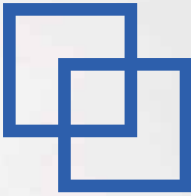
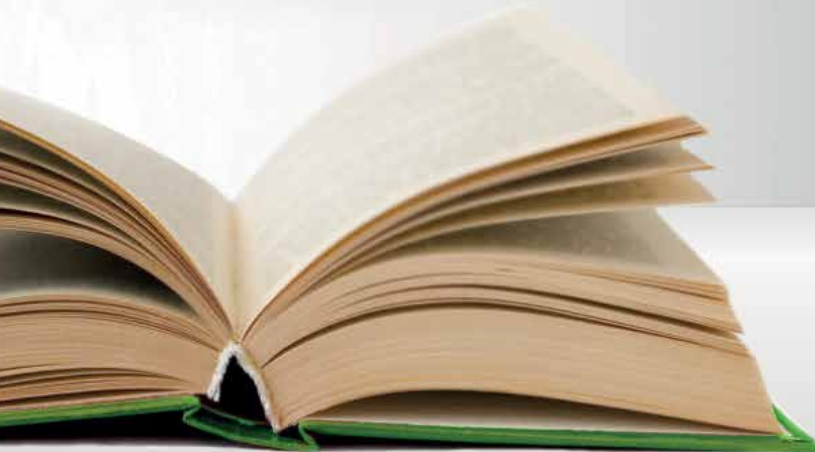




Financial Legislations: Towards More Sustainable Resources



صندوق محمد بن راشد للابتكار
**MOHAMMED BIN RASHID
INNOVATION FUND**



Annual
Report
2016



MOFUAE



UAE Ministry of Finance



MOFUAE



MOFUAE



MOFUAE



MOFUAE





HH President Sheikh
Khalifa bin Zayed Al Nahyan
President of the United Arab Emirates

“With God’s help we have laid down balanced economic structures based on diversification of sources of revenue, maintaining growth in all sectors and raising per capita income and standard of living.”



HH Sheikh

Mohammed bin Rashid Al Maktoum

UAE Vice President and Prime Minister and Ruler of Dubai

“We believe that the role of the government should be restricted to legislation and regulation, in addition to the contentious development of the infrastructure – thus making the private sector the engine of the development process.”



Index

Message	HH Sheikh Hamdan bin Rashid Al Maktoum, Deputy Ruler of Dubai and UAE Minister of Finance	14	Second Chapter: Financial Regulation and Sustainable Resources	The Ministry of Finance's contribution in developing the financial regulatory structure	110
About MOF	Organisational structure	18	Third Chapter: Strategic Direction and Future Outlook	The Ministry of Finance's role in achieving financial sustainability	114
	MoF's responsibilities and competencies	19		Five-year strategic plan (2021-2017)	120
	Vision, Mission and values	20		The focus area of the strategic plan	120
	Leadership councils and committees	21		The objectives of the strategic plan	121
First Chapter: Achievements of the 2016 Strategic Plan	The 2016 strategic plan	30	Fourth chapter: Leadership and Competitiveness	The initiatives of the strategic plan	122
	The objectives of the 2016 strategic plan	30		Testimonials from financial leaders	134
	The achievements of the strategic objectives	31		Awards and certificates	140
Message	HE Obaid Humaid Al Tayer, Minister of State for Financial Affairs	102	Fifth Chapter: Social Responsibilities	Competitiveness indicators	148
				Social contributions	158
				Events and activities	161
				The Ministry of Finance's participation in external activities	172



HH Sheikh

Hamdan bin Rashid Al Maktoum

Deputy Ruler of Dubai and UAE Minister of Finance

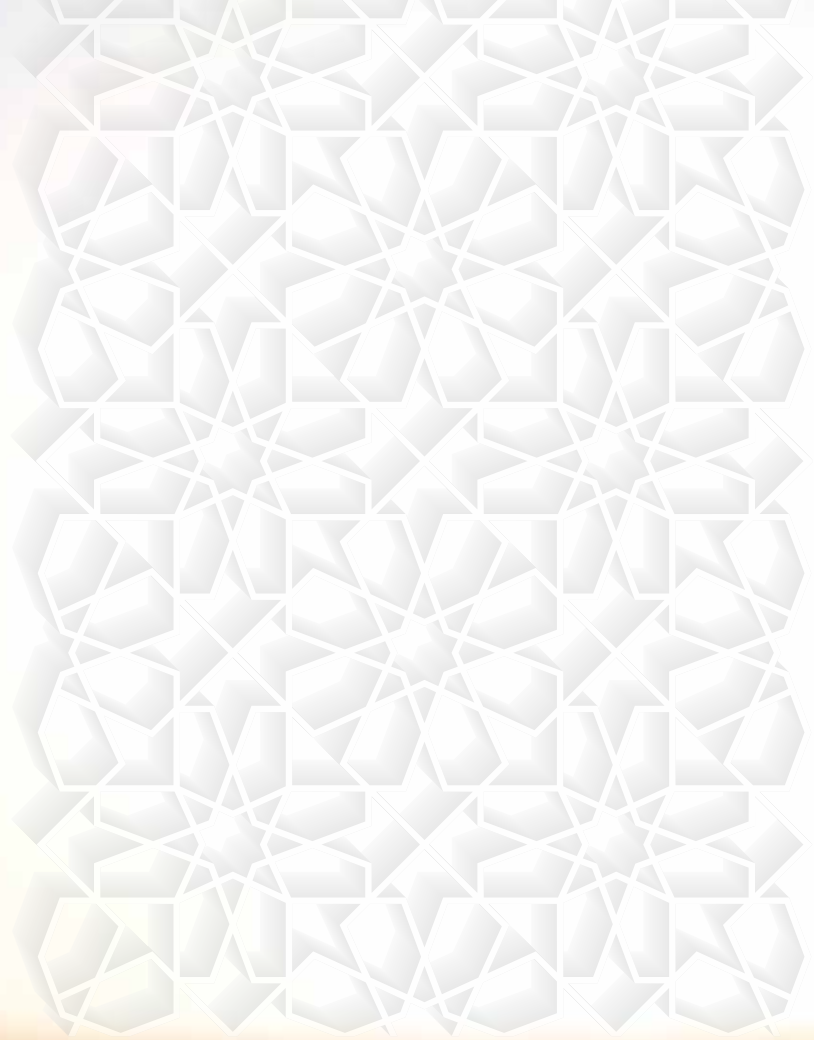
The Ministry's strategy to achieve the National Agenda and UAE's future aspirations

Since its establishment, the UAE has accomplished significant achievements at a national level making history under the vision of the wise leadership, which has placed the wellbeing of UAE citizens as the key focus. The UAE Vision 2021 National Agenda and Government Accelerators aim to strengthen and support these efforts, driving towards a bright future based on a competitive, diversified economy led by innovative Emiratis.

The Ministry of Finance, as a key pillar of the government, is committed to developing strategies and initiatives to achieve the targets of the National Agenda. In cooperation with Government Accelerators and according to a pre-identified plan and objectives the Ministry is working to enhance performance against national indicators and strengthen the capabilities of UAE nationals. The Ministry is also committed to delivering effective programmes, leading consumer services, sound financial policies, and developing internationally compliant legislative and legal infrastructure to achieve financial sustainability and develop government resources. The Ministry's leading role was highlighted through new laws and legislations issued last year, where its implementation of Bankruptcy Law and Value Added Tax represented a key step forward in UAE financial policy development.

The Ministry continues to implement best practices in effective financial management with the aim to protect and develop the UAE's financial system and build a stable, sustainable, and diversified economy. We can benefit from international economic partnerships to achieve prosperity for current and future generations and support in the creation of UAE based businesses with global reach.

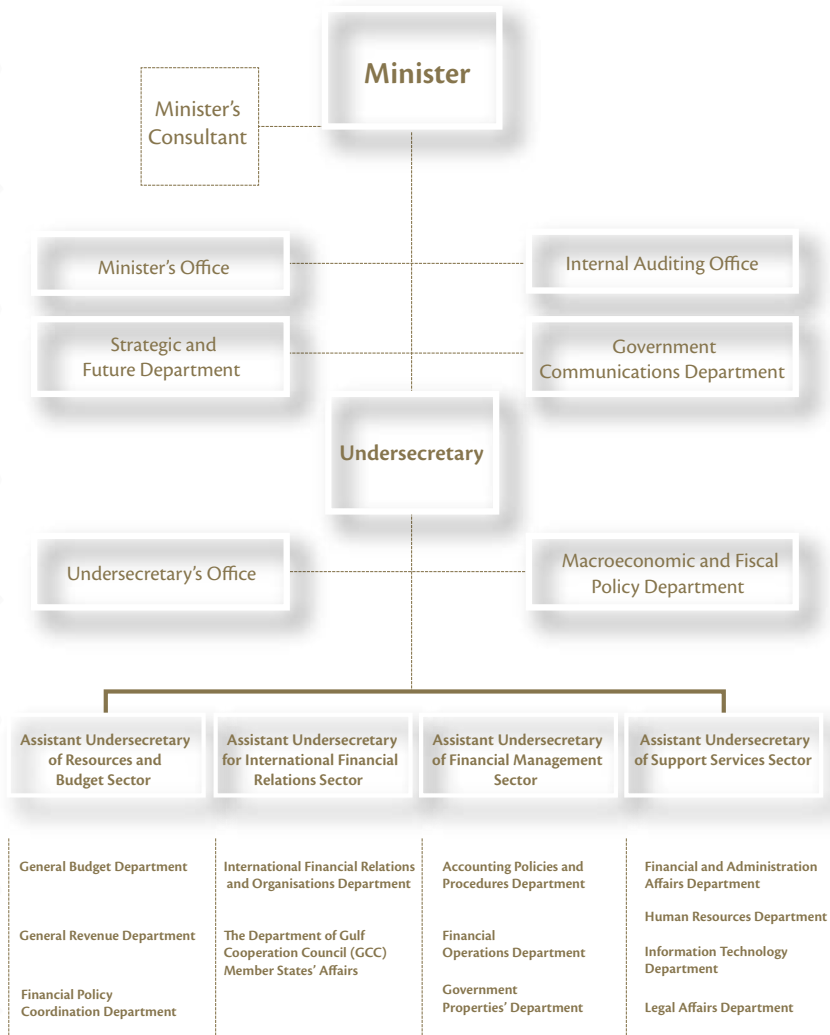
The Ministry is making significant efforts to support and strengthen Gulf economic integration through a unification of visions and efforts, liberalising factors of production movement, reducing trade obstacles, and coordinating Gulf-wide economic policies that strengthen the ability of the region's economies to overcome global challenges. The Ministry holds a leading position in implementing these unified economic agreements between countries in the GCC through numerous financial and economic integration initiatives including efforts to support and strengthen economic cooperation, drive productive economic activity and achieve sustainable economic and social development.



About the Ministry

Organisational Structure

The Ministry's organisational structure was developed based on the UAE Cabinet's decision No. 1 for 2016, which specifies the organisational chart and the Ministry's roles and responsibilities in different departments. The below chart demonstrates the Ministry's organisational structure:



MoF's responsibilities and competencies

The Ministry is committed to fulfilling the responsibilities entrusted to it, as per the Federal Law No. 1 for 1972 (and its amendments), which stipulates the Ministry's functions and competencies as well as the UAE Cabinet's decision No. 3 for 2009 on the organisational structure of MoF:

- ❖ Preparing UAE fiscal policies in coordination with the relevant authorities from the financial sector.
- ❖ Developing, diversifying, collecting and monitoring the federal government's financial resources.
- ❖ Establishing and implementing regulations for the federal budget.
- ❖ Developing and managing the federal government's financial electronic systems.
- ❖ Concluding international agreements with regards to financial affairs with other countries.
- ❖ Organising government procurement, government assets and housing arrangements for government staff.
- ❖ Representing UAE in development funds and institutions as well as in international financial organisations.
- ❖ Implementing the requirements of the Unified Economic Agreement between GCC countries.





Vision

The Ministry aims to become a world leader in financial management to ensure a sustainable competitive environment



Mission

To manage and develop the federal government's financial resources in an effective and innovative manner, through sound financial policies and solid local and international relations in order to protect and safeguard the UAE's financial systems in accordance with best practices



Values

The Ministry of Finance is committed to five core values, which guide us as we strive to achieve the goals of our strategic plan and include:

Teamwork spirit

As one team, we all work together and achieve our strategic objectives

Innovation and excellence

We excel in our work and overcome any challenges in creative ways

High professionalism

We pride ourselves on several qualities including integrity, objectivity, appreciation, openness and we seek to develop ourselves and support each other on an ongoing basis

Transparency

We work in a clear and responsible manner to promote our interests and employee motivation

Social Responsibility

We are committed to fulfilling our social and environmental responsibilities in order to support sustainable development



Leadership councils and committees

The Ministry of Finance is committed to the responsibilities entrusted to it with the help of its various councils and committees that work in an integrated manner to achieve the Ministry's overall strategic plan. These councils and committees are divided according to the nature of their work and their members into internal and external categories. These categories can be classified and recognised for their 2016 achievements as per the following:

External councils and committees:

Financial and Economic committee

is a ministerial committee established by the UAE Cabinet's decision No. 2 for 2005 to study and coordinate issues related to the general budget of the federal government. The committee is also responsible for the development of government financial performance and economic relations with various countries and economic blocs. The committee places and suggests ways to develop UAE's financial resources, diversify sources of income and develop guidelines on the country's position towards issues raised within the GCC framework. The committee is also responsible for submitting a report to the UAE Cabinet on its suggestions and monitors the implementation of the Cabinet's decisions in coordination with related entities.

The Committee's most prominent achievements during 2016

- ❖ Approval of additional financial allocations for federal entities for the fiscal year 2016, with a total value of AED 819.4 million.
- ❖ Approval of revenue forecasts of the Federal Government for the years 2017-2021.
- ❖ Approval of the Federal Government's budget plan for the years 2017-2021 and raising it to the UAE Cabinet for approval.
- ❖ Approval of the draft budget of 2017, with estimated revenues and expenses valued at AED 48.7 billion, and raising the draft budget to the UAE Cabinet.
- ❖ Approval of the budget of Federal entities affected by the future government for the years 2017-2021.

Government Financial Policy Coordination Council

The council was established based on the UAE Cabinet's decision No. 39 in 2008, and was restructured upon the council's decision No. (24) 2015. It is headed by the Undersecretary of the Ministry of Finance and council members and includes representatives from local government finance departments and the UAE Central Bank. The Council supervises the preparation of government financial data and reports on a UAE level, develops government financial policies, and discusses draft budgets, government expenditure, and updates on financial matters affecting the UAE's economic development. The Council also coordinates policies on taxes and increasing revenues, and identifies mechanisms to fund projects. It also sets the sovereign credit ratings for the UAE and federal governments, the requirements of the global competitiveness indicators and government efficiency on a local level.

The Council's achievements for 2016

- ❖ the Government Financial Policy Coordination Council held three meetings during 2016 and achieved the following:
- ❖ Winning the "Idea of the Year 2016" Award for its project Emirates Gate of Government Finance Statistics (GFS) reports.
- ❖ Developing smart phone apps for GFS reports .
- ❖ Issuing the consolidated financial report per quarter and the annual report on the UAE's financial data for the year end 2015.
- ❖ Issuing the financial report for the first three quarters of 2016.
- ❖ Beginning to implement the project on enhancing the financial coordination for the health and education sectors in cooperation with the World Bank.
- ❖ Beginning to implement the draft balance sheet at UAE's level.

Internal Councils and Committees

Ministry's Senior Leadership Team

the leadership team conducts studies on recent updates within specific areas, provides guidance to the Head on forthcoming decisions about policies, strategic plans and decisions, key performance indicators, the Ministry's organisational structure, budget, expenditures, follow up of performance reports, and key matters on human resources, finance, organisational and operational matters.

The Senior Leadership Team's achievements during 2016

- ❖ Adopting new departmental compositions against the Ministry's new organisational structure.
- ❖ Adopting the Ministry's 2017-2021 strategic direction.
- ❖ Adopting the draft budget for 2017-2021.
- ❖ Adopting MoF's 2017 budget.
- ❖ Approving purchasing orders electronically.
- ❖ Receiving supplier invoices electronically.
- ❖ Implementing an innovative internal audit system.

MoF's Performance Committee

The Committee adopts work methodologies relevant to the Ministry's strategy, initiatives and projects related to the annual operational plan and amending or cancelling it as needed. The Committee also oversees the implementation of the strategic and operational plans, guides different departments within the Ministry to implement the strategic and operational plans, and the strategic planning processes adopted by the federal government.

The Committee's achievements during 2016

- ❖ Preparing and implementing initiatives and aligning the KPIs to the Ministry's operational plan of 2016.
- ❖ Approving MoF's 2016 annual report.
- ❖ Assessing the performance of the Ministry's departments and organisational units, according to the Balanced Scorecard metrics for 2016.
- ❖ Adopting results of the operational initiatives and work teams for 2016.
- ❖ Adopting the performance reports for the 2016 strategic and operational plans.
- ❖ Adopting the performance reports on operations and services for 2016.
- ❖ Adopting the submission plan for the 2016 excellence awards.
- ❖ Forming work groups to follow up on the main criteria of the fourth generation

of government excellence system and preparing for the Mohammed bin Rashid Government Excellence Award 2016.

