting logistics and supply chain issues (e.g. managing international shipping, distribution, and communication)	43%
Finding the right local partners (e.g. building reliable and trustworthy relationships)	39%

Managing economic volatility proves challenging to UAE CEOs looking to expand internationally

46% of UAE businesses see managing economic volatility, such as currency fluctuations and inflation, as their biggest challenge in international expansion.

43% also majorly concern themselves with adapting logistics and supply chain issues, while 39% struggle with finding reliable local partners. Additionally, 38% of respondents find navigating global tax regulations a significant hurdle, highlighting the complex landscape UAE businesses must navigate to succeed globally.

Risk: What do UAE CEOs think are the biggest risks to global business expansion in 2024?

How much of a risk do the following pose to your business's international expansion or planned international expansion?

Escalating geopolitical tensions and instability	
Disruptive risk	6%
Significant risk	36%
Moderate risk	29%
Minimal risk	17%
No risk	10%
Not sure / Not applicable	2%

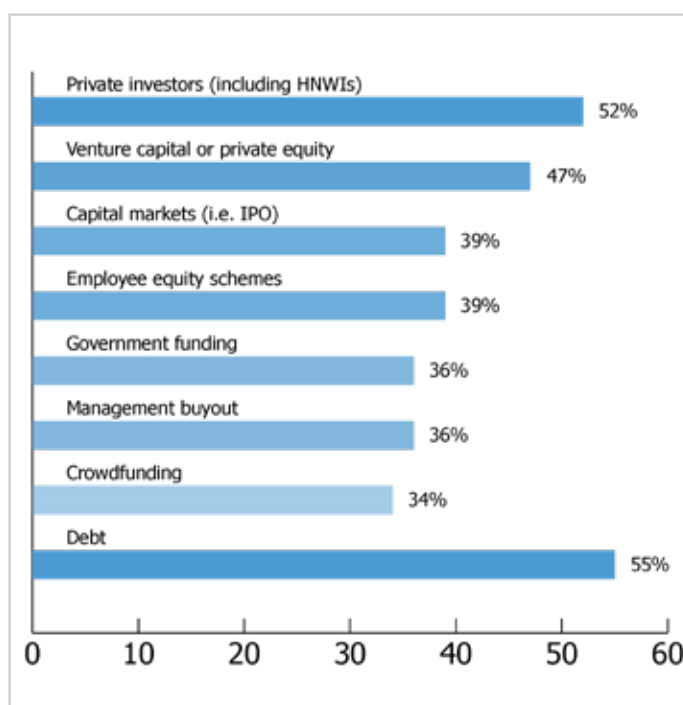
Economic slowdown or recession	
Disruptive risk	17%
Significant risk	25%
Moderate risk	26%
Minimal risk	21%
No risk	10%
Not sure / Not applicable	1%
Financial market and foreign exchange volatility	
Disruptive risk	11%
Significant risk	33%
Moderate risk	26%
Minimal risk	19%
No risk	11%
Not sure / Not applicable	0%
Cybersecurity threats and data breaches	
Disruptive risk	8%
Significant risk	27%
Moderate risk	33%
Minimal risk	17%
No risk	12%
Not sure / Not applicable	3%
Talent shortages and skilled labour gaps	
Disruptive risk	7%
Significant risk	25%
Moderate risk	30%
Minimal risk	22%
No risk	16%
Not sure / Not applicable	0%
Technological disruption from AI and new technologies	
Disruptive risk	6%
Significant risk	23%
Moderate risk	25%
Minimal risk	24%
No risk	22%
Not sure / Not applicable	0%
Environmental disruption and extreme weather	
Disruptive risk	8%
Significant risk	27%
Moderate risk	32%
Minimal risk	19%
No risk	13%
Not sure / Not applicable	1%

Market volatility key risk for UAE businesses

Nearly half (44%) of UAE businesses view financial market and foreign exchange volatility as a major threat to their international growth, with 11% identifying it as highly disruptive and 33% considering it as a significant risk. However, 30% see little to no risk from this volatility.

42% of respondents see economic slowdowns or recessions as disruptive or significant risks. This mirrors the concern for escalating geopolitical tensions and instability, which another 42% also regard as a threat. This heightened apprehension may stem from recent global events and uncertainties, prompting businesses to reassess their risk exposure and adopt robust strategies for resilience and adaptation.

Private Equity vs Venture Capital: Which is the preferred international expansion funding source for UAE businesses?



Private investors offering UAE businesses key to global expansion

Like the fast-growing economies we analysed, private investors offer young and burgeoning businesses a flexible pathway to rapid expansion.

Understanding global tax: Is the C-suite ready for a global tax threshold?

How confident are you in your understanding of the global international tax rules (for example transfer pricing, VAT) that govern multinational businesses?	
Extremely confident: I have a deep understanding of global tax rules and their implications for multinational businesses	43%
Confident: I have a good grasp of key principles and can navigate common scenarios, but may seek external guidance for complex situations	49%
Not very confident: My understanding of global tax rules is limited, and I rely heavily on external advisors for guidance and analysis	8%

UAE businesses confident in global taxation understanding

In the UAE, diverse perspectives emerge regarding multinational businesses’ grasp of global international tax rules. Notably, 43% express strong confidence, indicating a deep understanding of these regulations. Additionally, 49% feel confident handling common tax scenarios but may seek external help for complex situations. Only 8% feel less confident and rely heavily on external advisors. This breakdown highlights the varied approaches taken by UAE businesses in navigating global tax obligations.

