

NEWSLETTER

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BEGINNING
New Year 2025



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New Year 2025

New Year's celebrations are all about embracing new beginnings, a tradition that dates back over 4,000 years to ancient Babylon. During their 12-day festival called Akitu, the Babylonians celebrated the start of a new year by making promises to their gods, such as returning borrowed items and paying off debts, in hopes of receiving blessings for the year ahead. This ancient practice symbolized a fresh start, reflecting the desire for renewal and growth. Today, the spirit of new beginnings continues as people around the world make resolutions, hoping to leave behind the past and embrace the possibilities of a brighter future.

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Hello From Us



VIJAYA MOHAN

A Warm Greeting from Evas Constantin

Dear Readers,

"Every moment is a new beginning," Beginnings hold a special significance across cultures and are celebrated with enthusiasm, whether it's the start of a new year, a birthday, or the launch of a new venture. These moments offer a break from the past, a chance for reflection, and an opportunity to move forward with hope. The New Year, in particular, symbolizes renewal, allowing us to reassess our goals and set new intentions. It provides us with the opportunity to reflect on the year that has passed, reassess our goals, and set new intentions for the future. It is this sense of hope and renewal that drives us to act and pursue growth, both personally and professionally. As we launch our first newsletter of Year 2025, we extend our heartfelt gratitude to all who have supported us — our readers, team members, clients, and well-wishers. Your unwavering trust has been invaluable. This year also marks the fifth anniversary of our newsletter, a milestone we couldn't have achieved without your continued encouragement and engagement.

The past year has been a remarkable journey of growth and achievement, marked by overcoming challenges and embracing opportunities. In 2024, we celebrated several milestones that marked our continuous development. Among these, the most notable was our collaboration with Constantin, a prestigious global network of audit and consulting firms and a full member of the Forum of Firms. Another key accomplishment was Evas International's official recognition as an authorized auditor by the Abu Dhabi Global Market (ADGM) and opened a new office in Masdar City, Abu Dhabi. Additionally, Evas India celebrated the opening of a new office in Trivandrum, Kerala, further solidifying our presence in India. Throughout these achievements, we have remained committed to our core values of integrity, collaboration, and perseverance. Reflecting on the past year, we take pride in how we transformed challenges into opportunities and embraced each moment with purpose and passion. As we look toward the year 2025, we are driven by an ambitious goal: to create a unified Middle East and Indian brand under the concept of Evas Constantin. This initiative represents our vision to deliver unparalleled quality and expertise across the regions we serve.

Hello From Us



Are you curious about how auditors form their opinions on financial statements? ISA 700, "Forming an Opinion and Reporting on Financial Statements," is the guiding standard that ensures audit reports are clear, consistent, and reliable. In a world where trust and transparency in financial reporting are paramount, ISA 700 serves as a guide for auditors to deliver clear, reliable, and standardized opinions. The current edition comes up with this article inviting you to discover how this essential standard bridges the gap between audit findings and stakeholder confidence, shaping the integrity of financial information globally.

The differing requirements for financial statements often pose challenges, particularly in distinguishing between consolidated and separate financial statements. IAS 27 Separate Financial Statements offers comprehensive guidance, providing a clear framework for entities that wish to present financial statements focusing solely on their own financial position and performance, rather than incorporating the results of their subsidiaries, associates, or joint ventures. To gain a deeper insight into IAS 27, we invite you to plunge into a detailed discussion in the current edition of our newsletter. Discover how this standard can address common challenges and provide clarity for diverse financial reporting scenarios.

The Industrial Technology Transformation Index (ITTI) is a transformative initiative by the UAE Ministry of Industry and Advanced Technology, designed to assess and enhance the digital and sustainability maturity of manufacturers. By providing tailored roadmaps for smarter, sustainable production, ITTI promotes innovation, strengthens local industries, and boosts In-Country Value (ICV) scores. This article in this edition explores ITTI's objectives, benefits, and its pivotal role in driving a competitive and self-reliant economy.

As we usher in the new year, we draw inspiration from the timeless words of Dr. Manmohan Singh, the visionary former Prime Minister of India, who recently left us: "The future belongs to those who embrace knowledge, technology, and innovation." These profound words serve as a powerful reminder that progress stems from our dedication to learning, our openness to new technologies, and our drive for innovation. As we step into 2025, let us carry these values with us, approaching the year with renewed enthusiasm, purpose, and a commitment to growth. Here's to a year of exploration, meaningful achievements, and shared success!

Wishing you all a prosperous and innovative New Year

Warm regards,

Happy Reading!



UNDERSTANDING ISA 700

FORMING AN OPINION AND REPORTING ON FINANCIAL STATEMENTS



ISA 700, "Forming an Opinion and Reporting on Financial Statements (FS)," is a pivotal standard in audit reporting that establishes guidelines for auditors to communicate their findings clearly and consistently. It provides a comprehensive framework for structuring audit reports, ensuring they are transparent, reliable, and comparable across organizations. By outlining the essential components and required disclosures in an audit report, ISA 700 helps stakeholders, including investors, regulators, and other users, gain a clear understanding of the auditor's opinion on the financial statements. This standard promotes uniformity in reporting practices, enhancing confidence in financial reporting and facilitating informed decision-making.