- ❖ Organising council meeting dates for 2017.

Human Resources Committee

The Committee monitors the HR key performance indicators, follows up on the implementation of policies, regulations and human resources planning. The Committee also recruits and promotes resources, and ensures the implementation of all HR related activities in line with the required standards.

The Committee's achievements during 2016

- ❖ Adopting the 'Working Women' policy and circulating it to the Ministry's employees.
- ❖ Approving candidates for the Certified Public Accountant (CPA) Certificate.
- ❖ Adopting the 2016 employees' performance management system.
- ❖ Adopting the 2015 performance evaluation of the Ministry's employees.
- ❖ Adopting employees' development goals and performance improvement plan.
- ❖ Adopting the 2015 training programme plan for the Ministry's employees.
- ❖ Approving the transfer and delegation of responsibilities with regards to the Suggestion System to the Innovation Team.
- ❖ Launching the "Our Employees Read" initiative.
- ❖ Approving that the departments which achieved the high results of employees engagement to transfer the experience across the Ministry.
- ❖ Conducting awareness seminars for assistant undersecretaries and heads of departments.

Rewards and Incentives Committee

The Committee reviews the annual budget for rewards and incentives programmes and proposes financial amounts to be allocated within the Ministry's budget. The Committee also receives applications from the HR department to determine bonuses and coordinates with them to provide the required data and response in the event

of non-approval. The Committee prepares a list of employees entitled to rewards and submits it to the Minister for approval. It is also entitled to prepare an annual report on bonuses and incentives within the Ministry.

The Committee's achievements

- ❖ 138 employees were granted financial rewards in 2016.
- ❖ Approving the model for submitting reward application to the Committee.
- ❖ Reviewing all procedures and standards to receive a reward in the Ministry.

Procurement Committee

The committee reviews and approves the basis of prequalification of suppliers periodically, adopts procurement practice by short listing suppliers, studies the suppliers' offers and samples, reviews and studies exceptions that respond to and approve tenders. The Committee may extend or cancel the tender and redirect invitation to participate, accept tenders received after the deadline with a statement of reasons, and accept proposals that are in currencies other than AED if approved by federal entities. The Committee can exclude suppliers and bidders with a statement of reasons, carry out a technical and financial classification of tenders submitted to shortlist specific names, manage the negotiation process with suppliers, and recommend the specific tenders over others. The Head of Contracts also approves tenders based on the provisions of the UAE Cabinet, and request for a review or amendments.

The Committee's achievements

- ❖ 402 purchasing orders were issued in 2016.
- ❖ Approving amendments on transactions from departments.
- ❖ Making recommendations on considering exceptions for specific tenders and practices, and reviewing amendments requests.
- ❖ Holding meetings with suppliers to explain the requirements of purchasing procedures and answer any of their inquiries.

Violations Committee

The Committee oversees misconducts by the Ministry's employees, except those associated with working hours. The committee also imposes administrative sanctions on violating employees, with the exemption of dismissal.

The Committee's achievements

- ❖ Updating the Committee's decision to restructure the committee as per the Cabinet's decision No. (29) for 2016.
- ❖ Made final decision on 13 different requests presented to the Committee in 2016.
- ❖ Terminating four employees upon the decision from the Violations Committee.

Supervisory Committee for the development and implementation of IT strategy


The Committee is responsible for reviewing and implementing the IT and business system strategies, and approving the business systems issued by the concerned departments and ensure their compatibility with the overall IT business. The Committee also approves the budget allocated for IT projects, reviews and approves the detailed plan of the systems, as per the global standards to improve productivity. In addition, the Committee defines the business systems which it will supervise regularly.

The Committee's achievements

- ❖ Adopting 49 new and developed plans for e-systems in the Ministry .
- ❖ Signing the Oracle license and services agreement and implementing the federal cloud project .
- ❖ Adopting the project with regards to the IT strategic 2017-2021.
- ❖ Adopting the project on applying multiple working groups between MoF and the Federal Authority for Government Human Resources (FAHR).

- ❖ Implementing the integration system project between MoF and FAHR.
- ❖ Implementing the unified external call centre project at MoF.
- ❖ Adopting the data archive and integration with the Federal Financial System.
- ❖ Adopting the IT's internal federal budget for 2017-2021.
- ❖ Signing a federal agreement to acquire the Microsoft Licensing Programmes.





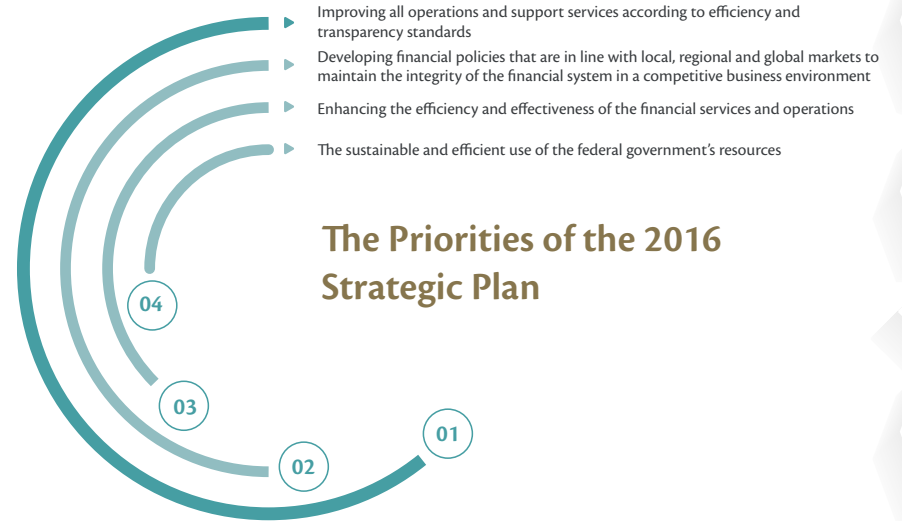
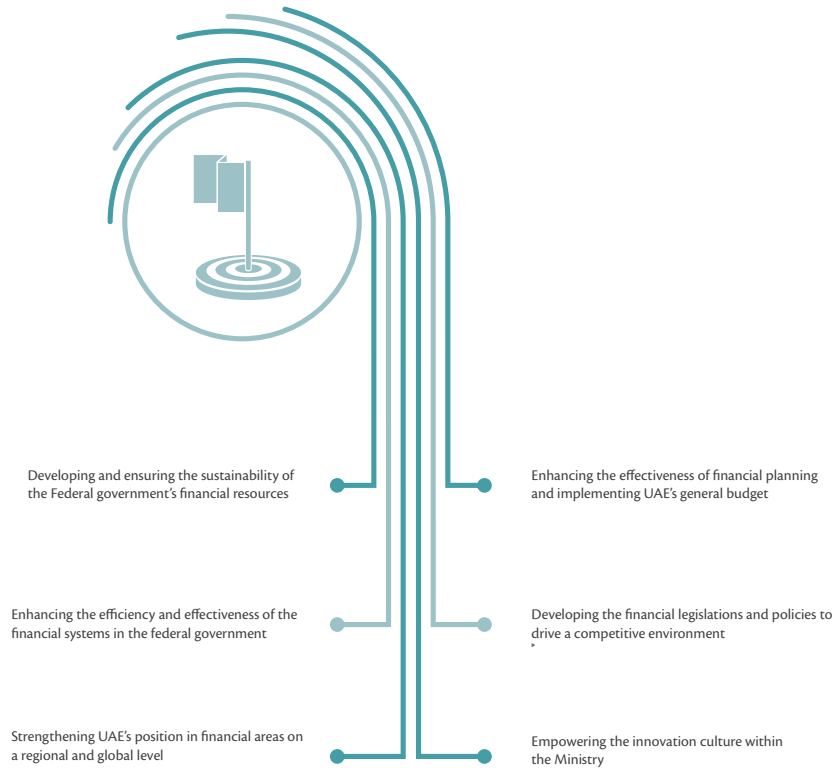
First Chapter:
Achievements of the
2016 Strategic Plan



The 2016 Strategic Plan

MoF's 2016 strategic plan includes six objectives, four priorities, 24 initiatives, 38 strategic activities, 10 key services, 39 sub-services, 10 supplementary services, 41 strategic indicators, 420 operational indicators, 57 key performance indicators to measure services, and ten competitiveness indicators. The 2016 strategic plan gives top priority to diversifying and developing the sources of the federal government revenues to ensure its sustainability.

The Objectives of the 2016 Strategic Plan



The Priorities of the 2016 Strategic Plan

The Achievements of the 2016 Strategic Plan

Achievements of the first strategic objective:

Developing and ensuring the sustainability of the Federal Government's financial resources.

Concerned sector: Resources and budget sector

Current Status: Completing financial and tax legislations

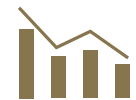
Axis: Contributing to the development of the government's resources



Number of initiatives in 2016: 3



Number of strategic indicators: 3



Number of operational indicators: 10

The operational plan initiatives for the first strategic objective of 2016 (first objective: Developing and ensuring the sustainability of the Federal Government's financial resources)				Objective completion	92.2%			
No. of initiative	Initiatives	Completion of initiative	Initiative evaluative result	Operational and strategic performance indicators 2016				
				No.	Name of indicator	Type of indicator	Target value	Achieved value
1	Managing and developing the monitoring of the Federal government's revenues	100%	90.3%	1	completion ratio of the existing monitoring procedure gap analysis	Operational	100%	100%
				2	Number of periodic reports raised to the Minister that include results of monitoring federal government revenues and those that include results on conformity of the automated systems to match data from federal entities	Operational	1	1
				3	completion ratio of the number of review and audit reports raised with regards on franchise fees	Operational	100%	100%
				4	Completion ration of studying the idea to put in place a monitoring system on franchise fees	Operational	100%	100%
2	Developing the Federal government's revenue resources	100%	93.2%	5	Achieved ratio of the estimated revenue	Strategic	100%	98.78%
				6	Expected increase in federal government revenue from recommended resources	Strategic	21%	0%
				7	Number of federal entities approached to reconsider their service fees and impose new ones	Operational	4	5
				8	Number of revenue sources that have been studies and recommended	Operational	2	2
				9	Number of memos raised to UAE Cabinet with regards to developing the federal government resources	Operational	6	6
				10	Expected increase of revenue from service fees	Operational	0.50%	9.30%
				11	Coverage ratio of current revenue resources according to best practices	Strategic	100%	100%

The operational plan initiatives for the first strategic objective of 2016 (first objective: Developing and ensuring the sustainability of the Federal Government's financial resources)				Objective completion	92.2%			
No. of initiative	Initiatives	Completion of initiative	Initiative evaluative result	Operational and strategic performance indicators 2016				
				No.	Name of indicator	Type of indicator	Target value	Achieved value
3	Establishing the tax system in UAE	100%	93.7%	12	Completion ratio of selecting an advisor to complete the requirements required for establishing the tax system in UAE	Operational	100%	100%
				13	Completion ratio of the executive regulations concerning the draft law on tax procedures	Operational	100%	100%

The achievements of the first strategic objective during 2016

- ❖ UAE Cabinet's resolutions with regards to:
 - ❖ Media services fees in Free Zones.
 - ❖ Updating the Ministry of Health and Prevention services fees.
 - ❖ Reintroducing media service fees in the Media Free Zone areas.
 - ❖ Ministry of Justice service fees for translators.
 - ❖ Ministry of Justice services fees for experts.
 - ❖ Ministry of Health and Prevention services fees.
 - ❖ Updating the service fees of Tax Domicile Certificate and Value Added Tax provided by MoF.
 - ❖ Updating the Media National Council service fees.
 - ❖ E-dirham services fees.
 - ❖ Updating MoF's Tax Domicile Certificate service fees.
- ❖ Preparing studies on:
 - ❖ Updating the Ministry of Environment and Water services fees.

- ❖ Updating and amending the media service fees provided by the National Media Council.
- ❖ Updating and amending the fees of MoF's Tax Domicile Certificate and VAT.
- ❖ Amending the fees' structure of the Ministry of Labour (MoL).
- ❖ Expected ten year revenues from imposing VAT, corporate tax and selective tax.
- ❖ Imposing federal fees on car fuel to fund federal infrastructure projects.
- ❖ Securities and Commodities service fees.
- ❖ Service fees of health care provided by institutions under the Ministry of Health and Prevention.
- ❖ Setting the forecasted government revenues for the UAE's general budget plan 2017-2021.
- ❖ Issuing rules and regulations on mechanisms to implement franchise fees for telecommunications companies in the UAE.

The achievements of managing and developing the monitoring process of the federal government revenues in 2016

The initiative aims to develop the monitoring mechanisms of the Federal government revenues and create new ones such as having a contract with a company known for its accounting and auditing capabilities to incorporate innovation in accounting work. The initiative also identifies gaps in monitoring procedures, ways to improve and develop the current revenue monitoring procedures in federal entities, and to put in place measures that are in line with the entities business and according to the best practices.

The achievements during 2016:

- ❖ Updating the model for monitoring to follow up on periodic reports.
- ❖ Updating the model for reports on the government's revenues auditing results. The report demonstrates the quarterly monitoring results, reflects the federal government's total revenue and revenue collection methods used in Federal entities.

- ❖ Raising four quarterly reports to the senior management on the government's revenues monitoring results.
- ❖ Identifying manual methods for collections to shift them to electronic ones, in line with the "e-government transformation" project, which includes five sub-projects.
- ❖ Preparing preliminary gap reports initial with regards to the internal monitoring system of the federal government revenues in ministries and federal entities within the UAE. The report will be studied in detail in 2017.
- ❖ Holding training workshops for observers to develop and enhance the monitoring efficiency.
- ❖ Holding a session "Monitoring and Auditing Revenues", which was attended by observers to develop and enhance monitoring efficiency.
- ❖ Analysing and preparing a report on the current monitoring procedures in federal entities.
- ❖ Suggesting an automated system to be implemented during 2017 to oversee the monitoring process, follow the scientific method of auditing and issue follow up and performance reports.
- ❖ Auditing franchise fees declaration according to the best global practices adopted in various entities and countries, by preparing a study and establishing a monitoring system on the rights of franchise fees.

Second strategic achievements:

Raising the effectiveness of financial planning and implementing the general federal budget

Concerned sector: Resources and Budget, Public Finance

Current Status: Financial capacity and implementation of the general Federal budget

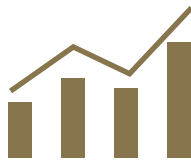
Axis: Efficiency of financial planning and budget execution



Number of initiatives in 2016: 4



Number of strategic indicators: 3



Number of operational indicators: 18

The operational plan initiatives for the second strategic objective of 2016 (Raising the effectiveness of (financial planning and implementing the general Federal budget)						Objective completion	92.6%	
No. of initiative	initiatives	Comple-tion of initia-tives	Initiative evalu-ation results	Strategic and operational performance indicators 2016				
				.No	Name of indicator	Type of indicator	Target value	Achieved value
1	Raising the efficiency of monitoring mechanisms with regards to the implementation of the general budget mechanisms of UAE	99.5%	84.4%	1	Accuracy in financial planning of federal government expenses	Strategic	100%	98%
				2	Accuracy in budget preparation	Strategic	95%	98%
				3	Completion ratio for delivering the 2015 federal government's consolidated accounts and the draft law in a timely manner	Operational	100%	100%
				4	Inclusive finance report for the implementation of the general federal budget	Operational	80%	72%
				5	Number of financial reports to follow up on the implementation of the 2016 budget and update the UAE Cabinet on the latest developments	Operational	1	1
				6	Number of reports raised to the senior management on implementing the 2016 budget	Operational	11	10
				7	Report on implementing the December 2015 budget	Operational	1	1
				8	Federal entities' commitment to monthly closings	Operational	100%	67%
2	Developing the efficiency and effectiveness of the federal government's financial management system	100%	89.2%	9	Federal entities to be linked to the treasury management system	Operational	4	8
				10	Number of reports submitted to senior management on the federal government's financial status	Operational	4	4

The operational plan initiatives for the second strategic objective of 2016 (Raising the effectiveness of (financial planning and implementing the general Federal budget					Objective completion	92.6%		
No. of initiative	initiatives	Comple- tion of initia- tives	Initiative evalu- ation results	Strategic and operational performance indicators 2016				
				No	Name of indicator	Type of indicator	Target value	Achieved value
3	Shift of the federal government to an accrual basis system	97%	70.9%	11	Completion ratio of the shift to accrual accounting	Operational	25%	25%
				12	Completion ratio of raising accounting policies, standards and procedures for the shift to an accrual basis system to the UAE Cabinet	Operational	100%	100%
				13	Raising an action memo to the Cabinet on a roadmap towards shifting from cash basis accounting methods to accrual basis of accounting	Operational	100%	0%



The operational plan initiatives for the second strategic objective of 2016 (Raising the effectiveness of (financial planning and implementing the general Federal budget					Objective completion	92.6%		
No. of initiative	initiatives	Comple- tion of initia- tives	Initiative evalu- ation results	Strategic and operational performance indicators 2016				
				No	Name of indicator	Type of indicator	Target value	Achieved value
4	The UAE's general budget for 2017-2021	100%	95.5%	14	Balance between the federal government revenues and expenditures	Strategic	100%	97.94%
				15	Number of financial planning studies for the budget	Operational	10	12
				16	Completion ratio of preparing the 2017-2021 general federal budget and its 2017 draft law	Operational	100%	100%
				17	Decrease in ratio between approved budget expenditures for 2017 and expenditures from federal authorities	Operational	10%	11.70%
				18	Satisfaction rate of federal entities with regards to financial planning and the preparation of the general federal budget	Operational	80%	80%
				19	Completion ratio of reviewing the application of COFOG on government expenditures	Operational	100%	100%
				20	Completion ratio of reviewing the federal entities' budget programme structure for 2017-2021	Operational	100%	100%
				21	Coverage ratio of the requirements to prepare the general budget by the Financial Operations Department	Operational	100%	100%

The achievements of the second strategic objective during 2016

- ❖ Opening bank accounts for ministries and federal entities in the UAE Central Bank.
- ❖ Issuing legal evidence to adopt the processing accounting settlements.
- ❖ Facilitating setting up the ministries' structures and taking the necessary financial procedures to complete the process.
- ❖ Issuing a law to approve the 2015 consolidated final accounts.
- ❖ Completing the amendments on the UAE's general budget for 2016.
- ❖ Adopting the structure and components of the Final Account of the Federal Government.
- ❖ Funding of cash deficit to prepare the UAE's 2016 general budget.
- ❖ Issuing a financial performance report to implement UAE's general budget and that of independent entities for the period between 1/1/2016 to 30/6/2016.
- ❖ Approving the UAE's draft general budget for 2017-2021.
- ❖ Issuing a federal law concerning the approval of additional appropriations for the 2015 general budget.
- ❖ Issuing a federal law to link the UAE's general budget and that of independent entities' for 2016.
- ❖ Conducting a study to address process the 2016 estimated underlying cash deficit.
- ❖ Conducting a study to amend the career ladder and salaries for the Telecommunications Regulatory Authority (TRA).
- ❖ Holding a 'Financial Forecasting and Budgeting' workshop.
- ❖ Conducting a study to record the annual growth ratio of federal government salaries, and its impact on the UAE's general federal budget.