The growing importance of ESG for UAE investors and entrepreneurs

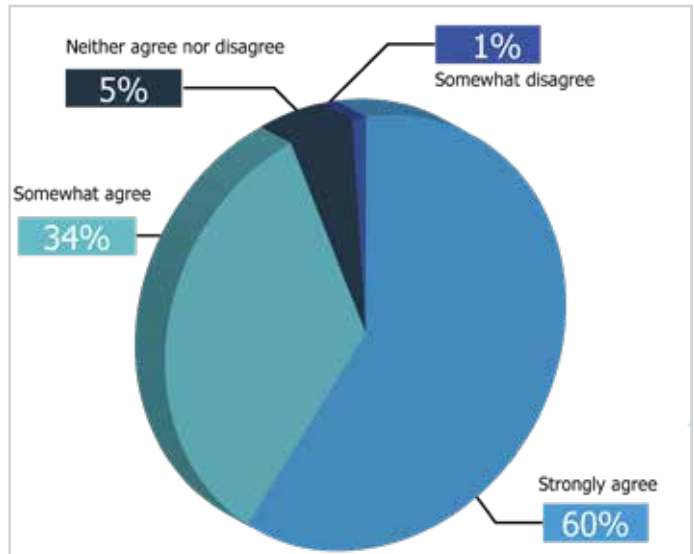
We do / would prioritise ESG	42%
We do / would value ESG, but it wouldn't be our top priority	35%
We do / would consider ESG practices but only if they don't interfere with our other priorities	20%
We don't / wouldn't strongly consider ESG practices	2%
We don't / wouldn't consider ESG practices at all	1%

UAE business leaders place ESG as a priority

Nearly all (97%) consider ESG factors when expanding into new territories. Of these, 41% prioritise ESG, 35% value it without prioritising, and 20% would consider it if it doesn't conflict with other priorities. Only 3% disregard ESG. These findings highlight a widespread recognition of ESG's significance in corporate decision-making, reflecting

a nuanced approach to integrating these principles into business strategies.

The benefits of AI in international business operations



UAE business leaders confident about the use of AI in global operations

94% of respondents from the UAE expressed readiness to harness AI's benefits in global business within the next two years. Notably, 60% strongly endorse this view, while 34% moderately agree. Remarkably, only 1% disagree.

This high level of agreement underscores widespread confidence in AI's potential across diverse backgrounds. Similar sentiments are echoed in the US and Nigeria. These findings highlight a global readiness to embrace AI as a transformative force in business operations.

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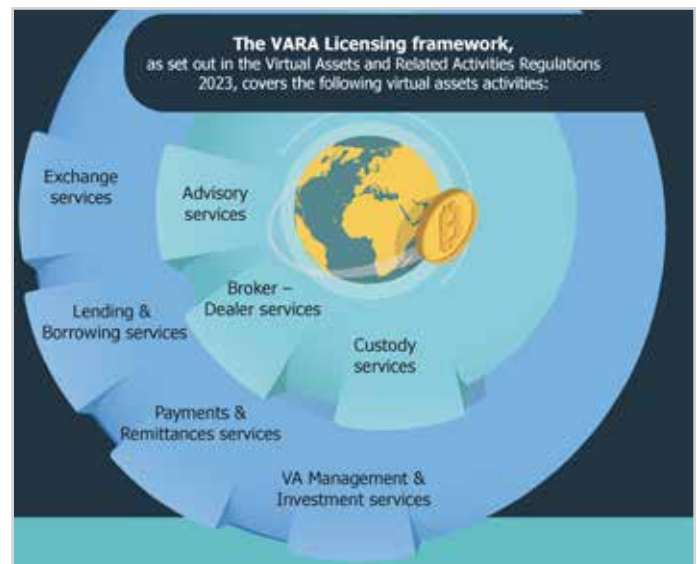
a leaping excitement to UAE Crypto Market



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Virtual Assets, commonly referred to as crypto assets, draw a lot of attention of both companies and private individuals. Dealing with virtual assets calls for an understanding of the regulatory environment to allow investors and operators alike to assess opportunities. In light of the opportunities and with a more proactive approach, the Government of Dubai established the world's first independent regulator for virtual assets – the Virtual Assets Regulatory Authority (VARA) in March 2022.

Dubai's Virtual Assets Regulatory Authority (VARA) was founded under the aegis of the UAE's Virtual Assets Law. VARA is an independent regulator for regulation, governance and licensing of cryptocurrencies, Non Fungible Tokens (NFT's) and other virtual assets in Dubai. This was established with authority over the virtual asset market across the Emirate of Dubai, including the Free Zones except the Dubai International Financial Centre (DIFC) and Abu Dhabi Global Market (ADGM). VARA seeks to collaborate with global Virtual Asset Service Providers (VASPs) and international regulatory authorities.