ISA 700 guides auditors in forming and expressing a clear, objective opinion on FS. The standard not only guides auditors in forming an opinion on whether the financial statements are prepared in accordance with the applicable financial reporting framework but also specifies the essential components of the audit report. These include a clear identification of the entity, a description of the responsibilities of management and the auditor, the scope of the audit, and the auditor's opinion. By doing so, ISA 700 ensures that the audit report serves its intended purpose: to provide users with credible assurance about the fairness and accuracy of an entity's financial statements, fostering trust and confidence in financial reporting.

ISA 700 establishes the objectives of auditor i.e., to form an opinion on the FS based on an evaluation of the conclusions drawn and to express clearly that opinion through a written report. This standard also emphasizes the importance of transparency in reporting key audit matters and addressing potential uncertainties, reinforcing the auditor's role as a guardian of financial integrity.

Whether you are an auditor, a CFO, or an investor, understanding ISA 700 is vital for appreciating the trust it fosters in FS and the broader financial ecosystem. So, let us dive into the standard of ISA 700 Forming an Opinion and Reporting on Financial Statements.

FORMING AN OPINION ON THE FINANCIAL STATEMENTS:

- ▶ The auditor shall form an opinion on whether the FS are prepared, in all material respects, in accordance with the applicable financial reporting framework (AFRF)
- ▶ The auditor shall evaluate the following aspects whether the FS are prepared as per the AFRF.
 - (a) The FS adequately disclose the significant accounting policies selected and applied
 - (b) The accounting policies selected and applied are consistent with the AFRF and are appropriate
 - (c) The accounting estimates made by management are reasonable

- (d) The information presented in the FS is relevant, reliable, comparable, and understandable
- (e) The FS provide adequate disclosures to enable the intended users to understand the effect of material transactions and events on the information conveyed in the FS
- (f) The terminology used in the FS, including the title of each financial statement, is appropriate.

CONTENTS OF THE AUDIT REPORT:

- ▶ **GENERAL** - The auditor's report shall be in writing. It shall have a title that clearly indicates that it is the report of an independent auditor. Auditor's report shall be addressed based on the circumstances of the engagement.

- ▶ **AUDITOR'S OPINION** - The first section of the auditor's report shall include the auditor's opinion, and shall have the heading "Opinion"

The Opinion section of the auditor's report shall also identify the entity whose FS have been audited, state that the FS have been audited, identify the title of each statement comprising the FS, refer to the notes, including the summary of significant accounting policies, and specify the date of, or period covered by, each financial statement comprising the FS.

- ▶ **BASIS FOR OPINION** - The auditor's report shall include a section, directly following the Opinion section, with the heading "Basis for Opinion".

(a) It states that the audit was conducted in accordance with International Standards on Auditing.

(b) It refers to the section of the auditor's report that describes the auditor's responsibilities under the ISAs.

(c) It includes a statement that the auditor is independent of the entity in accordance with the relevant ethical requirements relating to the audit and has fulfilled the auditor's other ethical responsibilities in accordance with these requirements. The statement shall identify the jurisdiction of origin of the relevant ethical requirements or refer to the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants

(d) States whether the auditor believes that the audit evidence the auditor has obtained is sufficient and appropriate to provide a basis for the auditor's opinion.

- ▶ **GOING CONCERN** - Where applicable, the auditor shall report in accordance with ISA 570 – Going concern, whether it is appropriate to prepare the financial statements on going concern basis and whether the entity shall operate for a foreseeable future.

- ▶ **KEY AUDIT MATTERS** - For audits of complete sets of general-purpose financial statements for listed entities, the auditor is required to communicate key audit matters in the auditor's report as per the guidelines of ISA 701. Additionally, if required by law or regulation, or if the auditor chooses to include key audit matters in the report, it must be done in compliance with ISA 701.

AUDIT



- **RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS -** The auditor's report must include a section titled "Responsibilities of Management for the Financial Statements." The terminology used should align with the legal framework of the specific jurisdiction and does not necessarily have to refer explicitly to "management." In certain jurisdictions, it may be more appropriate to refer to "those charged with governance."

This section of the auditor's report shall describe management's responsibility for

- (a) Preparing the financial statements in compliance with the AFRF, and establishing the internal controls that management deems necessary to ensure the financial statements are free from material misstatements, whether caused by fraud or error; and
- (b) Evaluating the entity's ability to continue as a going concern, determining whether the use of the going concern basis of accounting is appropriate, and disclosing any relevant matters related to going concern, if applicable. This explanation of management's responsibility must also describe when the going concern basis of accounting is considered appropriate.