Achievements of the initiative on developing the efficiency of federal government cash management

- ❖ Strategic objective: To enhance the effectiveness of financial planning and implement the UAE's general budget.
- ❖ Key programme: To develop effective mechanisms to prepare and monitor the implementation of UAE's general budget.
- ❖ Initiative objective: automate standard application for payments in federal entities.
- ❖ Target benefits: linking various federal entities with the treasury department's system to facilitate the e-payment processes.

Results of the performance indicators' for the initiative on developing the efficiency of federal government cash management

Indicator	Target	Achieved
Number of federal entities to be linked with the Treasury Department's system	4	13
Number of reports submitted to the Ministry's senior management on the federal government's cash position	4	4

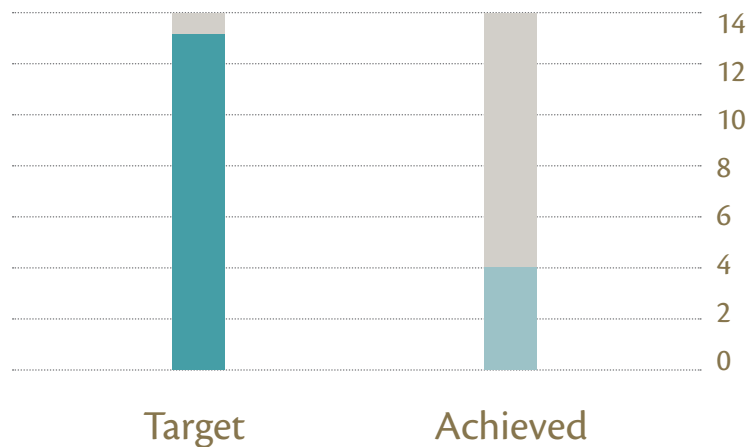
The obstacles of the initiative

The initiative faced few difficulties when cooperating with certain entities as some of the payments were submitted their payments manually. The initiative overcame its obstacle by cooperating with the UAE Central Bank, to refrain from accepting remittance given by hand by certain ministries, and shift to the use of the automated payment system.

The achievements of the initiative

A significant number of achievements were accomplished in terms of increasing the number of federal entities to be linked with the Treasury Department's system:

Ministry of Economy (MoE)	Ministry of Finance (MoF)	MoF (Treasury Single Account)
Ministry of Culture and Knowledge Development	Ministry of Energy (MoE)	Ministry of Foreign Affairs and International Cooperation (MoFA)
Federal Customs Authority (FCA)	Ministry of Infrastructure Development	Ministry of Community Development
Ministry of Justice (MoJ)	Ministry of Human Resources and Emiratisation (MoHRE)	Ministry of Health and Prevention (MoH)
Ministry of Climate Change and Environment (MoCCAEE)		



The achievements of preparing UAE's general budget plan 2017-2021

The objectives of preparing a medium-term plan for five years (revenues and expenditures)

- ❖ Aligning the UAE's general budget with UAE Vision 2021, by preparing a five year federal budget which will positively impact the objectives and will provide a clear forecast of expenditure.
- ❖ Providing a future vision on the federal government's funding requirements for a longer period through linking the federal government's expected revenues forecasts with the five year expected expenditures. This will assist decision makers by demonstrating the possibility of preparing a budget plan on scientific basis.
- ❖ Planning a five year medium-term plan to positively impact the objectives and provide a clear forecast of the planned expenditure, to facilitate the annual update of the budget and ensure accuracy in resource distribution to optimise the use of available resources.
- ❖ Developing the draft budget and placing it within periodic plans every five years to enhance social services and government smart services, and increase user satisfaction to meet the federal government's efforts to enhance security and happiness to society.
- ❖ Optimising the use of current financial resources to achieve significant results for the benefit of the society, implement international practices, and strengthen UAE's position in the global competitiveness field.

Steps taken by the Ministry of Finance to prepare for 2017-2021 Plan

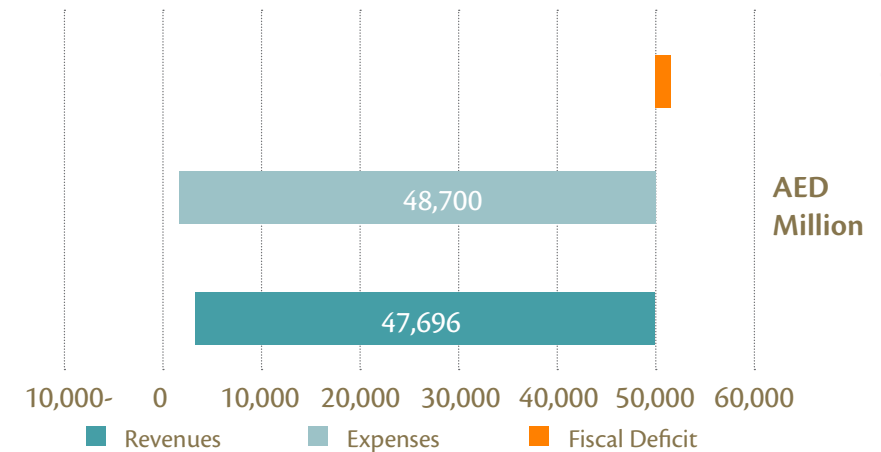
Based on the Cabinet's resolution No. 7/168 and /6 of 2015 on approving to extend the budget preparation plan from three to five years, hence amending the budget plan for 2017-2019 to become the budget plan for 2017-2021. The Ministry of Finance has worked on:

- ❖ Coordinating with the Prime Minister's Office to prepare and review the strategic plans ministries and federal entities for 2017-2021.

- ❖ Coordinating with the Federal Authority for Government Human Resources (FAHR) to link the general federal budget system to the HR management system 'Bayanati'.
- ❖ Coordinating with the Ministry of Infrastructure Development to prepare the capital projects plan for 2017-2021.
- ❖ Updating the e-financial systems to comply with the ministries and federal entities' strategic plans for 2017-2021.
- ❖ Preparing the federal government revenue plan for 2017-2021 in coordination with federal entities. A financial model was developed to prepare for the revenue plan for federal entities.
- ❖ Setting the budget ceiling for all ministries and federal entities for the fiscal year 2016 (Cabinet's Resolution No. 47/2 and /13 of 2016).
- ❖ Issuing a financial circular, after coordinating with all federal entities, to prepare for the draft medium-term budget plan for 2017-2021 for ministries and federal entities.
- ❖ Holding sessions, workshops and meetings for more than 300 representatives from ministries and federal entities to explain the proposed mechanism for the preparation of medium-term budget plan for 2017-2021 and transitioning to the future of the government to prepare the plan of 2017-2021.
- ❖ Coordinating with all federal entities affected by the restructuring and the shift to a future government to prepare their draft budgets for 2017-2021 (based on the Federal Decree No. (28) of 2016 Concerning the formation of the UAE Cabinet and the Federal Decree No.(29) concerning appointing the country's ministers).
- ❖ Presenting the draft general federal budget for the fiscal year 2017 to the Financial and Economic Committee, which recommended to raise the draft to the UAE Cabinet.
- ❖ Approving the draft budget for 2017 by the UAE Cabinet.

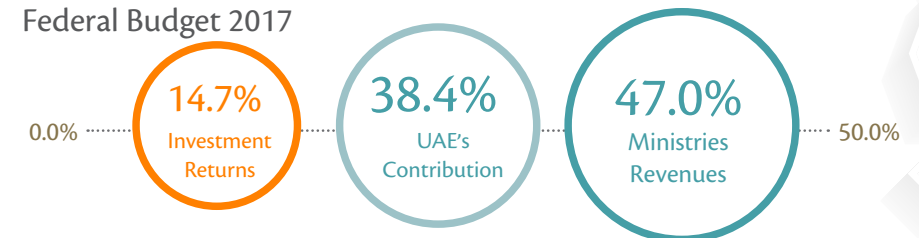
The budget of the fiscal year 2017 reflects the wise leadership's direction in terms of supporting social and economic development projects and government innovative projects, in line with the UAE's vision 2021. The 2017 budget also focuses on directing federal financial resources to continuously achieve federal entities goals and programmes in line with the government strategy. Additionally, it focuses on achieving a balanced sustainable development to ensure full commitment to the Ministry's mission in terms of ensuring the best use of government financial resources by implementing effective financial policies.

Draft federal budget plan 2017-2021

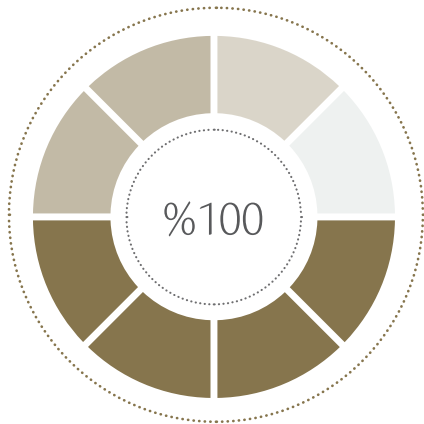


The fiscal deficit represents 2.1% from the total revenues expected to be collected during 2017, and will be covered during the implementation of the budget. The Article No. (2) of the Federal Decree No. (8) of 2011 stipulates the following: "The General Budget is a financial program of the Federal Government.....while taking into account the balance of revenues and expenses."

Estimated revenues to be collected within the the draft General Federal Budget 2017



Total Revenues of Investment Returns

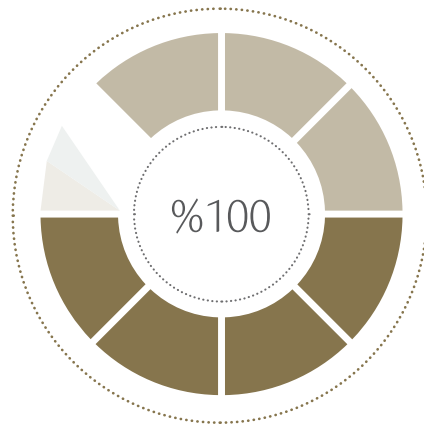


- Central Bank 25%
- Other investment institutions 8%
- Integrated Telecommunications Company "Du" 7%
- Emirates Telecommunications Corporation 60%

Total volume of the 2017 General Federal

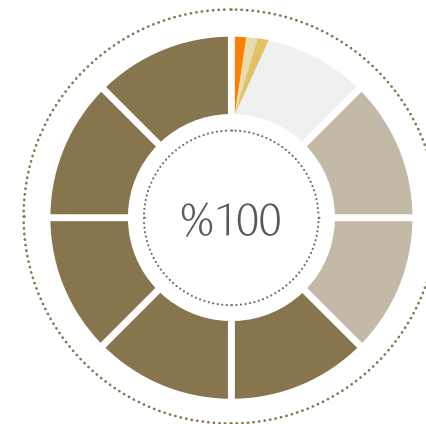
Sources	Final amount (AED Million)
Ministries	34572,7
Supporting independent entities	7932.1
Social Benefits	4005,7
Other Federal Expenses	788.5
Projects/ implementation of the Ministry of Infrastructure Development	751,0
Emirates Investment Authority	650,0
Total Volume	48700,0

Ministries' revenues and franchise



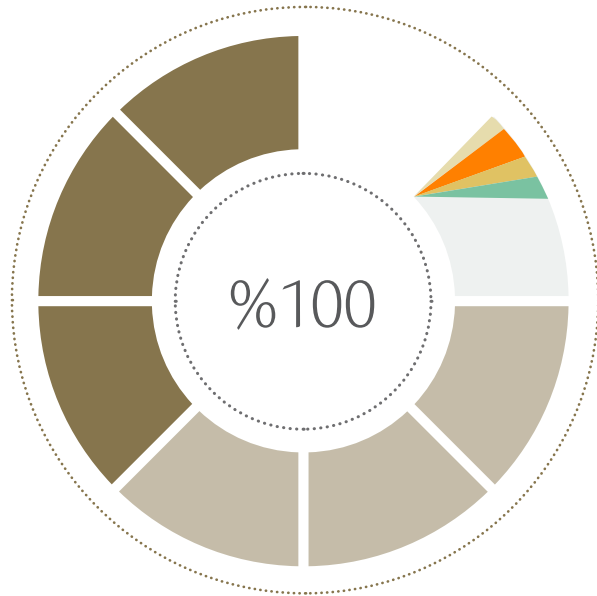
- Franchise (Etisalat) 26%
- Ministries service fees 59%
- Franchise (Du) 9%
- Diverse sources of income (fees for services) 6%

Budget Distribution Ratio across federal entities -2017



- Ministries 71%
- Supporting independent entities 16%
- Social Benefits 8%
- Projects/ implementation of the Ministry of Infrastructure Development 1.5%
- Other Federal Expenses 1.4%
- Emirates Investment Authority 1.3%

Distribution of the 2017 General Federal Budget



- 41.6% government affairs
- 2.6% infrastructure
- 41.4% social development
- 8.2% Social benefits
- 3.1% grants and other federal expenses
- 1.8% projects
- 1.3% financial investments

Grants and other federal expenses:

UAE's contribution to financial and international organisations, donations and foreign aid, World Economic Forum, advance passenger information (API) project, supporting Mohammed Bin Rashid Innovation Fund, supporting the National Fund for Reading and other expenses.

Distribution of the Social Development Sector within the 2017 General Federal:

Achieving the leadership's vision to provide outstanding educational programmes and improve the country's overall educational level



20.9%
General education &
University Education



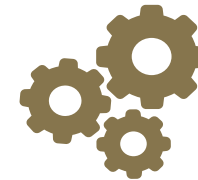
8.7%
Health



7.1%
Social Affairs



2.2%
Sheikh Zayed Housing
Programme



2.9%
Other Services



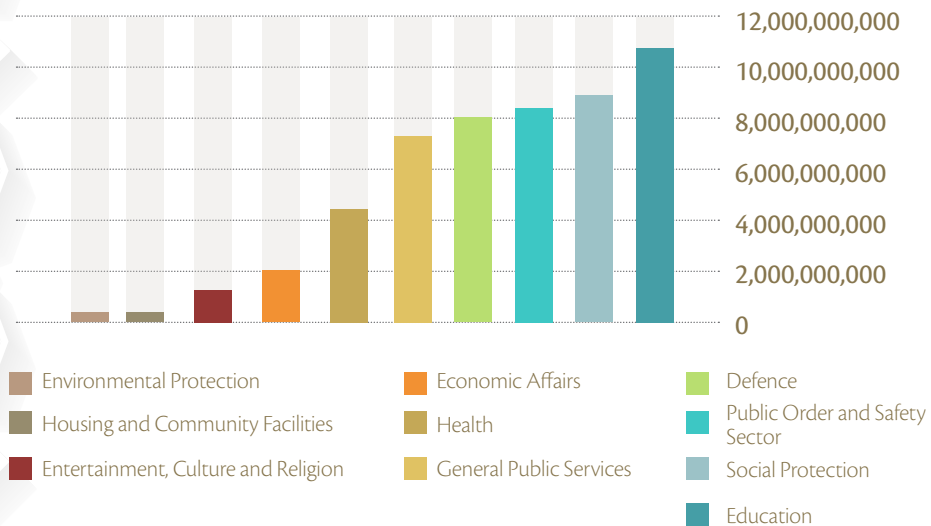
8.2%
Salaries

Other services:

Human Resources and Emiratisation (MOHRA), Culture and knowledge Development, Youth and Sports Welfare (GAYSW), Islamic Affairs, Zakat Fund, Red Crescent and National Qualifications Authority

Classification of the Functions of Government (COFOG) for 2017

- ❖ Public Services: Executive and legislative systems services, financial services, taxation services, customs services, public debt services, foreign affairs services, economic corporation services and public employee services.
- ❖ Public Order and Safety sector: police services, civil protection services, court support services, judicial system and prison management services.
- ❖ Housing and Community Facilities: Expenses related to housing management services in terms of purchase, construction, renovating or repairing residential units. Other services include community planning and development of public utilities.
- ❖ Social Protection: expenses related to social protection services provided to individuals to overcome medical conditions, disabilities, aging, unemployment, and provide monetary and emotional support to help families afford the cost of housing.