VARA – The Virtual Assets Law:

The UAE with the enactment of the Virtual Assets Law and establishment of VARA has been trying to create an environment for the growth of crypto industry whilst being keen to reduce the potential financial crime risk in this nascent industry.

Law No 4 of 2022 Regulating Virtual Assets in the Emirate of Dubai defines the following terms used by the Regulator, to describe virtual assets quite broadly which allows for adaptability and flexibility as virtual assets:

- 'Virtual Asset' – defined as digital representation of value that may be digitally traded, transferred, or used as an exchange or payment tool, or for investment purposes. This includes Virtual Tokens and any digital representation of any other value as determined by VARA.

- 'Virtual Token' – defined as a digital representation of a set of rights that can be digitally offered and traded through a Virtual Asset Platform.

These definitions broaden the common understanding of regulated crypto activities such as trading of crypto currencies and allowing VARA to create specific rules for increasing the range of virtual assets as they are created such as NFT's and utility tokens.

License Application process in the mainland:

Under the Regulations, any firm seeking to engage in virtual asset activities in Dubai must obtain a Virtual Asset Service Provider (VASP) license. The application process for obtaining such license consists of two stages namely:

1. Obtaining an initial approval by submitting a preliminary disclosure questionnaire provided by VARA, supporting documentation such as a business plan, details of the beneficial owners and senior management to obtain initial approvals.

2. Once initial approval is obtained and after finalizing the incorporation and operational setup of the entity, the final approval is obtained and VASP license is issued to the firm to engage in the licensed virtual assets activities.

VASP license is issued for one year and must be renewed annually. It is to be noted that the VASP licensing process is separate from and supplemental to the incorporation of the entity before the Dubai Department of Economy and Tourism (for mainland entities) or the relevant Free Zone Authority for entities incorporated in the Free Zones in Dubai other than the DIFC.

DIFC – Digital Assets Law:

Independent of the Dubai wide regulatory regime, described above, the DIFC recently introduced the Digital Assets Law No 2 of 2024 ("Digital Assets Law") on March 8, 2024. This law sets out the characteristics of digital assets and establishes how they may be controlled, transferred and dealt with by the interested parties.

The Digital Assets Law clearly defines 'Digital Asset' as an asset that:

- Exists as a virtual unit and manifested by the operation of software and network generated data;
- Exists independently of any particular person and legal system;
- Is not able to be copied;
- Once used or consumed by a person or specific group of persons, is not able to be used or consumed by another person.
- Is an intangible property

In addition to defining the attributes of digital assets, as highlighted above, The Digital Asset Law sets out the conditions required for a person to have control of a digital asset and how the title can pass.

Within the DIFC, firms who require to provide financial services in relation to digital assets will need to obtain the appropriate license from Dubai Financial Services Authority (DFSA).

License Application process in the DIFC:

The Free Zones follow an activity based licensing framework and therefore virtual asset activities are treated in the same manner as the other financial service businesses and have more tailored rules with specific regulations for virtual assets.

1. A letter of intent is required to be submitted and an initial informal review with DFSA to be scheduled. Application shall be submitted along with a regulatory business plan. Initial approval to be obtained from DFSA.

2. Registration with DIFC Registrar of Companies is to be initiated after receiving the initial approval from DFSA. A local bank account to be opened, provide proof of remittance of capital and secure office space from where it will conduct its activities. Upon successful compliance of all requirements, license shall be issued.

A snapshot of the UAE Virtual Asset Regulation:

Federal Level Regulation

- o Securities and Commodities Authority
- o UAE Central Bank

Financial Free Zones

- o Abu Dhabi Global Market (ADGM)
- o Dubai International Financial Centre (DIFC)

Dubai Regulator

- o Virtual Asset Regulatory Authority (VARA)

Federal Level Regulation

- o Securities and Commodities Authority

UAE CENTRAL BANK

The UAE Central Bank is the sole regulator for the 'central bank digital currencies'.

Virtual Asset service providers are treated like designated non – financial businesses and professionals must comply to the required AML compliances.

Registration with Financial Intelligence unit is required along with the submissions of 'suspicious transactions reports' which is required from time to time.

Looking Ahead:

The future of virtual currency in the UAE requires considerably less speculation than in other jurisdictions owing to the robust VA framework present. The UAE Central Bank launched its strategy for 'The Digital Dirham' on 23 March 2023. Phase One comprises three major pillars- the soft launch of mBridge to facilitate real value cross-border transactions for international trade settlement, proof of concept work for bilateral bridges with India, one of the UAE's top trading partners and soft launch for domestic Central Bank digital currency issuance covering wholesale and retail usage.

Asia Pacific Conference 2024 - Hanoi, Vietnam

This conference provided a perfect opportunity to rekindle and build effective relationships with Kreston colleagues based in the region who refer and work with international clients.

The business program included updates from Kreston Global, an overview of the newly formed Asia Pacific committee, group discussions, audit and tax breakouts, and much more. To encourage networking, there were also social activities where members had the opportunity to get to know each other.



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