- **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS -** The auditor's report shall include a section with the heading "Auditor's Responsibilities for the Audit of the Financial Statements."

This section of the auditor's report shall:

- (a) State that the objectives of the auditor are to
 - I. Obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
 - II. Issue an auditor's report that includes the auditor's opinion
- (b) State that reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists; and
- (c) State that misstatements can arise from fraud or error

ISA 700

The auditor's responsibilities shall also include the following:

- To identify and assess risks of material misstatement in the financial statements, whether due to fraud or error. They must then design and perform audit procedures to address these risks and gather enough evidence to support their opinion. The risk of missing a material misstatement due to fraud is higher than for errors because fraud may involve actions like collusion, forgery, intentional omissions, misrepresentations, or bypassing internal controls.
 - The auditor must understand the internal control relevant to the audit to design appropriate audit procedures, but not to form an opinion on the effectiveness of the entity's internal control. If the auditor is also responsible for expressing an opinion on internal control's effectiveness alongside the financial statement audit, they should exclude the statement that their assessment of internal control is not for the purpose of expressing such an opinion.
 - To evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - The auditor must assess whether management's use of the going concern basis of accounting is appropriate and, based on the audit evidence, determine if there is a material uncertainty that could significantly affect the entity's ability to continue as a going concern. If a material uncertainty exists, the auditor must highlight the related disclosures in the financial statements or, if those disclosures are insufficient, modify the opinion. The auditor's conclusions are based on the evidence available up to the report date, but future events or conditions could impact the entity's ability to continue as a going concern.
 - When the financial statements are prepared using a fair presentation framework, the auditor must assess the overall presentation, structure, and content, including disclosures, to ensure the financial statements accurately reflect the underlying transactions and events in a way that provides a fair presentation.
- ▶ **OTHER REPORTING RESPONSIBILITIES** - If the auditor addresses other reporting responsibilities in the auditor's report on the financial statements that are in addition to the auditor's responsibilities under the ISAs, these other reporting responsibilities shall be addressed in a separate section in the auditor's report with a heading titled "Report on Other Legal and Regulatory Requirements"





- ▶ **NAME OF THE ENGAGEMENT PARTNER -** The name of the engagement partner shall be included in the auditor's report for audits of complete sets of general-purpose financial statements of listed entities unless, in rare circumstances, such disclosure is reasonably expected to lead to a significant personal security threat.

In the rare circumstances that the auditor intends not to include the name of the engagement partner in the auditor's report, the auditor shall discuss this intention with those charged with governance to inform the auditor's assessment of the likelihood and severity of a significant personal security threat.

- ▶ **SIGNATURE OF THE AUDITOR -** The auditor's report must be signed. The signature may appear in the name of the audit firm, the individual auditor's name, or both, depending on the jurisdiction. Additionally, in certain jurisdictions, the auditor may be required to state their professional accountancy designation or confirm that the auditor or firm, as applicable, is recognized by the relevant licensing authority in that jurisdiction.
- ▶ **AUDITOR'S ADDRESS -** The auditor's report shall name the location in the jurisdiction where the auditor practices.
- ▶ **DATE OF THE AUDITOR'S REPORT -** The auditor's report must be dated no earlier than the point at which sufficient and appropriate audit evidence has been obtained to support the auditor's opinion on the financial statements.

The date of the auditor's report indicates that the auditor has taken into account the impact of events and transactions that came to their attention up to that date. The auditor's responsibilities regarding events and transactions occurring after the report date are outlined in ISA 560, "Subsequent Events."

- ▶ **SUPPLEMENTARY INFORMATION PRESENTED WITH THE FINANCIAL STATEMENTS -** If supplementary information not mandated by the AFRF is included with the audited financial statements, the auditor must assess whether, in their professional judgment, this information is an integral part of the financial statements based on its nature or presentation. If deemed integral, the supplementary information should be included within the scope of the auditor's opinion.

CONCLUSION

ISA 700 is a cornerstone of audit reporting, setting the standard for how auditors form and communicate their opinions on financial statements. Its emphasis on transparency, consistency, and compliance with global auditing principles ensures that stakeholders receive reliable and comparable information. By adhering to ISA 700, auditors not only uphold their professional responsibilities but also contribute to strengthening trust and confidence in financial reporting. In today's dynamic financial environment, the standard's relevance continues to grow, making it an essential tool for fostering accountability and informed decision-making.



EVAS Arcade
Kazhakoottam
Thiruvananthapuram
Kerala, India



EVAS INDIA REACHES A NEW MILESTONE

NEW OFFICE INAUGURATED AT EVAS ARCADE, KAZHAKOOTTAM, TRIVANDRUM

We are delighted to announce a significant milestone in our journey of growth and success: the inauguration of our new office at EVAS Arcade in Kazhakoottam, Trivandrum, India. The grand ceremony took place on Wednesday, November 13, 2024, marking the beginning of an exciting new chapter for Evas Management.