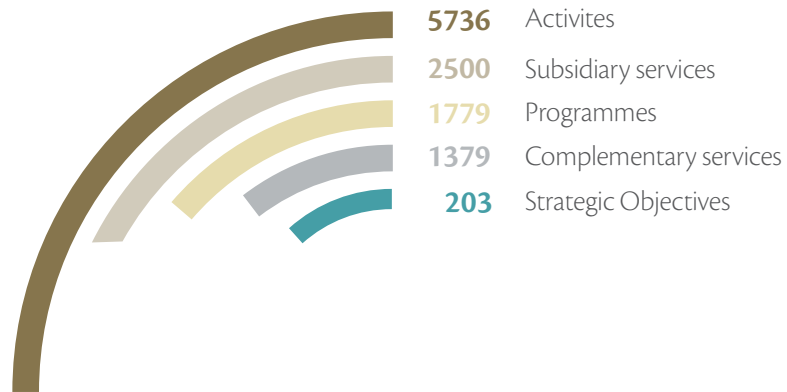


Source	Value
Education	10,320,469,240
Social Protection	8,858,213,861
Public Order and Safety Affairs	8,255,331,483
Defence	8,098,313,026
Public Services	6,910,602,586
Health	4,216,705,631
Economic Affairs	2,058,360,853
Entertainment, Culture and Religion	1,192,434,000
Housing and Community Facilities	135,309,489
Environmental Protection	109,123,123
Total	50,154,863,292
Deducting revenues of independent entities	2,104,863,292
Adding Financial Investments – that are not Classified	650,000,000
Total Budget	48,700,000,000

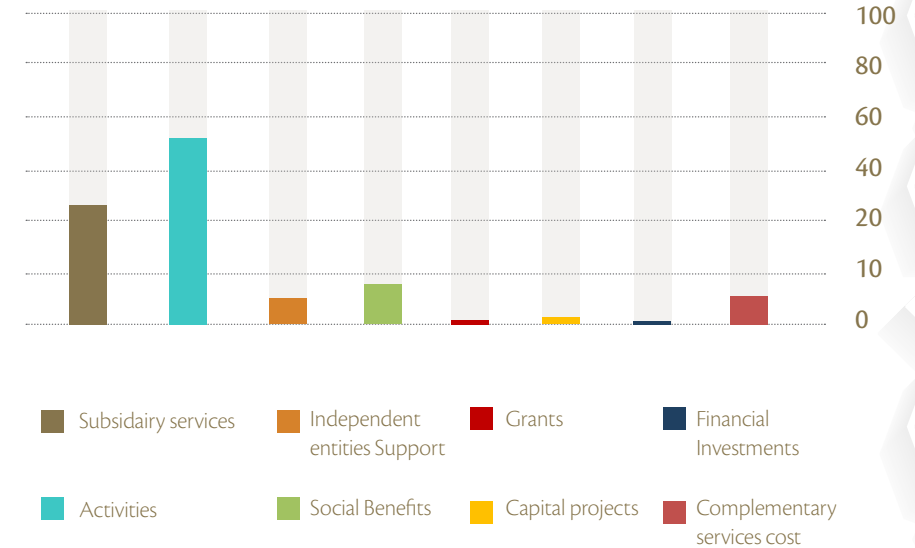
Analysis of the strategic objectives, programmes, activities and services for the fiscal year 2017

Source	Strategic Objectives	Programmes	Activities	Subsidiary Services	Complementary Services	Activities and Services
Ministries	93	964	3,407	1,636	722	5,765
Independent entities	110	815	2,329	864	657	3,850
Total	203	1,779	5,736	2,500	1,379	9,615

The number of strategic objectives, programmes, activities and services in ministries and entities



Costs of activities and services for ministries and entities



Most important results achieved during the preparation of the General Federal Budget 2017-2021

- ❖ Raising the general federal budget as per the deadline set by the constitution
- ❖ Reducing the financing deficit in the estimations of the draft budget by 2.1% from the total revenues compared to 14.4% as received from the federal entities for 2017-2021 plan.
- ❖ Coordinating with the Ministry of Cabinet Affairs and federal entities that are affected by the restructuring and the shift to a future government, to prepare the plan for the draft budget 2017-2021.
- ❖ Adjusting government spending in proportion with the estimated revenues.

Third strategic achievements:

Improving the efficiency and effectiveness of the federal government's financial systems.

Concerned department: Resources and Budget, Public Finance Department

Current Status: Developing the financial systems of the Federal Government

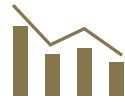
Axis: Improving the efficiency and effectiveness of the federal government's financial systems



Number of initiatives in 2016: 6



Number of strategic indicators: 2



Number of operational indicators: 26

The operational plan initiatives for the third strategic objective of 2016 (Improving the efficiency and effectiveness of the federal government's financial systems)					Objective completion	96.8%		
No. of initiative	Initiatives	Completion of initiatives	Initiative evaluation results	Strategic and operational performance indicators 2016				
				No.	Name of indicator	Type of indicator	Target value	Achieved value
1	Building capacity of specialists to implement financial procedures and systems in federal entities	100%	95.8%	1	Number of workshops and training sessions offered to federal entities	Operational	10	14
				2	Completion rate of training programmes required for government employees	Operational	100%	98%
				3	Completion rate of e-systems for training federal employees	Operational	100%	100%
				4	The number of reports raised to senior management on training federal entities	Operational	2	2
				5	Measuring ROI on training employees from federal entities	Operational	75%	82%
				6	Satisfaction rate of users regarding training specialists from federal entities on implementing system and procedures	Operational	86%	58%

The operational plan initiatives for the third strategic objective of 2016 (Improving the efficiency and effectiveness of the federal government's financial systems)					Objective completion	96.8%		
No. of initiative	Initiatives	Completion of initiatives	Initiative evaluation results	Strategic and operational performance indicators 2016				
				No.	Name of indicator	Type of indicator	Target value	Achieved value
2	Developing and updating financial manuals	100%	90.8%	7	Completion ratio on updating the consolidated financial procedures manual of the federal government and submitting it to the UAE Cabinet	Operational	100%	100%
				8	Number of the Ministry's work manuals that have been updated	Operational	2	2
				9	Number of new manuals to be issued	Operational	1	1
				10	Satisfaction rate of employees on issuing and providing guiding manuals for on procedures and systems for the Federal government	Operational	85%	67%
3	Operating the Federal Government's electronic financial system	99.74%	80.1%	11	Federal entities satisfaction rate on the efficiency of the federal government's financial system	Strategic	90%	61%
				12	Automating financial systems at the Federal government level	Strategic	100%	96%
				13	Decrease in ratio of technical support for the federal financial e-system	Operational	25%	25%
4	Developing the federal government's electronic financial systems	100%	84.1%	14	Number of new systems to be updated within the federal government's financial e-system	Operational	1	3
				15	Number of procedures that need to be updated in the government's electronic financial system	Operational	100%	100%
				16	Number of financial reports developed according to the adopted requirements	Operational	100%	100%
				17	Completion ratio for the final requirements of preparing a supplier evaluation system by the Policy and Accounting Standards Department	Operational	100%	100%
				18	Completion ratio of requirements from concerned departments	Operational	100%	100%

The operational plan initiatives for the third strategic objective of 2016 (Improving the efficiency and effectiveness of the federal government's financial systems)				Objective completion	96.8%			
No. of initiative	Initiatives	Completion of initiatives	Initiative evaluation results	Strategic and operational performance indicators 2016				
				No.	Name of indicator	Type of indicator	Target value	Achieved value
5	Managing and developing the e-Dirham system	98.38%	90.8%	19	Ratio of collecting federal service fees electronically	Operational	85%	85%
				20	Number of new services that will be launched within the e-Dirham system	Operational	4	4
				21	Number of federal entities to adopt the e-Dirham system	Operational	3	4
				22	Number of non-federal entities to adopt the e-Dirham system	Operational	4	4
				23	Completion ratio of the e-Dirham's marketing plan	Operational	60%	60%
				24	Number of e-Dirham service providers	Operational	2	2
				25	Ratio of applying information system security for the e-Dirham	Operational	60%	60%
				26	Number of training sessions for e-Dirham users in federal entities	Operational	2	2
6	Developing innovative solutions for training at the Ministry of Finance	100%	90.4%	27	Number of digital training programmes to be prepared in digital format	Operational	7	7
				28	Number of digital training programmes	Operational	100%	100%

The achievements of the third strategic objective during 2016

- ❖ Launching the technical support system for federal systems – second edition.
- ❖ Cooperating with the UAE Central Bank to issue systems, rules and regulations on stored values, e-payment systems and depository and registry services.

Overview of the initiative: Managing and developing the e-Dirham system

The e-Dirham system and new services were developed to facilitate and allow users to enjoy different e-payment methods to pay for federal or other service fees. The initiative encouraged and attracted multiple private entities to adopt the e-Dirham system as a method to collect their service fees. The initiative also worked on unifying the financial reports on the federal government's revenues through the system, without the need to visit the bank or company to collect these reports.

The most prominent achievements of the initiative 2016:

- ❖ Increasing customer satisfaction rate in federal entities.
- ❖ Receiving consolidated report on UAE's different revenue generating resources.
- ❖ Providing services to a larger segment of society, in line with global government service developments.
- ❖ Using a safe and modern e-payment method to refrain from the use of traditional methods of payment and collection of service fees.
- ❖ Providing a new and diversified e-payment method suitable for different categories.
- ❖ Protecting information and managing risks.
- ❖ Spreading awareness among users on the e-dirham system through media campaigns.

The outcomes of the initiative 2016:

- ❖ Providing the best services for users and service providers.
- ❖ Increasing the revenues of the second generation of e-Dirham system.
- ❖ The electronic shift in providing services in ministries which is in line with the UAE's eGovernment strategy.

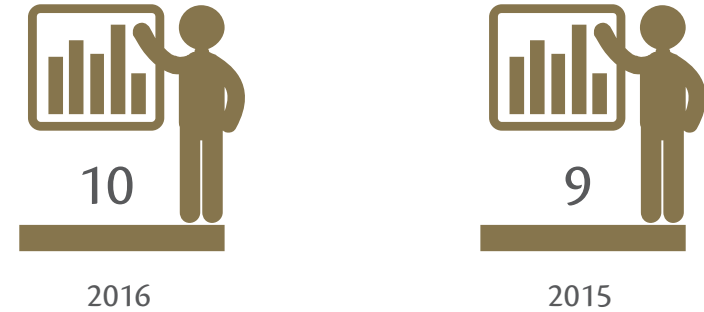
Initiative on building capacity for specialists to implement high quality financial procedures and systems in federal entities

The initiative falls in line with the Ministry's strategic objective in terms of education and professional development to enhance the efficiency and effectiveness of the federal government's financial work. The Ministry organises a series of training sessions that cover the main components of the federal government's consolidated financial procedures manual and its financial systems.

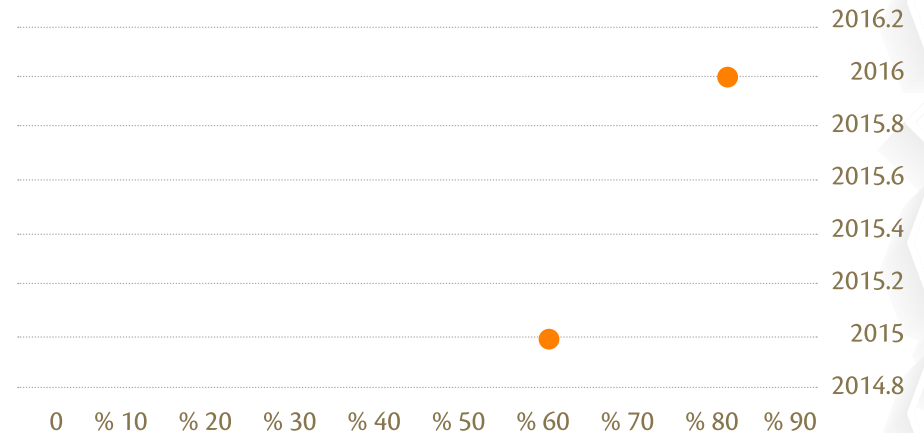
The achievements of the initiative

- ❖ ten workshops and training sessions were held in Abu Dhabi and Dubai - in line with the 2016 training plan.
- ❖ three additional workshops and sessions were held in Abu Dhabi and Dubai in the first half of 2016.
- ❖ 502 trainees in 2016.
- ❖ 82% ROI from training for ministries and federal entities.

Training sessions held as per the Ministry's 2016 training plan



ROI from trainings in ministries and federal entities



The achievements of developing the Federal government's electronic financial systems

- ❖ Updating the financial systems at MoF, including:
 - Purchasing system.
 - Supplier evaluation system in the federal government.
 - Implementing the developed technical support system.
- ❖ Training around 1250 users in the federal government for the nine implemented systems.
- ❖ Providing technical support to federal entities that have implemented the federal financial system.
- ❖ Automating the procure-to-pay operations.
- ❖ Documenting and periodically updating new work seminars, manuals, and the system's design.
- ❖ Preparing an interactive video that demonstrates procure-to-pay operations, with the use of Oracle's User Productivity Kit (UPK), to facilitate the process of training federal government employees and receiving information in a professional manner.
- ❖ Working on enhancement procedures for the Federal financial system.

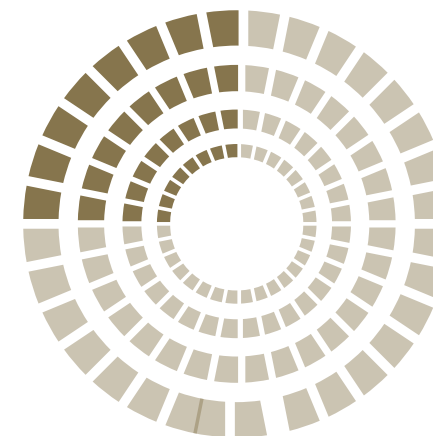
Overview of the initiative: Developing and updating financial manuals

This initiative aims to review, develop, and print the federal government's consolidated financial procedures manual as per the issued law references.

The achievements of the initiative

- ❖ Updating the 2017 federal government's consolidated financial procedures manual and raising it to the UAE Cabinet.
- ❖ Updating two manuals in the Ministry for 2016.
- ❖ Issuing one new manual for 2016.

New and updated financial manuals



Number 1 ■

Number 2 ■

Overview of the initiative: Reviewing and developing rules, regulations and procedures to improve the effectiveness of financial management

This initiative falls in line with the Ministry's strategic objective through developing legislations, financial policies and provide a competitive environment

The achievements of the initiative

- ❖ Developing a draft manual on anti-fraud in the federal government and raising it to the UAE Cabinet.
- ❖ Preparing a draft law on public finance management for the federal government and raising to the UAE Cabinet.
- ❖ Completing the unified insurance documents for expatriate employees in the federal government for 2017.

Fourth strategic achievements:

Developing the fiscal legislations and policies and enhancing the UAE's competitive environment.

Concerned department: Resources and Budget, Public Finance Department

Current Status: Updating fiscal legislations and policies, and creating a competitive environment in the UAE

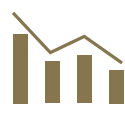
Axis: Raising the efficiency of fiscal legislations and policies, and the competitive environment in the UAE



Number of initiatives
in 2016: 3



Number of strategic
indicators: 2



Number of operational
indicators: 19

The operational plan initiatives for the fourth strategic objective of 2016 (updating fiscal legislations and policies (and enhancing the UAE's competitive environment)				Objective completion	99.8%			
No. of initiative	initiatives	Completion of initiatives	Initiative evaluation results	Strategic and operational performance indicators 2016				
				No	Name of indicator	Type of indicator	Target value	Achieved value
1	Reviewing and developing rules, regulations and procedures to improve the effectiveness of financial management	100%	97.2%	1	Coverage ratio of financial legislation and policies to meet the requirements of Federal Government	Strategic	50	50
				2	Amount of proposed legislations and policies submitted to higher level government entities	Operational	2	2
				3	Completion of raising the fraud policy to the UAE Cabinet	Operational	100%	100%
				4	The number of studies designed to unify laws and policies	Operational	1	1
				5	Developing unified insurance documents for expatriates in the federal government	Operational	100%	100%
				6	Satisfaction ratio of expatriate employees in federal entities on the standard insurance policy	Operational	60%	57%
				7	Number of reports on the standard insurance policy provided to the Undersecretary	Operational	1	1

The operational plan initiatives for the fourth strategic objective of 2016 (updating fiscal legislations and policies (and enhancing the UAE's competitive environment)				Objective completion	99.8%			
No. of initiative	initiatives	Completion of initiatives	Initiative evaluation results	Strategic and operational performance indicators 2016				
				No	Name of indicator	Type of indicator	Target value	Achieved value
2	Unifying UAE's financial policies	100%	91.1%	8	The number of standard policies across local governments	Strategic	40%	50%
				9	Adopting a standard policy across UAE governments, by the Chairman of the Financial Policy Coordination Council	Operational	100%	100%
				10	Number of recommendations from the UAE Government's Financial Policy Coordination Council	Operational	80%	80%
				11	Number of IMF studies implemented to unify UAE accounting measures	Operational	20%	20%
				12	Financial Departments consideration of implementing COFOG	Operational	90%	90%
				13	Number of meetings and workshops by MoF offered to authorities on standard financial data and policies	Operational	4	4
				14	Evaluating the impact of implementing GFS system in related entities	Operational	75%	75%
3	Unifying UAE's financial data	100%	94.1%	15	The benefits of UAE's standard financial reports	Operational	75%	75%
				16	Providing the UAE financial data report for the 4 th quarter of 2015 to the Government Financial Policy Coordination Council	Operational	1	1
				17	Providing UAE's 2015 financial data report to the Cabinet	Operational	100%	100%
				18	The number of 2016 UAE financial data reports provided to the Government Financial Policy Coordination Council	Operational	1	1
				19	Publishing unified financial data for 2015 in the Ministry's official communications channels	Operational	100%	100%
				20	The number of UAE governments electronically linked to the Emirates Gate of GFS Reports system	Operational	6	6
				21	Completion ratio of developing Emirates Gate of GFS report system	Operational	100%	100%

The Ministry's 2016 achievements of the Fourth Strategic Objective

- ❖ Issuing a Law Decree No. (9) of 2016 on bankruptcy.
- ❖ Issuing Federal Law No. (20) of 2016 concerning mortgaging of movable properties in guarantee of debt (Mortgage Law).
- ❖ Issuing Law Decree No. (13) of 2016 concerning the establishment of the Federal Tax Authority.
- ❖ Signing Unified Selective Taxation Agreement for GCC countries.
- ❖ Signing Unified Value Added Tax Agreement for GCC countries.
- ❖ Issuing UAE Cabinet Resolution No. (43) of 2016 on amending some of the provisions of the UAE Cabinet Resolution No. (32) of 2014 concerning procurement regulation and storehouse management in the federal government.
- ❖ Issuing 2015 consolidated Financial procedures manual for the federal government.
- ❖ Issuing a unified health insurance policy for expats employees working in federal government entities for 2016.
- ❖ Issuing privileges for Small and Medium-sized Enterprises (SMEs).
- ❖ Raising a memo to the UAE Cabinet to introduce a Federal Law concerning clearance on a net basis.
- ❖ Issuing rules on limiting federal tenders' contracts to companies and private entities committed to the Emiratisation policy.
- ❖ Issuing Government Finance Statistics Manual (GFSM) of 2014.
- ❖ Amending the executive regulations of the Federal Law No. (6) of 2010 concerning credit information.
- ❖ Developing a global legislative and regulatory framework for Islamic finance
- ❖ Raising a memo to the UAE Cabinet concerning health insurance for employees working in the Federal Government.

- ❖ Raising a memo to the UAE Cabinet concerning issuing a law on public finance management for the federal government.
- ❖ Memo concerning the financial data for the UAE consolidated government finance statistics of the for the year end 2016.
- ❖ Issuing a procedures manual for partnership between federal entities and private sector.
- ❖ Raising a memo to the UAE Cabinet to introduce a federal law on insolvency of natural persons except for traders.
- ❖ Raising a memo to the UAE Cabinet on creating a federal law concerning the Federal government's properties.
- ❖ Forming a Government Financial Policy Coordination Council.
- ❖ Issuing an Anti-Fraud Policy Manual in Federal Government.
- ❖ Holding training sessions on financial systems (Payments, Receipts, Cash Management and General ledger).
- ❖ Holding training sessions on e- warehouse system.

An overview of the initiative: consolidation of financial data on UAE-wide level

Referring to the UAE Cabinet Resolution No. (5/67 and /1) of 2010 concerning the collection of government financial data and reports at the country level. The consolidated financial data have been collected and a Q4 financial report has been developed, in addition to the financial reports for Q1, Q2, Q3 of 2016 and the consolidated financial report of 2015.

Achievements of the initiative: consolidation of financial data on UAE-wide level

- ❖ Holding coordination meetings with the technical team of the Government Financial Policy Coordination Council and independent federal entities to prepare the unified financial report of the UAE.
- ❖ Publishing the UAE's 2015 consolidated financial statements in the IMF's annual book and local communication channels.

- ❖ Electronically linking a number of federal entities' financial systems to the Emirates Gate for Government Finance Statistics Report.
- ❖ Coordinating with stakeholders to update the lists of public sector as per the IMF's definition of general government.
- ❖ Coordinating with the technical team within local governments with regards to the balance sheet on the country level.
- ❖ Preparing the initial report for the preparation of the balance sheet at the country level based on the provided data by the entities.
- ❖ Electronically linking the Federal Government and the Government of Dubai to the Emirates Gate for Government Finance Statistics (GFS) Report System.
- ❖ Approving the UAE's consolidated financial report for 2015 by members of the Government Financial Policy Coordination Council and raising the report to the UAE Cabinet for final approval.
- ❖ **A number of reports were issued including:**
 - ❖ The UAE's consolidated financial report for Q4 of 2015.
 - ❖ The UAE's consolidated financial report 2015.
 - ❖ The UAE's consolidated financial report for Q1 of 2016.
 - ❖ The UAE's consolidated financial report for Q2 of 2016.
 - ❖ The UAE's consolidated financial report for Q3 of 2016.
- ❖ **Providing the financial reports to the following entities:**
 - ❖ International Monetary Fund (IMF).
 - ❖ Arab Monetary Fund (AMF).
 - ❖ Statistics Centre.
 - ❖ Ministry of Finance Website.
 - ❖ Ministry of Presidential Affairs (MOPA).
 - ❖ UAE Central Bank.

Overview of the initiative: Unifying financial policies at the level of the UAE

The initiative seeks to harmonise fiscal policies between federal government and UAE governments, to achieve and sustain fiscal discipline as a mean for economic balance. One of the steps behind the initiative involve establishing a coordination council at the level of the federal government and UAE governments. The Coordination of Fiscal Policies Council is under the umbrella of the UAE Cabinet, and the council raises annually a report on its achievements.

Achievements of the initiative

- ❖ Holding three meetings for the Coordination of Fiscal Policies Council during 2016.
- ❖ Meeting with HH Sheikh Sultan bin Muhammad Al Qasimi, Crown Prince and Ruler of Sharjah and members of the Council.
- ❖ Honouring the Department of Finance- Dubai on linking the financial system of the Government of Sharjah to that of the Federal Government during the first meeting of the Coordination of Fiscal Policies Council.
- ❖ Inviting members of the Council to the Annual Fiscal Forum.
- ❖ 40% harmony between policies of local governments.
- ❖ Ten financial coordination policies between the federal government and UAE governments.
- ❖ Adopting the list of policies that are 100% in harmony.
- ❖ Adopting 80% of the recommendations issued by the Council.
- ❖ Implementing 20% of the recommendations on IMF accounting standards.
- ❖ Following up with local entities on the possibility to implement COFOG in UAE governments -90%.
- ❖ Holding meetings and workshops by the Ministry on accounting and policy standards.
- ❖ Measuring the impact of implementing the GFS system across the Ministry's stakeholders -81%.





HE

Khalid Ali Al Bustani

Assistant Undersecretary for International Financial Relations

”

The Ministry is committed to strengthening the UAE's international relations with various countries and regional and global institutions, as well as expanding UAE's network of agreements by signing avoidance of double taxation and to promotion and protection of investment agreements. This step comes as part of the Ministry's belief in the importance of empowering UAE's investment position globally and guarantying UAE investments that strengthen the country's development and ensure protection against non-trade risks. These agreements also provide full protection for taxpayers from direct and indirect double taxation, diversify national income sources, encourage trade and attract foreign investments. By the end of 2016, the UAE signed 103 agreements on the avoidance of double taxation, and 65 agreements to protect and promote investment with various countries. This achievements result in a legal framework allowing tax authorities to cooperate without violating the sovereignty of other countries or the rights of tax payers. The agreements also strengthen and provide full protection for investments.

”

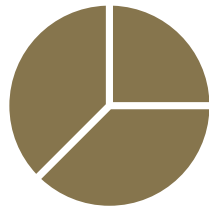
Fifth strategic achievements:

Enhancing the UAE's financial status regionally and internationally

Concerned department: International Financial Relations

Current Status: Enhance UAE's standing at regional and international levels

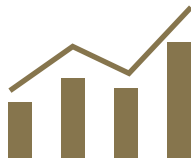
Axis: Contribute to enhancing UAE's standing in the financial field at a regional and international level



Number of initiatives
in 2016: 5



Number of strategic
indicators: 3



Number of operational
indicators: 36

The operational plan initiatives for the fifth strategic objective of 2016 (Enhancing the UAE's financial status regionally and internationally)							Objective completion	100%
No. of initiative	initiatives	Completion of initiatives	Initiative evaluation results	Strategic and operational performance indicators 2016				
				No	Name of indicator	Type of indicator	Target value	Achieved value
1	Enhancing the UAE's position in transparency, exchanging information for tax purposes and foreign aid	100%	93.0%	1	The Ministry's participation in international activities	Operational	6	7
				2	Number of participations to provide grants and foreign aid	Operational	6	6
				3	Applying the recommendations received from the Global Forum on Transparency and Exchange of Information for Tax Purposes in the second phase of evaluation	Operational	100%	100%
				4	Number of meetings held with authorities to achieve requirements of the first and second evaluation phase of the Global Forum on Transparency and Exchange of Information for Tax Purposes	Operational	2	2
				5	Completion of data collection for foreign account tax compliance for individuals subjected to tax as per the US tax law (FATCA)	Operational	100%	100%
				6	Responding to requests regarding exchange of information for tax purposes	Operational	100%	100%
				7	Number of reports delivered to senior management regarding foreign aid	Operational	1	1
2	Study of financial and economic reports for regional and international organisations	100%	96.2%	8	The number of financial analysis reports for organisations and institutions for which the federal government contributes to	Operational	8	8
				9	The number of workshops provided to representatives from regional and international financial institutions	Operational	1	1
				10	The number periodic reports issued by international financial organisations and provided to senior management	Operational	8	8
				11	Issuing economic publications	Operational	100%	100%

The operational plan initiatives for the fifth strategic objective of 2016 (Enhancing the UAE's financial status regionally and internationally)					Objective completion	100%		
No. of initiative	initiatives	Completion of initiatives	Initiative evaluation results	Strategic and operational performance indicators 2016				
				No	Name of indicator	Type of indicator	Target value	Achieved value
3	Enhancing the UAE's financial status and signing agreements, and international Memorandums of Understanding	100	97.8%	12	Number of signed agreements and MoUs with various countries	Strategic	6	6
				13	Reduction of the imposed tax rate on UAE international investments	Strategic	8	8
				14	Number of signed double taxation avoidance agreements and agreements to promote and protect international investments	Operational	100%	100%
				15	Number of signed Memorandums of Understanding	Operational	100%	100%
				16	Number of events organised in collaboration with the Organisation for Economic Cooperation and Development (OECD) for the MENA region	Operational	2	2
				17	Number of introductory meetings organised to sign agreements in finance and economic fields	Operational	1	1
				18	Amendments on avoidance of double taxation agreements and agreements to protect and encourage investments	Operational	8	8
				19	The number of economic and finance studies/ reports that were provided to senior management	Operational	2	2
				20	Measuring the benefits of agreements in finance and economic fields	Operational	100%	100%

The operational plan initiatives for the fifth strategic objective of 2016 (Enhancing the UAE's financial status regionally and internationally)					Objective completion	100%		
No. of initiative	initiatives	Completion of initiatives	Initiative evaluation results	Strategic and operational performance indicators 2016				
				No	Name of indicator	Type of indicator	Target value	Achieved value
4	Strengthening the UAE's role in economic integration throughout the GCC	100%	92.0%	21	Percentage growth of GCC nationals and companies working in economic fields	Strategic	18%	24%
				22	Number of proposals submitted by the Ministry to GCC committees	Operational	6	6
				23	Number of introductory meetings organised in the GCC, in relation to finance and economy	Operational	3	3
				24	The implementation of the GCC Supreme Council's economic and financial decisions	Operational	78%	78%
				25	The number of studies/reports on Gulf economic integration	Operational	2	2
				26	The number of reports by the national team on Gulf financial and economic integration provided to senior management	Operational	1	1
				27	GCC committees adopting suggested proposals by the Ministry	Operational	33.30%	33.30%
				28	Issuing statistical reports on the Gulf Common Market	Operational	100%	100%
				29	Benefiting from the statistical report on the Gulf Common Market	Operational	70%	70%
				30	Benefiting from introductory meetings held in relations with the GCC's finance and economic sectors	Operational	89%	89%

The operational plan initiatives for the fifth strategic objective of 2016 (Enhancing the UAE's financial status regionally and internationally)				Objective completion	100%			
No. of initiative	initiatives	Completion of initiatives	Initiative evaluation results	Strategic and operational performance indicators 2016				
				No	Name of indicator	Type of indicator	Target value	Achieved value
5	Enhancing the UAE's relations with international institutions and financial organisations	100%	93.9%	31	Number of joint activities with organisations and international entities	Operational	2	2
				32	Number of technical support projects for UAE entities that MoF that MoF delivered in cooperation with international organisations	Operational	2	2
				33	The number of employees that benefited from training programmes provided by developmental institutions	Operational	14	14
				34	The number of signed agreements on technical support	Operational	1	1
				35	Number of Memorandums of Understanding signed within and outside of the UAE for strengthening relations and capacity building	Operational	1	1
				36	Participating in regional and international meetings and providing suggestions to senior management	Operational	5	5
				37	Number of proposals provided from the Ministry to international financial organisations and entities	Operational	4	4
				38	Number of proposals submitted by the Ministry to international organisations and entities	Operational	25%	25%
				39	Number of Emiratis enrolled in the secondment programme to work for international organisations	Operational	2	2

Overview: achieving the 5th strategic objective for the Ministry of Finance during 2016:

- ❖ Signing a memorandum of understanding on developing scientific applications of the international tax principles of tax agreements.
- ❖ Participating in annual meetings of joint Annual of Arab Financial Institutions and the Council of Arab Ministers of Finance.
- ❖ Participating in the semi-annual meetings of World Bank Group (WBG) and International Monetary Fund (IMF).
- ❖ Preparing of the report of the 2016 Article IV consultation to the UAE prior to the IMF mission.
- ❖ Participating in the annual meetings of World Bank Group (WBG) and International Monetary Fund (IMF).
- ❖ Contributing to the 2014 general review of the IMF quota and governance reforms.
- ❖ Participating in the 7th OIC Ministerial Conference on Food Security and Agricultural Development, held in Astana, Republic of Kazakhstan.
- ❖ Participating in all the meetings of the GCC Common Market Committee.
- ❖ Participating in the Global Forum on Transparency and Exchange of Information for Tax Purposes in Paris.
- ❖ Participating in the UAE-Qatar committee meeting in Doha.
- ❖ Participating in the Annual Meeting of the Islamic Development Bank (IDB) Board of Governors and the General Assemblies of IDB Group member institutions in Jakarta Indonesia.
- ❖ Participating in the meetings of the GCC Undersecretaries of Ministries of Finance.
- ❖ Participating in The Ordinary General Assembly Meeting of the Arab Maritime Petroleum Transport Company (A.M.P.T.C).
- ❖ Participating in the 37th meeting of the OPEC Fund for International Development (OFID) Ministerial Council meeting in Vienna.
- ❖ Participating in The Ordinary General Assembly Meeting of the Arab Company

for Drug Industry and Medical Appliances (ACDIMA).

- ❖ Participating in the Joint Annual Meeting of the Arab Financial Institutions in Kuwait.
- ❖ Participating in the first meeting of the new inclusive framework to tackle Base Erosion and Profit Shifting in Tokyo.
- ❖ Participating in the 16th meeting of the agreement on tax exemption of custom duties for the Arab Air Carrier Organization (AACO) in Cairo.
- ❖ Issuing an analytical study on the IMF World Economic Outlook report 2016.
- ❖ Participating in the meeting of the technical team in charge of studying means to treat factory products within economic clusters with Gulf investments as national products.
- ❖ Participating in meetings to discuss the unified GCC Trade Mark Law in Riyadh.
- ❖ Participating in the 3rd meeting of the Committee of Heads and Directors of GCC taxation administration.
- ❖ Participating in the third meeting of the joint committee on intergovernmental cooperation between Belarus and the UAE.
- ❖ Participating in the 51st meeting of the GCC Committee for Undersecretaries of Ministries of Finance.
- ❖ Participating in all the meetings of the GCC Customs Union in Riyadh.
- ❖ Participating in the 118th meeting of the International Fund for Agricultural Development (IFAD) Executive Board in Rome.
- ❖ Participating in the meeting of the working group supervising the studies prepared by the GCC Financial and Economic Cooperation Committee.
- ❖ Participating in the 16th meeting of the GCC Railway Project Committee.
- ❖ Participating in the extraordinary meeting of the committee in charge of reviewing the Common Customs Law.
- ❖ Participating in the 8th meeting of the Ad hoc Working Group on Governance, established by the Governing Council at its 28th session on the Eleventh Replenishment of IFAD's Resources in Rome.