This expansion reflects our unwavering commitment to innovation and excellence. It stands as a testament to the trust and confidence that our clients, partners, and team members have placed in us. Without your invaluable support and encouragement, this achievement would not have been possible. We remain focussed to contribute our share, to your success.

A HEARTFELT THANKS

We extend our deepest gratitude to everyone who has contributed to this milestone. Your dedication and collaboration have been the cornerstone of our progress, inspiring us to aim higher and achieve more.



LOOKING AHEAD

As we step into this new phase, we seek your continued blessings and encouragement. Together, we aim to scale greater heights, fostering success and excellence in all our endeavors.

This momentous occasion marks not just the opening of a new office but also the start of a renewed journey. With determination and a shared vision, we are excited to embrace the opportunities ahead.

Here's to new beginnings and shared achievements. Thank you for being an integral part of our story.

**Warm regards,
Evas Management**

IAS 27

SEPARATE FINANCIAL STATEMENTS



SEPARATE FINANCIAL STATEMENTS: WHAT IS IT AND WHY DOES IT MATTER?

Before discussing the concept of separate financial statements under IAS 27, it is essential to first understand the role of consolidated financial statements. Consolidated financial statements are prepared by a parent company to present the financial position and performance of a group as a single economic entity, combining the financial information of the parent and its subsidiaries. These statements eliminate intra-group transactions and balances to provide a clear and unified picture for stakeholders.

Separate financial statements, as defined under IAS 27, are designed to present the financial position, performance, and cash flows of a single entity—such as the parent company—without consolidating the financial information of its subsidiaries, associates, or joint ventures. These statements provide a clear view of the standalone financial health of the entity and are often used for regulatory, taxation, or internal decision-making purposes. They also serve jurisdictions or stakeholders that prioritize individual entity performance over group-level insights. IAS 27 offers a detailed framework for preparing and presenting these financial statements, ensuring they meet the necessary consistency, transparency, and compliance standards within the broader accounting framework.

But how does one accurately record and disclose the parent entity's investments in such statements? Enter IAS 27- the guiding standards for crafting separate financial statements. In this article, we'll unravel IAS 27, exploring its application to investments in subsidiaries, associates, and joint ventures, as well as its treatment of dividends and group reorganizations.

CONSOLIDATED, SEPARATE, AND STANDALONE FINANCIAL STATEMENTS: A COMPARISON

Understanding the differences between consolidated, separate, and standalone financial statements is crucial for interpreting an entity's financial performance and position effectively. Each type of financial statement serves a unique purpose and caters to different user needs. Consolidated financial statements present a unified view of a parent company and its subsidiaries, whereas separate financial statements focus solely on the financials of the parent without consolidation. Standalone financial statements, on the other hand, represent the financials of an individual entity, whether it is a parent or a subsidiary.

The following table provides a clear comparison of these three types of financial statements, highlighting their scope, purpose, and key differences.

Aspect	Consolidated Financial Statements	Separate Financial Statements	Standalone Financial Statements
Definition	Combines the financials of a parent company and its subsidiaries as a single economic entity.	Presents the financials of a single entity (usually the parent) without consolidating subsidiaries.	Reflects the financials of an individual entity, which could be a parent, subsidiary, or standalone entity.
Scope	Includes parent and subsidiaries.	Focuses solely on the parent entity.	Focuses on the specific entity (parent or subsidiary).
Purpose	Provides a holistic view of the group's financial position and performance.	Focuses on the parent's transactions and position, often for regulatory or legal requirements.	Reflects the entity's own financial performance and position.
Treatment of Investments	Subsidiaries' assets, liabilities, income, and expenses are fully integrated.	Investments in subsidiaries, associates, or joint ventures are shown at cost, fair value, or using the equity method.	No specific rules; varies based on the entity's type and purpose.
Users	Investors, regulators, and stakeholders seeking a group-level perspective.	Regulators, tax authorities, and management focusing on the parent entity.	Lenders, investors, and management focusing on the specific entity.
Elimination of Intra-group Transactions	Eliminated to avoid double counting.	Not applicable; no intra-group eliminations occur.	Not applicable; focuses on individual entity.
Reporting Framework	Guided by IFRS 10 (Consolidated Financial Statements) and IAS 28.	Guided by IAS 27 (Separate Financial Statements).	Generally aligns with local GAAP or IFRS, depending on the entity.
Key Advantage	Provides a comprehensive financial picture of the group as a whole.	Highlights the financial position and performance of the parent independently.	Offers clarity for an individual entity's operations.

APPLICABILITY OF IAS 27

While IAS 27 does not mandate that all entities prepare separate financial statements for public use, it provides guidance on when such statements are necessary. Separate financial statements are applicable under specific circumstances, such as when an entity prepares them in accordance with International Financial Reporting Standards (IFRS) and does not consolidate its subsidiaries or interests in joint ventures. This standard also clarifies the treatment of equity method applications and highlights the unique situation of investment entities. The following details outline key provisions regarding separate financial statements under IAS 27.