- ❖ Participating in the High-Level Policy Forum on "Advancing Women's Financial Inclusion in the Arab World" on Jordan's Dead Sea coast.
- ❖ Participating in the Financial Stability Board (FSB) Regional Consultative Group (RCG) meeting in Sharm El Sheikh.
- ❖ Participating in the 9th meeting of the Global Forum on Transparency and Exchange of Information for Tax Purposes in Tbilisi.
- ❖ Participating in the 7th EU-GCC Macroeconomic Dialogue in Riyadh.
- ❖ Participating in an EU-GCC dialogue on Trade and Investment in Doha.
- ❖ Participating in the preparatory ministerial meeting for the meeting of the Commission of Economic and Developmental Affairs in Riyadh.
- ❖ Participating in the 76th meeting of the Investment Committee of the OPEC Fund for International Development (OFID) in Vienna.
- ❖ Participating in the 119th meeting of the International Fund for Agricultural Development (IFAD) Executive Board in Rome.
- ❖ Participating in the Annual Meeting of the Islamic Development Bank (IsDB) Board of Governors in Jeddah.
- ❖ Participating in the GCC Drafting Committee of Draft Resolutions and Recommendations meeting and the Supreme Council of the Gulf Cooperation Council meeting in Bahrain.
- ❖ Participating in the 33rd meeting of the committee in charge of reviewing Common Customs Law in Riyadh.
- ❖ Participating in the 70th meeting of the GCC's negotiating team and Technical Committee in Riyadh.
- ❖ Participating in the second meeting of the working group on the World Bank's new strategy in Amman.
- ❖ Participating in the meeting of the technical team in charge of studying means to treat factory products within economic clusters with Gulf investments as national products in Riyadh.
- ❖ Participating in the 30th meeting of the committee responsible for reviewing the Common Customs Law in Riyadh.

- ❖ Participating in a workshop on the interpretation and application of negotiations in agreements in Bahrain.
- ❖ Participating in the steering committee meeting of the Global Forum on Transparency and Exchange of Information for Tax Purposes in Paris.
- ❖ Participating in the peer review meeting of the Global Forum on Transparency and Exchange of Information for Tax Purposes in Paris.
- ❖ Participating in the sixth global meeting of the Farmer's Forum (FAFO) and the thirty-ninth session of the IFAD Governing Council.
- ❖ Participating in the meetings of the GCC railway project committee in Dammam.
- ❖ Participating in the 9th meeting of the Financial Stability Board (FSB) Regional Consultative Group for the Middle East and North Africa (RCG MENA) in Riyadh.
- ❖ Participating in the World Bank Group's Credit Infrastructure Program in Kuala Lumpur.
- ❖ Participating in the OFID Board of Governors' meeting and attending the 72nd meeting of the Investment Committee of the OPEC Fund for Development (OFID) in Vienna.
- ❖ Participating in the World Bank's strategic task force meeting to support Arab countries in Jeddah.

An overview of the initiative on strengthening the UAE's financial position and concluding international agreements and memorandums of understanding

This initiative aims to strengthen the UAE's financial position through the conclusion of agreements and memorandums of understanding and hosting various events to achieve economic balance. Additionally, this initiative encourages direct investment and developing income sources to ensure the transfer of profits and other proceeds in freely convertible currencies, and to protect investments from non-commercial risks such as nationalization and confiscation. This initiative also plays a pivotal role in promoting partnership and achieving economic balance with the country's strategic partners. It also provides tax exemption on government investments such as dividends, bonds and capital gains, as well as tax exemptions on custom duties of national air carriers and on their direct and indirect investments. This helps

maximize revenues and profits as well as increase domestic and foreign investments. The Ministry also benefits from the technical assistance provided by the OECD with respect to tax agreements and other matters related to international taxes, and from staying up to date on the latest developments on tax policies and best practices.

Most important achievements on strengthening the UAE's financial position and concluding international agreements and memorandums of understanding

- ❖ Signing a total of 155 international agreements regarding the avoidance of double taxation and protecting and encouraging investments.
- ❖ Signing international agreements and memorandums of understandings with 50% of countries.
- ❖ Reducing the tax rate imposed on UAE investments abroad by 85%.
- ❖ Signing 1 memorandum of understanding.
- ❖ Issuing 7 studies/reports in the finance and economic fields and providing them to senior management.
- ❖ Holding an introductory meeting on the advantages of agreements in the finance and economic fields.
- ❖ Utilizing 75% of agreements concluded in the financial and economic fields.
- ❖ Reaching 100% compliance with agreements regarding the avoidance of double taxation and protecting and encouraging investments.

Percentage of total signed International Agreements and Memorandums of Understanding



Negotiating rounds on the Draft Convention on the Protection and Promotion of Investments during 2016

No.	Country	Round	Date	Location	Initial Agreement
1	Rwanda	First	11-12/1/2016	Abu Dhabi	12/1/2016
2	Colombia	Second	5-9/2/2016	Bogotá	
3	Ethiopia	Third	16-18/2/2016	Addis Ababa	18/2/2016
4	Slovakia	Fourth	7-9/3/2016	Bratislava	
5	Hungary	First	10-11/3/2016	Budapest	
6	Colombia	Third	29-30/3/2016	Abu Dhabi	30/3/2016
7	Hong Kong	Second	25-27/4/2016	Hong Kong	27/4/2016
8	Mozambique	First	9-11/5/2016	Maputo	11/5/2016
9	Angola	Second	16-19/5/2016	Luanda	19/5/2016
10	Burundi	First	30-31/5/2016	Dubai	31/5/2016
11	Uganda	First	20-22/6/2016	Abu Dhabi	22/6/2016
12	Kazakhstan	Fifth	13-14/7/2016	Abu Dhabi	14/7/2016
13	Hungary	Second	8-11/8/2016	Budapest	11/8/2016
14	Maldives	First	28-31/8/2016	Abu Dhabi	31/8/2016
15	Bulgaria	First	10-12/10/2016	Sofia	
16	Slovenia	Second	8-9/11/2016	Abu Dhabi	9/11/2016
17	Colombia	Fourth	17-18/11/2016	Bogotá	18/11/2016
18	Paraguay	First	21-22/11/2016	Asuncion	24/11/2016
19	Kazakhstan	Sixth	25/12/2016	Abu Dhabi	25/12/2016

Negotiating rounds on the Draft Convention on the Avoidance of Double Taxation during 2016

No.	Country	Round	Date	Location	Initial Agreement
1	Jersey	Second	4-5/1/2016		
2	Finland (amendment)	First	7-9/1/2016	Helsinki	
3	Rwanda	First	11-12/1/2016	Abu Dhabi	
4	Colombia	First	4/2/2016	Bogotá	
5	Argentina	Second	22-23/3/2016	Buenos Aires	
6	Angola	Second	15-19/5/2016	Luanda	19/5/2016
7	Burundi	First	30-31/5/2016	Dubai	31/5/2016
8	Karasa	First	30/6/2016	Kyoto	30/6/2016
9	Maldives	First	28-31/8/2016	Abu Dhabi	31/8/2016
10	Paraguay	First	23-24/11/2016	Asuncion	24/11/2016
11	Swaziland	First	18-20/12/2016	Dubai	20/12/2016

2016 Final Agreements

Avoidance of Double Taxation on Income Agreements	Promotion and Protection of Investments Agreement
Nigeria (18/01/2016)	Nigeria (18/01/2016)
Jordan (05/04/2016)	Mexico (19/01/2016)
United Kingdom of Great Britain and Northern Ireland (12/04/2016)	Kosovo (20/05/2016)
Jersey (20/04/2016)	Armenia (22/07/2016)
Kosovo (20/05/2016)	Slovakia (22/09/2016)
Equatorial Guinea (19/10/2016)	Antigua and Barbuda (10/10/2016)
Argentina (03/11/2016)	Equatorial Guinea (19/10/2016)
Ecuador (09/11/2016)	Saint Kitts and Nevis (24/11/2016)
Saint Kitts and Nevis (24/11/2016)	Ethiopia (03/12/2016)

To maximise tax benefits through agreements on double taxation on income and protection and promotion of investments signed by the UAE:

- ❖ MoF issues Tax Residence Certificate for individuals, private companies and government entities, whereby fees are collected when issuing tax domicile certificates (2000AED), and for government entities (10,000 AED).
- ❖ MoF issues Value Added Tax Certificates (500 AED).
- ❖ In the start of 2013, the International Financial Relations Department automated the tax domicile certificates and value added tax certificates, whereby the certificates are submitted through the Ministry's website. The number and revenue collected through issuing certificates during 2014-2016, an increase in the number of certificated issued with the automated system and the website:

	Tax Domicile Certificates for the Private Sector	Tax Domicile Certificates for the Public Sector	Tax Domicile Certificates for UAE Residents	VAT certificates	Total
2016	1077	961	1686	109	3,833
2015	796	945	1,340	83	3,164
2014	590	676	750	85	2,101

Overview of the initiative: Enhancing UAE's role on transparency in the exchange of information for tax purposes and foreign assistance

The exchange of information is an important component for the world's economy, whereby the ministers of finance implemented the G20 in 2010, to follow specific procedures for countries that do not comply with the standards on transparency and exchange of information for tax purposes, and include administrative sanctions, prevent investments in those countries and publish the names of non-cooperative countries internationally.

To ensure compliance with international standards and avoid any sanctions, the UAE Cabinet issued a decision No.17 for 2012 to give the Ministry of Finance the responsibility to collect and exchange information on natural persons and legal entities licensed to work in the UAE including free zones. This falls in line with the implementation of the UAE's obligations on concluding tax agreements with other countries and highlights the UAE economy's status as an attractive investment environment and its experience in bilateral and international agreements on avoidance of double income taxation.

The Ministry of Finance included this initiative in its operational plan to coordinate with concerned entities in the UAE and exchange of confidential information for tax purposes according to international standards.

Most important achievements of the initiative to enhance the UAE's position in transparency, exchanging information for tax purposes and foreign aid:

- ❖ Analyzing and processing all requests for the exchange of information between countries, including the exchange of information for tax purposes.
- ❖ Coordinating with concerned parties on the closure of comments from the Global Forum on Transparency and Information Exchange.
- ❖ Submitting periodic reports to senior management on the opportunities and challenges the country is facing.

- ❖ Responding to online and in-person queries from the Global Forum on Transparency and Information Exchange, and coordinating with concerned parties to address them.
- ❖ Hosting workshop on the automatic exchange of information, for all concerned parties within the country, in collaboration with the Global Forum on Transparency and Information Exchange (OECD) during the first quarter of 2016.
- ❖ Issuing a memorandum to the UAE Cabinet for the Cabinet's Resolution No. 9 of 2016, authorizing the Ministry of Finance to negotiate and sign the Convention on Mutual Administrative Assistance in Tax Matters (MAC) and the Multilateral Competent Authority Agreement (MCAA).
- ❖ As part of its commitment to implementing the CRS in 2018, the Ministry reviewed the best practices and prepared the Procedural Guide for the Joint Disclosure System, which was circulated to the concerned authorities and financial institutions in relevant countries to take due diligence measures towards customers.
- ❖ Forming a supreme steering committee to oversee the implementation of the requirements and legislations necessary to implement standards of the joint disclosure system for the exchange of information in accordance with international standards within the approved time frame.
- ❖ Setting up an organizational committee and technical committee to prepare the administrative, legislative and technological infrastructure for the development of an automated system for the exchange of tax-related information and to ensure that all financial institutions comply with due diligence procedures starting from 1 January 2017. The automatic collection of information will begin in 2018.

The role of the ministry and its membership in international organizations

The Ministry of Finance is working to build international strategic partnerships to strengthen the UAE's financial, economic and commercial relations with international and regional bodies, institutions and funds, and the various countries of the world with thriving economies and valuable experiences. The Ministry also participates in joint economic committees with other countries, and develop These partnerships are aimed at:

- ❖ Creating an appropriate investment climate and eliminating obstacles that may adversely affect the economic and investment activities of the public and private sectors in the UAE.
- ❖ Promoting the UAE as one of the best investment hubs in the world.
- ❖ Utilizing technical support services provided by regional and international organizations and institutions.
- ❖ Implementing international standards of competitiveness, transparency and exchange of tax information.
- ❖ Encouraging the free transfer of capital between countries.
- ❖ Protecting investments from risks such as nationalization and confiscation.
- ❖ Opening up new markets of trade.
- ❖ Encouraging imports, exports and free trade.
- ❖ Avoiding double taxation between the UAE and other countries.

The Ministry of Finance seeks to strengthen the position of the UAE and its foreign partnerships through a number of initiatives including: participation in regional and international financial institutions, led by the IMF and the World Bank; The OPEC Fund for International Development (OFID), the Development Fund for Arab States (OAPEC), The Deauville Partnership with Arab Countries in Transition, The International Fund for Agricultural Development (IFAD), and the Global Forum on Transparency and Exchange of Information. The UAE hosts a number of international and regional institutions on an ongoing basis. The Ministry of Finance considers its annual meetings and spring meetings of the IMF and World Bank Group as a real opportunity to promote the UAE's financial and economic sector. The strong relationship between the Ministry (on behalf of the UAE) and the IMF, including the IMF Article IV Consultation have led to the development of government financial policies and strengthening the UAE's network of regional and international financial institutions.

An overview of the initiative to strengthen the UAE's role in economic integration throughout the GCC

This initiative aims at achieving the financial and economic integration requirements

of GCC countries, through the UAE's participation in the technical and ministerial committees of the GCC and commitment to submit proposals, initiatives, studies and statistical data that support the senior leadership in decision making. Additionally, the initiative raises awareness of the GCC economic integration, and removes the obstacles faced during this integration.

This initiative consists of 10 indicators, including 1 strategic indicator and 9 operational indicators. The drivers of this initiative are as follows:

- ❖ Implementing the decision of 33rd session of the Supreme Council of GCC leaders to move to the advanced stages of GCC economic integration.
- ❖ The recommendation of the Ministers of Finance at their meeting 98 on the mandate of the Secretariat to develop a general framework for the study of deepening economic integration among the GCC countries in coordination with Member States.
- ❖ Measuring the impact of decisions of the Supreme Council of the GCC leaders on the UAE, and determining the actual decisions implemented on ground.
- ❖ Spreading awareness and knowledge about financial and economic integration.
- ❖ Activating the participation of the UAE in technical and ministerial committees of the GCC.
- ❖ Forming a national team to enhance the UAE's benefits of the Gulf economic integration.

Enhancing economic relationships and highlighting prominent issues within the GCC The Ministry of Finance is committed to the principles of Gulf economic integration and the role of the UAE in this field. The Ministry is working on implementing the unified economic agreement between the GCC countries and the joint economic work system and related projects. This includes the financial integration and establishment of a free trade area as well as the application of the Customs Union for GCC States as an international economic bloc based on the mutual cooperation of its members.

GCC Economic Integration Objectives:

Economic Integration between the GCC countries is one of the fundamental objectives of the GCC, in accordance with the Statute, Article IV of which sets forth the following main objectives:

- ❖ To achieve coordination, integration and interdependence among Member States in all fields, leading to their unity.
- ❖ To strengthen cooperation between GCC citizens in various fields.
- ❖ To establish similar systems in the economic, financial, commercial, customs, and transport fields etc.
- ❖ To promote scientific and technical progress in the economic fields, establishing scientific research centers and joint projects, as well as encouraging private sector cooperation.

Through economic integration, the GCC seeks full equality between GCC nationals in all areas, especially in residence and mobility, employment in the public and private sector, social insurance and retirement, careers, economic activities, investment and financial services, tax treatments, trade, purchase of shares, establishment of companies, education, health services and social development.

The results of the performance indicators related to the initiative to strengthen the UAE's role in economic integration throughout the GCC, which were provided to the strategic planning department

- ❖ Achieving growth in the contribution of citizens of the GCC States, including individuals and companies, in the economic fields by 24.15%.
- ❖ Submitting 6 of the Ministry's proposals to the GCC committees.
- ❖ Holding 3 tariff meetings in the financial and economic fields of GCC countries.
- ❖ Achieving an implementation rate of 78.95% for the decisions of the Supreme Council of the Gulf Cooperation Council in the economic sphere - noting that the target was 78%, in which 15 out of 19 economic decisions were issued by the Supreme Council.

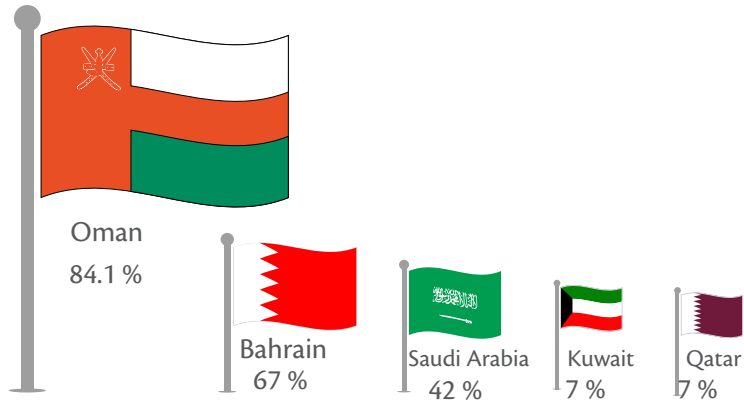
- ❖ Completing 2 studies in the area of economic integration.
- ❖ Submitting one report on strengthening the Gulf financial and economic integration to senior management.
- ❖ Achieving 33.3% accreditation rate of GCC committees to the proposals submitted by the Ministry.
- ❖ Achieving 100% completion of the issuance of the statistical report in field of the GCC Common Market .
- ❖ Utilizing 70% of the statistical report in the field of the GCC Common Market.
- ❖ Utilizing 89% of tariff meetings in the financial and economic fields of the GCC countries.