- ▶ Financial statements that use the equity method are not considered separate financial statements.
- ▶ The financial statements of an entity without interests in subsidiaries, associates, or joint ventures are not classified as separate financial statements
- ▶ An investment entity that follows the exception to consolidation for all subsidiaries, as specified in IFRS 10 Consolidated Financial Statements, for the current and all comparative periods, is required to present separate financial statements exclusively, without consolidated financial statements.

For example:

ABC Investment Fund is an investment entity that holds controlling interests in several subsidiaries but is exempt from consolidation under IFRS 10. Instead of preparing consolidated financial statements, ABC Investment Fund presents separate financial statements, showing its investments in subsidiaries at fair value. This is the only financial statement it issues, as required under IAS 27.8A.

ACCOUNTING FOR INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES, AND ASSOCIATES

IAS 27 provides three methods for accounting for these investments. Consistency in applying the chosen method to each category of investments is crucial:

Method of Accounting	Provision	Example
At cost	Investments accounted for at cost and classified as held for sale under IFRS 5 are treated according to that standard. They are measured at the lower of their carrying amount and fair value less costs to sell.	Presents the financials of a single entity (usually the parent) without consolidating subsidiaries.
In accordance with IFRS 9	Investments accounted for under IFRS 9 Financial Instruments (or IAS 39 Financial Instruments: Recognition and Measurement for entities that have not yet adopted IFRS 9) at fair value through profit or loss or other comprehensive income remain measured in accordance with IFRS 9. This measurement does not change even if the investments are classified as held for sale under IFRS 5.	An investment in a joint venture measured at fair value under IFRS 9 will continue with the same measurement even if classified as held for sale.

Method of Accounting	Provision	Example
Using the equity method as described in IAS 28 Investment in associates and Joint Ventures	Initial recognition at cost; carrying amount adjusted for the investor's share of the investee's profit or loss.	<p>An entity invests AED 100,000 in an associate. At the end of the year, the associate reports a profit of AED 50,000. The entity owns 20% of the associate.</p> <p>The entity's share of the profit = 20% of AED 50,000 = AED 10,000.</p> <p>Carrying amount at year-end = AED 100,000 + AED 10,000 (share of profit) = AED 110,000</p>

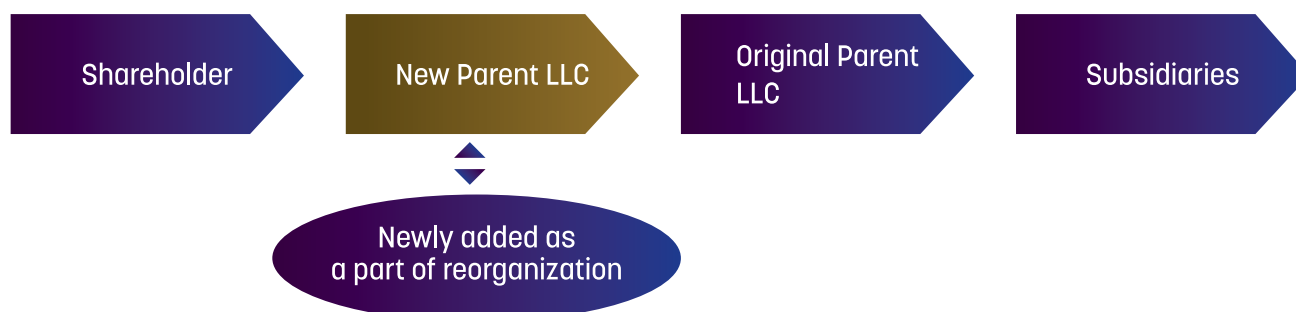
DIVIDENDS: WHEN AND HOW TO RECOGNIZE?

An entity recognises a dividend from a subsidiary, joint venture or associate in profit or loss in its separate financial statements when its right to receive the dividend is established.

GROUP REORGANIZATIONS: A SIMPLE SWAP

Consider a scenario where the group structure of a parent company, Original Parent LLC, with total equity of AED 5 million, is reorganized by establishing a new parent entity, New Parent LLC. As part of this reorganization, New Parent LLC issues equity shares valued at AED 5 million to the shareholders of Original Parent LLC, meeting the following conditions:

- (1) The assets and liabilities remain the same before and after the reorganization
- (2) Shareholders of Original Parent LLC retain the same ownership interests in the group.



ACCOUNTING TREATMENT - NEW PARENT LLC INVESTMENT IN ORIGINAL PARENT LLC:

- Recorded at cost, which equals AED 5 million.
- Measures the carrying amount of its share of equity items shown in the separate financial statements of the original parent at the date of reorganisation.

FINAL INSIGHTS

The standard, IAS 27 Separate Financial Statements, ensures that entities understand when and how to apply separate financial reporting, whether through the use of the equity method, cost method, or fair value reporting, and offers clarity on how to handle investments in subsidiaries and other interests. The standard helps entities present a clear and independent view of their financial performance without the complexities of group consolidation. These statements focus solely on the parent entity's financial position, unaffected by the results of subsidiaries, associates, or joint ventures. They offer stakeholders valuable insights into the parent entity's individual performance. The standard provides straightforward and transparent guidance for presenting investments, recognizing dividend income, and handling group reorganizations, making it an essential tool for accurate and focused financial reporting.

RECENT AMENDMENT TO VAT LAW

CHANGES IN PROVISIONS RELATING TO ZERO-RATING ON EXPORT OF GOODS



The UAE's VAT framework, introduced through Federal Decree-Law No. 8 of 2017, provides for zero-rating on the export of goods to promote trade competitiveness and align with global standards. Recent amendments to Article 30 of the Executive Regulations, introduced via Cabinet Decision No. 100 of 2024, have brought significant changes, particularly in the documentation requirements for businesses claiming zero-rating for exports. These changes aim to enhance compliance and reduce potential misuse of zero-rating provisions.

UNDERSTANDING DIRECT AND INDIRECT EXPORTS

Article 30 prescribes the conditions under which exports qualify as direct or indirect, the associated documentation requirements, and the tax implications in each case. Let us first understand the distinction between direct and indirect exports:

DIFFERENCE BETWEEN DIRECT AND INDIRECT EXPORT

Aspect	Direct Export	Indirect Export
Definition	Export of goods to a destination outside the Implementing State, with the supplier responsible for transportation.	Export of goods to a destination outside the Implementing State, with the overseas customer responsible for transportation.
Supplier's Responsibility	Ensures the goods are transported outside the Implementing State.	Provides the goods for collection within the Implementing State.
Customer's Responsibility	Not involved in arranging transportation.	Responsible for arranging transportation and exporting goods.

Now let us move on to zero rating on direct export of goods and indirect export of goods:

Key conditions for zero-rating Direct export of goods

(A) Export timeline – The goods must be physically exported to a destination outside the Implementing State or placed under a customs suspension regime within 90 days from the supply date.

(B) Documentation

Exporters must retain any one of the following sets of evidence:

Type of Evidence	Details
Customs Declaration and Commercial Evidence	Documents such as air waybills, sea waybills, land waybills, or manifests confirming the transfer and departure of goods from the State. Customs declarations serve as proof of compliance with customs requirements.
Shipping Certificate and Official Evidence	Shipping Certificates issued by transport companies or agents. Official Evidence includes export certificates or clearance certificates from customs departments, or certified documents from the destination country confirming the goods' entry.
Customs Declaration for Suspension Arrangement	Documentation confirming goods are placed in a customs suspension regime and exempt from customs duties.

Key conditions for zero-rating Indirect export of goods

(A) Export timeline – The goods must be physically exported or placed under a customs suspension regime within 90 days of the supply date under an arrangement agreed between the supplier and the overseas customer at or before the time of supply.

(B) Documentation

The overseas customer or their agent must provide the supplier with any of the following sets of evidence:

Type of Evidence	Details
Customs Declaration and Commercial Evidence	Documents such as air waybills, sea waybills, land waybills, or manifests proving the export. Customs declarations serve as proof of compliance with customs requirements.
Shipping Certificate and Official Evidence	Shipping Certificates issued by transport companies or agents. Official Evidence includes export certificates, clearance certificates, or certified destination country documents proving export.
Customs Declaration for Suspension Arrangement	Documentation confirming goods are placed in a customs suspension regime and exempt from customs duties.

(C) Condition of Goods – The goods must not be used or altered between supply and export, except as necessary to prepare them for export or customs suspension.

(D) Exclusion – The goods must not leave the State in the possession of a passenger or crew member of an aircraft or ship.

(E) Goods in Departure Areas – An Indirect Export includes the supply of goods in a departure area of an airport or port to a passenger of an aircraft or vessel if:

- The goods are intended to leave the State in the possession of the passenger.
- The supplier has obtained and retained evidence, such as the details of the boarding pass of the passenger, that the passenger intends to leave for a destination outside the Implementing States.

OTHER GENERAL POINTS

- The Authority may reject documents if they do not provide sufficient evidence of Goods exiting the State and may require alternative evidence based on the Export or Goods' nature.
- The 90-day export period may be extended under specific conditions such as circumstances beyond control or impracticability of export due to nature of supply.
- A supply of Goods may be subject to zero-rating if the Goods, intended for export, are destroyed or no longer exist due to uncontrollable circumstances involving both the supplier and the recipient.
- Customs will verify Goods against export documents based on the tax risk matrix classification.