The most prominent achievements of the initiative to strengthen the UAE's role in economic integration throughout the GCC

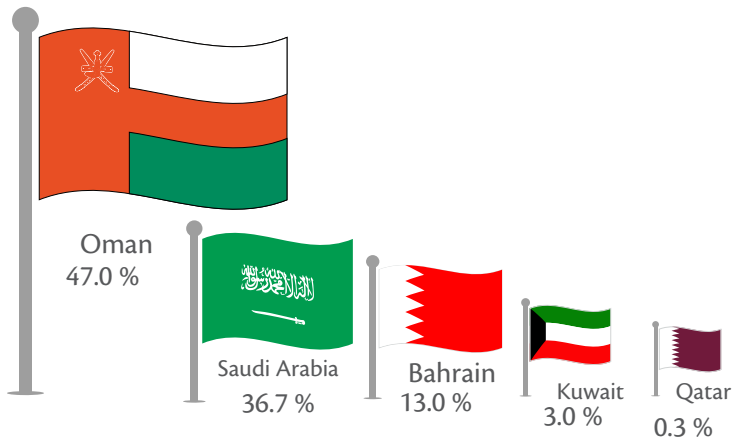
- ❖ Measuring the impact of implementing the decisions of the Supreme Council of GCC leaders on the UAE's economy, including the extent to which the UAE implements and complies with the resolutions of the Supreme Council and measurement of its competitiveness and ranking among the GCC countries .
- ❖ Issuing the Ministry's Annual Statistical Report on the Gulf Common Market, which is an important source of data for several stakeholders in the country, in addition to researchers and individuals interested in this field.
- ❖ Supporting the senior leadership with the necessary economic studies in decision-making.
- ❖ Participating in the technical and ministerial committees of the GCC, by presenting proposals and initiatives that are submitted in the name of the UAE.
- ❖ Raising awareness on the GCC's financial and economic integration through tariff meetings, which included two introductory seminars at the Ministry of Foreign Affairs and in the General Secretariat of the Cabinet.
- ❖ Developing the skills and competencies of the Ministry's officials and concerned authorities in the field of GCC joint economic work through workshops, which included a workshop on GCC economic performance.

- ❖ Enhancing areas of financial and economic integration through hosting regular meetings for concerned parties in the country, which includes the meetings of the national team, formed by the Ministry to crystallize the UAE's vision on GCC economic integration.
- ❖ Oversee best practices in the field of studies (Ministry of Presidential Affairs).

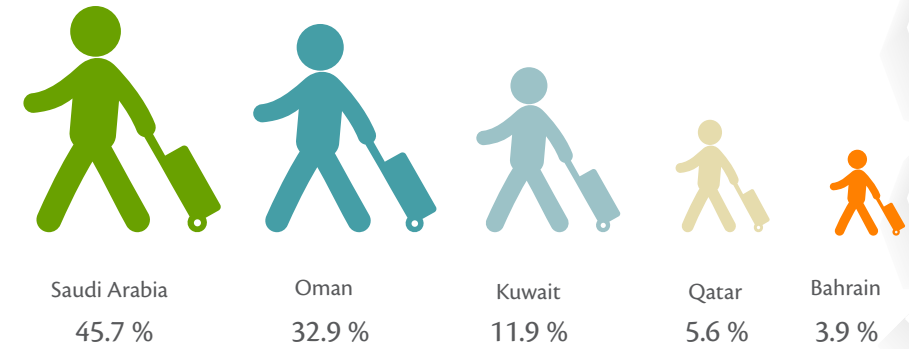
Number of GCC nationals working in federal government entities-2015



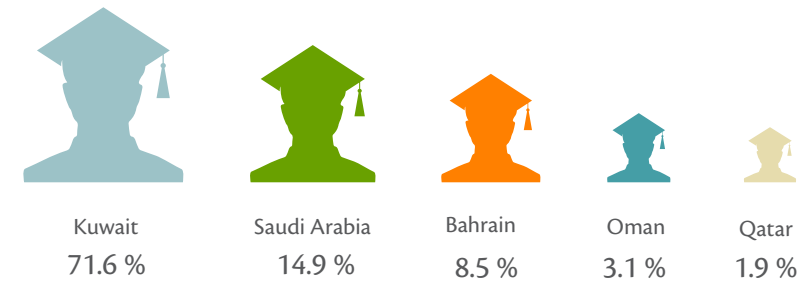
Number of GCC nationals working in the private sector -2015



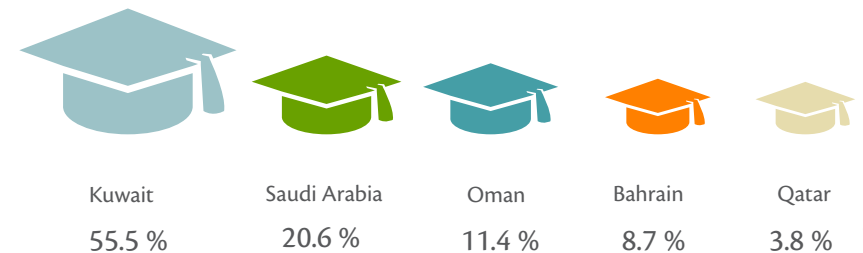
Percentage of tourism from GCC nationals - 2015



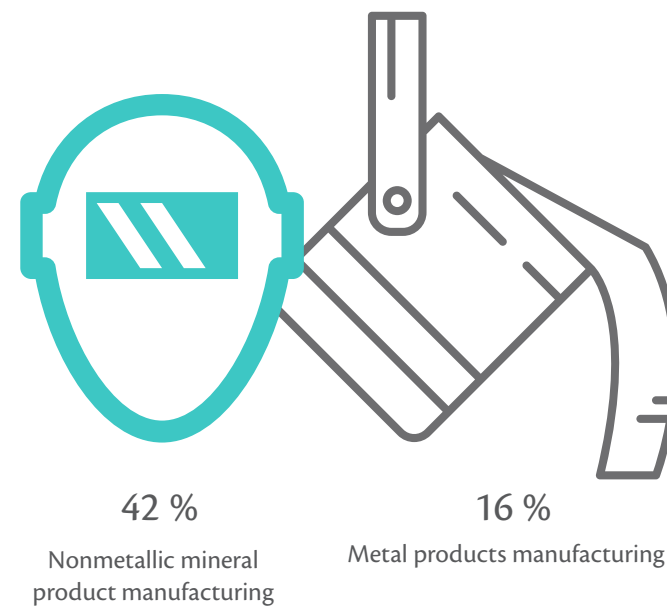
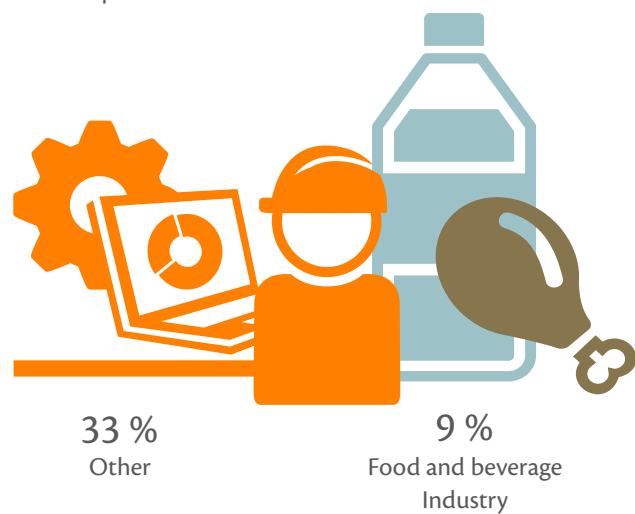
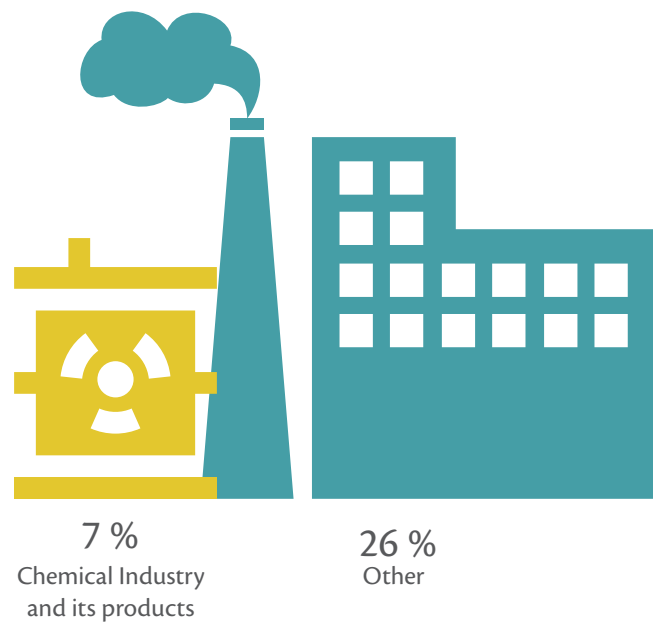
Percentage of GCC students enrolled in Public Higher Education Institutions 2015-2016



Percentage of GCC students enrolled in Public Higher Education Institutions 2015-2016



Distribution of GCC investments by activity





Innovation Team

”

The Ministry of Finance recognises innovation as a cornerstone of development and the future government, and continuously works on creating a culture of innovation in government work. It also seeks to embed a culture of innovation across the UAE as it is one of the most important foundations of the national strategy. We also work on creating a wealth of human resources capable of meeting the country's aspirations of development. Additionally, emanating from its strong commitment to the UAE National Innovation Strategy, and the Government accelerators an initiative that seeks to accelerate the progress made on the objectives of the National Agenda of the UAE Vision 2021, the Ministry has put in place a regulatory framework for innovation, and a new post of CEO of innovation was created. The Ministry also continues its effort to create and maintain a technology infrastructure, identify supporting services and invest in innovation.

”

Sixth Strategic Achievements:

Building a culture of innovation in institutional work environment.

Concerned department: Higher Management.

Current Status: Launching key initiatives to foster a culture of innovation and support innovators.

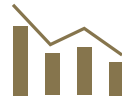
Axis: Promote a culture of innovation and support innovators.



Number of initiatives
in 2016: 3



Number of strategic
indicators: 4



Number of operational
indicators: 30

The operational plan initiatives for the sixth strategic objective of 2016 (Building a culture of innovation in institutional work environment)				Objective completion	92.6%			
No. of initiative	initiatives	Completion of initiatives	Initiative evaluation results	Strategic and operational performance indicators 2016				
				No.	Name of indicator	Type of indicator	Target value	Achieved value
1	Managing and adopting innovation tools	100%	94.8%	1	Number of leading business models built and implemented	Operational	3	4
				2	Number of employees that participated in competitions	Operational	15%	15%
				3	Number of honoured innovators	Operational	100%	10%
				4	Completion ratio of updating innovation labs	Operational	100%	100%
				5	Number of government innovation labs and brain storming sessions	Operational	1	1

The operational plan initiatives for the sixth strategic objective of 2016 (Building a culture of innovation in institutional work environment)				Objective completion	92.6%			
No. of initiative	initiatives	Completion of initiatives	Initiative evaluation results	Strategic and operational performance indicators 2016				
				No.	Name of indicator	Type of indicator	Target value	Achieved value
2	Creating a work environment for innovation	100%	92.9%	6	Number of innovative suggestions provided to employees	Operational	25%	43%
				7	Number of innovative suggestions provided by users and partners	Operational	2	0
				8	Number of employees' innovative ideas implemented	Strategic	16%	16%
				9	Number of employees' innovative ideas that helped enhance services	Strategic	24%	25%
				10	Number of employees' innovative ideas that rationalised expenditures	Operational	16%	16%
				11	Number of employees innovative ideas that contributed to improve user satisfaction	Operational	12%	13%
				12	Number of employees' innovative ideas in IT fields	Operational	16%	16%
				13	Number of employees' innovative ideas that contributed to finding new financing sources	Strategic	16%	11%
				14	Number of projects which reduced spending	Operational	1	1
				15	Number of partnerships with innovation related entities	Operational	1	1
				16	Number of innovative projects implemented with partners	Operational	2	2
				17	Number of new services and products resulting from innovative ideas	Operational	2	2
				18	Number of innovative projects which increased revenues	Operational	1	1
				19	Number of innovative ideas resulting from employees' suggestions	Strategic	11%	20%
				20	Ratio of submitted research papers /per 100 employees	Strategic	120%	109%
				21	Number of innovative ideas which received intellectual property rights	Strategic	75%	60%
				22	Number of innovative ideas issued by an entity and was adopted locally or internationally	Strategic	33%	40%

The operational plan initiatives for the sixth strategic objective of 2016 (Building a culture of innovation in institutional work environment)				Objective completion	92.6%			
No. of initiative	initiatives	Completion of initiatives	Initiative evaluation results	Strategic and operational performance indicators 2016				
				No.	Name of indicator	Type of indicator	Target value	Achieved value
3	Qualifying and preparing employees in innovation-fields	100%	95.0%	23	Number of trained employees in innovation field (innovation pioneers)	Operational	3	3
				24	Number of training hours for employees in the innovation field (innovation pioneers)	Operational	28	37
				25	Number of innovation awareness workshops for employees	Operational	3	3
				26	Number of publication on innovation awareness	Operational	10	10
				27	Number of updated communication channels for innovation	Operational	1	1
				28	Number of trained employees in innovation field at the Ministry	Operational	31%	35%
				29	Number of employees that received training on innovation from the senior management category	Operational	28%	40%
				30	Number of employees that received training on innovation from supervisory category	Operational	40%	42%
				31	Number of employees that received training on innovation from executive category	Operational	21%	28%
				32	Number of employees that received training on innovation from specialist and professional category	Operational	38%	38%
				33	Number of employees enrolled in the Public Sector Innovation Diploma Programme	Operational	1	1
				34	Number of workshops and events organised and attended by entities in innovation fields	Operational	12%	18%

The achievements of the sixth strategic objective of 2016:

- ❖ Issuing a UAE Cabinet decision on managing the 'Sheikh Mohammed bin Rashid Fund to Finance Innovation' and the 'Accelerators programme'.
- ❖ Issuing an executive decision on establishing a government innovation team at MoF.
- ❖ The Ministry's participation in the Innovation in Government course offered by Mohammed bin Rashid Centre for Government Innovation.
- ❖ Holding a workshop titled 'Strategic Innovation and Leading Innovation'.
- ❖ Conducting a study on government innovation for the year 2016.
- ❖ Holding a workshop entitled 'Innovative Leadership'.
- ❖ Holding a workshop entitled 'Innovation Management'.
- ❖ Holding a workshop entitled 'Innovation Success Stories'.
- ❖ Visiting Kuwait to showcase the Ministry's best practices in planning, performance and innovation .
- ❖ Attending the 'Emirati Woman Conference: Distinction and Innovation'.
- ❖ Creating private venues for innovators in the Business Innovation Centre at the Ministry.



The Ministry launched a number of initiatives that are in line with the objectives of the National Innovation Committee (NIC) and the government accelerators, such as:

Managing the federal budget: Financial Circular No. 12 for 2015 was issued to allocate 1% from groups 22 and 31 of the UAE general budget and that of independent entities to support innovation in the federal government sector. The initiative does not include funds allocated to grants, projects under process and financial investments. The allocations are distributed as follows:

- ❖ 79% from the total amount is allocated to fund innovation plans in government entities.
- ❖ 21% from the total amount is allocated to fund innovation projects in federal entities.

Innovation fund

MoF launched the 'Sheikh Mohammed bin Rashid Al Maktoum Fund to Finance Innovation' e-platform which receives funding requests from applicants. The Fund aims to fill the financing gap that innovative projects face and support the national and economic goals of building a diverse national economy based on innovation and knowledge to achieve sustainable prosperity- in line with the National Innovation Strategy and make the UAE government one of the most innovative governments in the world.



Innovation Festival

The Ministry participated in UAE Innovation Week and organised the 'Innovation Festival' which offered a number of competitions and a series of interactive workshops for innovators. The Festival saw:



Innovation Lab

The Innovation Lab was established in the Ministry and aims to strengthen the culture of innovation, and provide employees with an interactive platform to discuss and identify innovative solutions to perform their tasks



MoF's smart app:

MOF UAE



Innovation platform

The Innovation Platform was launched on smartphones to provide employees with innovative solutions for institution work

- ❖ The e-Dirham smart app.
- ❖ 'Injaz' e-programme for monitoring and planning purposes.
- ❖ Developing Innovation Toolkit.
- ❖ Setting up an e-mail for innovation purposes.
- ❖ Holding a discussion panel on government innovation – Strategic Partners Forum 2016.
- ❖ Organising 'Woman and Innovation' forum.
- ❖ Participating in the '1971' exhibition organised by University of Sharjah to showcase MoF's efforts in the innovation field.
- ❖ Organising a discussion panel with innovators during the World Government Summit.