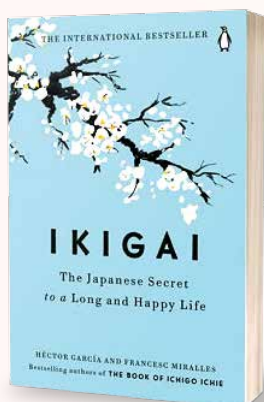
CONCLUSION

The amendments highlight the UAE's dedication to maintaining strong VAT compliance, promoting transparency, and aligning with global standards. Exporting businesses should carefully follow the updated provisions to enjoy zero-rating benefits and avoid penalties. Emphasizing clear documentation and collaboration between suppliers and customers is essential for smooth compliance and supporting the UAE's economic goals.



EMBRACING THE NEW YEAR: A JOURNEY TO PURPOSE, GROWTH AND FULFILLMENT

The New Year is a silver ray of hope, a gentle reminder that every ending marks the beginning of something wonderful. It is a perfect time for self-reflection and renewal—a chance to paint our life's canvas with dreams, aspirations, and meaningful connections. This season of new resolutions is an invitation to embrace our passions, find happiness in the little things, and rediscover the joy of purpose. With that in mind, we present a selection of books that embody the essence of purpose, personal growth and the fulfilment of life.



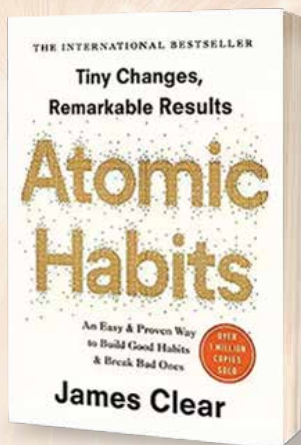
DISCOVERING IKIGAI: THE JAPANESE SECRET TO A LONG AND HAPPY LIFE

The concept of Ikigai, a Japanese philosophy, holds valuable lessons for living a purposeful and fulfilling life. The book *Ikigai: The Japanese Secret to a Long and Happy Life* emphasizes the importance of finding the intersection of four key elements:

- What you love
- What you are good at
- What the world needs
- What you can be paid for

Ikigai encourages us to live with a sense of flow and fulfillment, balancing passion, talent, societal needs, and financial sustainability. By incorporating this philosophy into our lives, we can enhance our physical and mental well-being.

The book also highlights the benefits of leading a simple life, prioritizing what truly matters, and maintaining curiosity throughout life. Practices like exercise, healthy eating, sufficient sleep, and meditation are emphasized as crucial for maintaining health and mental balance. Additionally, resilience and focusing on positive emotions are pivotal to navigating life's challenges.



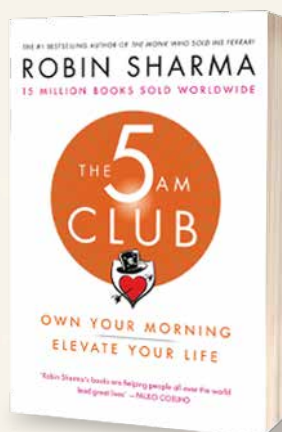
THE POWER OF ATOMIC HABITS: TRANSFORMING SMALL CHANGES INTO BIG IMPACTS

James Clear's *Atomic Habits* offers a practical roadmap for personal growth through small, incremental changes. The principle that "Every action you take is a vote for the type of person you wish to become" underscores the transformative power of habits. Instead of setting unattainable goals, the book advocates concentrating on the process of gradual change.

The Four Laws of Behavioral Change

- Make it obvious
- Make it attractive
- Make it easy
- Make it satisfying

provide a framework for breaking bad habits and building good ones. Identity plays a crucial role in habit formation, where subtle shifts, such as identifying as a reader rather than merely aspiring to read, can lead to enduring change.



THE 5 AM CLUB: OWNING YOUR MORNING TO ELEVATE YOUR LIFE

Robin Sharma's *The 5 AM Club* complements these ideas with a structured approach to maximizing productivity and clarity. The 20/20/20 formula—20 minutes of movement, 20 minutes of reflection, and 20 minutes of learning—provides a practical way to optimize the golden hours of the morning.

Sharma emphasizes the importance of discipline over talent and urges readers to detach from material pursuits, focusing instead on personal growth and fulfillment. By nurturing mindset, heartset, healthset, and soulset, we can achieve holistic growth and happiness.

A HOLISTIC APPROACH TO THE NEW YEAR

As we step into the New Year, embracing the wisdom of Ikigai, *Atomic Habits*, and *The 5 AM Club* can guide us toward a life of purpose, positivity, and fulfillment. By staying committed, embracing change, and channeling our energy into meaningful actions, we can create lasting transformations.

Let this New Year be a journey of self-discovery and growth, where every small step leads to a brighter, more fulfilling future.



INDUSTRIAL TECHNOLOGY TRANSFORMATION INDEX (ITTI)

The Industrial Technology Transformation Index (ITTI) is one of the key initiatives of Technology Transformation Program (TTP) launched by the Ministry of Industry and Advanced Technology in collaboration with Abu Dhabi Department of Economic Development at World Government Summit 2023. It is an extensive tool designed for the manufacturing sector to evaluate their digital and sustainability maturity levels. It provides a tailored roadmap for achieving smarter and more sustainable production processes. Aligned with the manufacturer's value chain, ITTI assists manufacturers in assessing their current digital and sustainability readiness, offering recommendations for enhancements.

The ITTI process can be initiated by the manufacturer applying for assessment, conducting a one-day onsite assessments, followed by a detailed report with recommendations aimed at generating significant business impact.

Entities with a valid industrial license and operational facilities engaged in manufacturing (beyond just assembly or services) can apply for the ITTI assessment through the Ministry of Industry and Advanced Technology, United Arab Emirates at <https://itti.moiat.gov.ae/register/manufacturor>.

ITTI AIMS TO :

- Raising awareness of industry 4.0 technology and practices in the industrial sector.
- Accelerate innovation in the manufacturing community.
- Improve industry competitiveness through technology adoption.
- Promote sustainability and efficient resource management.

HOW INDUSTRIAL TECHNOLOGY TRANSFORMATION INDEX (ITTI) BENEFIT IN-COUNTRY VALUE (ICV) SCORE?

The Industrial Technology Transformation Index (ITTI) can significantly influence the In-Country Value (ICV) score by driving improvements in technology adoption, local production capabilities, and workforce development. The ICV score measures the value created within a country through local sourcing, manufacturing, and employment including Emiratization, and the use of other local resources.

By participating in the ITTI Programme, companies can boost their ICV score with a bonus by up to 5 percent, showcasing their adoption of advanced technology and sustainable practices. Only valid ITTI Assessment reports issued by MoIAT will be considered for the bonus.

Here's how the ITTI can positively impact the ICV score:

1. Increased Local Production and Reduced Imports

By promoting technological transformation within industries, the ITTI encourages the use of advanced technologies that improve local production efficiency and capabilities. This leads to the production of goods and services domestically that would otherwise have been imported. As a result, the proportion of value created within the country increases, directly improving the ICV score.

2. Development of Local Supply Chains

The ITTI can encourage industries to invest in upgrading local supply chains by adopting new technologies that enable local suppliers to meet higher standards and larger demands. This fosters the growth of local suppliers, manufacturers, and service providers, thereby increasing local content and enhancing the ICV score.

3. Promotion of Local Employment and Skills Development

As industries transform technologically, they require a skilled workforce to operate and maintain new technologies. The ITTI can stimulate investment in workforce training and development, ensuring that local workers are employed in high-value sectors. A greater number of high-skilled, local jobs positively influences the ICV score, as it reduces the need for foreign expertise and increases the share of value generated locally through human capital.

4. Encouraging Innovation and R&D Investment

The ITTI encourages innovation and R&D in local industries, which can lead to the development of new products, services, and technologies within the country. The increase in innovation contributes to the creation of intellectual property (IP) and patents within the country, leading to higher local value creation and, therefore, a higher ICV score.

5. Encouraging Sustainable Practices

Technological transformation often incorporates sustainable practices, such as energy efficiency, waste reduction, and environmental responsibility. These sustainable practices, when applied locally, increase the efficiency and cost-effectiveness of local industries, leading to more competitive, self-sufficient businesses that contribute to a higher ICV score.

6. Attracting Foreign Direct Investment (FDI)

A high ITTI score reflects a country's technological readiness, which can attract foreign direct investment (FDI) from companies seeking to invest in advanced industries. When foreign companies invest in local technology or manufacturing operations, they often establish joint ventures or local subsidiaries, which contribute to local value creation. This increases the ICV as more foreign capital is channelled into local production, skills development, and infrastructure.

7. Strengthening Local Technology Ecosystems

The ITTI encourages the growth of local technology ecosystems by promoting the use of cutting-edge technologies across industries. This strengthens the country's technological base and encourages the development of local technology hubs, which can drive economic growth and further increase the ICV.

8. Enhancing Government Policies and Incentives

Governments can use the data from the ITTI to create policies and incentives that promote technological advancement, innovation, and local sourcing. These policies can include tax incentives for local production, subsidies for research and development, or support for local suppliers. By encouraging technological adoption and fostering local value generation, such policies help boost the ICV score.

Conclusion

Thus, ITTI plays a key role in enhancing the ICV score by promoting technological adoption, strengthening local production capabilities, developing the workforce, and driving innovation. As industries adopt more advanced technologies, they create greater value within the country by reducing reliance on imports, boosting local sourcing, generating employment, and encouraging sustainable practices. These combined efforts improve the ICV score, contributing to a more self-reliant, competitive, and prosperous economy.

EVENTS

EVAS
CONSTANTIN
Christmas
Celebrations



Christmas Celebrations



“

*Approach the New Year with
resolve to find the opportunities
hidden in each new day.*

- Michael Josephson -

”



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