HE

Obaid Humaid Al Tayer

Minister of State for Financial Affairs

Developing Financial Legislative Structures And Promoting Resource Sustainability

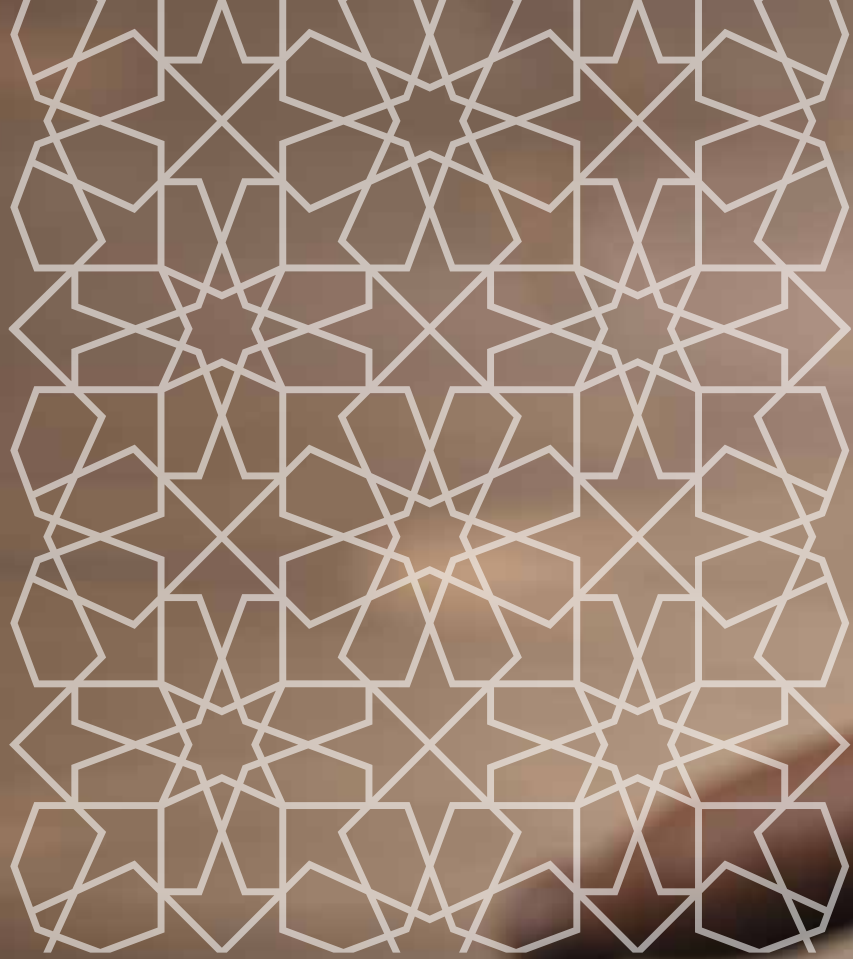
The public sector is currently witnessing significant developments, as government institutions are not only managing current challenges, but are actively working to analyse future directions and outlooks and establish effective plans to achieve sustainable economic growth for future generations. The UAE has made significant steps towards achieving its future vision, including gradually reforming its financial system, expanding financial reserves, and developing policies to maintain financial and cash stability to drive sustainable economic growth.

As part of its leading role in the financial sector, the Ministry of Finance developed a key outlook system in financial management to anticipate challenges and updates through implementing policies and legislations, evaluating the impacts of public financial policies on sustainability, and developing the suitable structure to support sustainable economic growth.

Issuing the Federal Bankruptcy Law was one of the Ministry's key achievements. The law is considered unique when compared with other laws on a regional level as well as those in other developed countries. It was set to manage various bankruptcy cases by determining all legal tools to restructure the debtor's business in accordance with specific terms and conditions as well as defining a legislative framework for doing so. The aim behind the law is to encourage entrepreneurs who seek a secure investment environment to direct their investments into the country, while strengthening their trust in the legislative and legal infrastructure that the UAE has, which implements clear and transparent laws to preserve their rights.

The Ministry established the basis of implementing the Value Added Tax (VAT), and we also further enhanced our international relations through signing agreements on the avoidance of double taxation and to promote and protect investments. These agreements play a key role in protecting the national economy, diversifying income sources and attracting foreign investments.

Looking forward, we aim to strengthen resource sustainability for future generations, and we will continue to establish and implement policies and legislations to protect the local economy, taking into consideration the latest developments and various challenges in the local, regional and global socioeconomic fields. We also look to continue to be leaders in the field of financial management, and to effectively contribute to achieving sustainable competitiveness in UAE.



Second Chapter:
Financial Regulation and
Sustainable Resources



Dr

Hussam Al Talhuni

Legal Adviser to the Minister of Finance

”

In the past years, the Ministry of Finance played a key role in developing a number of significant laws and legislations, taking into consideration the changes in the global economy and international business sector to support the financial legislative structure, enhance sustainable financial resources and promote the UAE's public credit and financial security. Global examples have demonstrated the need for a modern legislative structure- a key pillar to support the national economy. Our efforts reflect the importance of providing the required legal protection for businesses to attract investors seeking a secure and stable economic environment. The Ministry's efforts resulted in the issuance of a number of laws including the Federal Bankruptcy Law, Mortgaging of Moveable Properties as Security for Debts, and establishing the Federal Tax Authority.

”



The Ministry of Finance's contribution in developing the financial regulatory structure

Financial regulations:

❖ Laws:

Federal decree No. 9 for 2016 on Bankruptcy:

The Federal Bankruptcy Law set to match various bankruptcy cases and determine all legal tools to restructure a debtor's business, in accordance with specific terms and conditions as well as a legislative framework. The law provides methods to avoid bankruptcy and liquidation of debtors assets, including consensual out-of-court financial restructuring, composition procedures, financial restructuring and the possibility to secure new loans under terms set by the law.

The Bankruptcy law includes raising credit levels and financial guarantee within its legislative priority to strengthen the confidence among investors and boost the economy by enabling the financially distressed businesses to restructure, and pay their debts and obligations without disrupting the production process.

The law encourages entrepreneurs who seek a secure investment environment to direct their investments in the country, while strengthening their trust in the legislative and legal infrastructure in the UAE that implements clear and transparent laws preserving their rights and achieving balance between the creditor and the debtor as well as prioritise creditors with guarantees over the ones without guarantees. The bankruptcy law will contribute in supporting the strategic plans adopted by UAE to develop its economic, financial and legislative structure.

The law will also raise the UAE's competitiveness levels in international reports, which will support the sustainable economic growth and enhance the national and global economy.

Federal Law No. 22 concerning Mortgaging of Movable Assets as Security for Debts

The law was established to overcome difficulties in accessing credit or funding from financial institutions, the high percentage rate of banks refusing credit requests, and other challenges. The law provides security over moveable assets granted to a creditor with respect to debts provided that the amount of the secured debt or maximum limit is specified in the relevant security agreement.

The law requires the registration of mortgages over movable assets in a specific register in order to ensure project financing. The registry secures the use of movable assets (tangible and intangible); such as: equipment and tools, receivables, cash flows, returns, and other movable assets to guarantee loans. The Ministry of Finance conducted specific studies on the objectives of the law for 2012-2013, which included:

Stage one: preparation

- ❖ Conducting a survey on lending practices including global successful experiences in this respective field.
- ❖ Organising a workshop for concerned entities in UAE to discuss the project, challenges faced by SMEs, and identify observations of concerned entities with regards to the project.
- ❖ Completing documents related to registration and public policies.
- ❖ Conducting an evaluation to identify and enhance the legal and institutional aspects.

Stage two

Ministerial Services Council Decision No. (82/5/4) on 29 May 2013, concerning giving the Ministry of Finance the responsibility to draft a federal law to register the mortgages of movable assets, ensure project financing in coordination with the Ministry of Economy (MoE) and the Central Bank of UAE and referring it to the Technical Committee for Legislations

Stage three

creating an internal legal team from related entities in UAE and the International Finance Corporation (IFC) to prepare a draft federal law on mortgaging of movable assets as security for debts

Holding over (40) meetings with related entities in UAE to discuss and prepare the draft federal law

Final stage

approving the law by the Federal National Council (FNC) on 14 June 2016, followed by issuing the federal law No. (2) of 2016 on mortgaging of movable properties as security for debt

Federal Law Decree No. 13 concerning the establishment of the Federal Tax Authority

The Federal Tax Authority (FTA) will be responsible for setting up and maintaining records on taxpayers and on taxes paid. It will also issue necessary guidelines and clarifications to taxpayers on matters related to federal taxes and related fines.

The authority will coordinate with the federal government, local governments and taxpayers on all matters related to taxes and related fines. It will represent the UAE in regional and international meetings and conferences concerning taxes, in addition to inspecting taxpayers' records and documents, reviewing tax returns and auditing reports submitted to the authority.

It will issue certificates related to federal taxes and implementing mechanisms for settling disputes between taxpayers and FTA. It will also be able to request information in the possession of a third party that concerns a taxpayer who is being audited by the FTA.

The FTA's board will be chaired by the minister and its members who will be appointed through a resolution issued by the UAE Cabinet. The board will be responsible in submitting annual reports to the cabinet regarding the authority's achievements.

An article in the decree stipulates that federal tax revenues and fines that are collected by the FTA will be deposited in an independent account pending their distribution to the federal and local governments. Taxes and fines acquired due to this law will be divided between the federal and local governments. The mechanisms for dividing the taxes and fines will be set by a resolution issued by the Cabinet, which will be based on recommendations by the minister and through an agreement between the federal and local governments.

The decree will be published in the Official Gazette, and comes into effect after 90 days from the date of its issuance.

❖ UAE Cabinet decisions:

Resolution No. 4 of 2016 concerning service fees paid in e-Dirham

The resolution shall define fees of the services delivered by MoF, and cover issues of expired cards. The resolution also determines the power of the Minister's with respect to service fees paid via e-Dirham. The Minister also has the power to exempt entities from subscription fees, ATMs rental, cash deposits and kiosks, and reduce any fees related to the system.

Cabinet Resolution No. 43 of 2016 on Procurement Regulation and Storehouse Management in the Federal Government

The Cabinet resolution No. (32) of 2014 concerning procurement regulation and storehouse management in the federal government was amended, in line with the federal government's requirements, as per the following:

- ❖ Amending the Grievances and Complaints Committee's responsibilities in the federal government to include settling grievances of suppliers.
- ❖ Creating a Grievances and Complaints Committee at the Ministry to address procurement related complaints in countries that signed the Free Trade Agreement.
- ❖ Letters of guarantee - initial assurance is attached with each tender worth more than AED 1 million.

The Ministerial Development Council Resolution No. (11/1) for 2016 on the procedures manual for partnership between federal entities and the private sector

The Ministry is committed to developing policies and procedures to support federal entities' operations and activities, according to the best international practices. The manual was prepared to enhance investment opportunities and raise the efficiency and effectiveness of governance and risk management. The main objective behind the manual is to boost strategic infrastructure development, and improve quality of services by signing partnership contracts with the private sector.





The Ministry Of Finance's Role In Achieving Financial Sustainability



HE

Saeed Rashid Al Yateem

Assistant Undersecretary of Resources and Budget Sector at MoF

”

Emanating from its strong commitment to achieve UAE's strategic vision, the Ministry of Finance plays a key role in developing the federal financial system, and ensuring the sustainability and effectiveness of the federal financial resources. Through its work, the Ministry's achievements were the cornerstone on which the UAE's financial legislative system was founded as well as the financial policies, which helped in strengthening the country's financial infrastructure, and enhancing revenue generation for sustainable national development. We also continue our efforts to enhance development through better use of government resources, and tilt spending toward strategic sectors that drive sustainable economic growth and ensure long term prosperity for the UAE. The financial performance of various ministries and entities within the UAE significantly enhanced through concerted efforts made by the Ministry to develop the e-Dirham system and its strong commitment in terms of e-Government development.

”



HE

Mariam Mohammed Al Amiri

Assistant Undersecretary for the Management of Financial Resources

”

Through its work the Ministry's achievements have been the key driving force behind the development of the federal government's financial work and the establishment of a sound financial basis. For instance, the Ministry has prepared a number of laws and legislations in relation to financial policies, including adopting the accounting standards manual, and the federal government's financial policies and procedures manual prepared using the accrual basis of accounting. Additionally, in line with the smart government strategy and the UAE Vision 2021, the Ministry developed new tools to follow up on the general federal budget through the enactment of proposed legislations and financial systems. The Ministry has also issued a number of financial reports for implementation of the general federal budget, through financial indicators and measures to evaluate the performance of ministries and federal entities.

”



Third Chapter:
Strategic direction
and outlook

The five-year strategic plan 2017-2021: The five-year strategic plan identified MoF's new strategic direction as follows:

- ❖ A leading Ministry: addresses the challenges that affect the financial sustainability, and relies on self-assessed measure of capacity to deal with financial and economic shocks.
- ❖ An influential Ministry: plays a strategic role in allocating resources, takes into account the government performance indicators and supports efficiency for effective decision-making.
- ❖ An opinion-leader Ministry: provides insight into key financial matters and promotes the implementation of relevant policies.
- ❖ Excellence in Ministry: spread awareness about hedging and is a reference for financial practices internationally.
- ❖ Innovative Ministry: provides the public and private sectors with innovative tools and enhances their capacity to encourage innovation in UAE.

The focus area of the strategic plan 2017-2021

- ❖ Financial planning for the federal government and public finance sustainability.
- ❖ Supporting innovation in the federal government.
- ❖ Developing mechanisms to implement UAE's general budget.
- ❖ Building and strengthening relations with countries and global financial organisations.
- ❖ Enabling opportunities of financial and economic integration with GCC countries.
- ❖ Aligning the federal government's financial policies with those of the local governments.
- ❖ Conducting studies on the overall economy and updating the financial policies.
- ❖ Preparing financial laws and legislations as per UAE's requirements and according to best practices.

- ❖ Capacity building in financial fields and supporting the federal government's best interest.
- ❖ Contributing to achieve financial stability in the country.

The objectives of the strategic plan 2017-2021

- ❖ Strengthening the federal government's financial planning and the public finance sustainability.
- ❖ Increasing efficiency in the implementation of the general federal budget, and cash management.
- ❖ Supporting UAE's financial and economic interests at a global level.
- ❖ Strengthening UAE's competitiveness levels in financial and economic fields.
- ❖ Ensuring the provision of all administrative services in accordance with the standards of quality and transparency.
- ❖ Strengthening the culture of innovation culture within the institutional environment.





The initiatives of the strategic plan 2017-2021

Strategic objectives	Initiatives	Activities
First strategic objective: Strengthening the federal government's financial planning and the public finance sustainability		
Initiative	Activity	Description
Initiative No. 1: Developing strategic financial planning in the federal government	Preparing and developing UAE's general budget based on the projections for public spending	<ul style="list-style-type: none"> developing mechanisms to prepare the UAE's general budget in line with the best practices, preparing the five-year budget cycle determining projections for public spending enhancing coordination level with federal entities and the Prime Minister's Office
	Determining UAE's public revenue forecasts and activating its mechanisms	<ul style="list-style-type: none"> determining the federal government's revenue forecasts in line with the best practices
	Studying UAE nationals with regards to planning general budget	The Ministry seeks transparency in budget implementation, by identifying and studying UAE nationals' opinions on budget planning and measuring results
	Developing and diversifying multiple revenue sources of the federal government	<ul style="list-style-type: none"> developing the federal government's current resources studying and evaluating new resources such as taxes
Initiative No. 2: Public finance sustainability and risk management	Analysing financial scenarios and identifying gaps in financial sustainability	<ul style="list-style-type: none"> Building forecasting capabilities to develop models to predict economic trends Merging new capacities and tools in budget planning sessions
	Managing and monitoring financial risks	<ul style="list-style-type: none"> identifying and reducing financial risks through specific measurement and monitoring analysing and identifying legislations and propose measure to address them in coordination with federal entities
	Managing public debt	<ul style="list-style-type: none"> capacity development at the Ministry to understand public debt markets and implications of issuing debt securities preparing the Ministry for the public debt market and related policies
	Establishing the federal reserve	<ul style="list-style-type: none"> developing the legal framework for the federal reserve identifying the role and safety levels of UAE's fund integrating the fund's management into the budget cycle
	Analysing and evaluating opportunities to reduce expenses and identify the government reserve, revenues and expenditure estimates	Analysing expenditure patterns and performance measures to rationalise expenditure and establish recommendations for the Prime Minister's Office
	Managing government investments	<ul style="list-style-type: none"> Monitoring and overseeing the federal government's investments that are managed by MoF Establishing new entities in cooperation with concerned entities in UAE

Initiative No. 3: developing an environment supporting innovation in the federal government	Innovation fund	Providing capital for innovation to support start-up companies which will reduce current and long-term funding gap in UAE (system to sponsor innovators)
	Accelerator programme	Developing SMEs projects by providing the required services and support. The programme is the first of its kind in the region.
	Managing the innovation budget	Managing the federal innovation budget to obtain effective innovation projects from other federal entities to achieve the UAE National Innovation Strategy.
Initiative No. 4: developing the framework to gather financial planning data	Identifying standardizing guidelines for data reporting	Creating standardised requirements and guidelines to report financial data according to the best practices
	Assessing gaps in financial data	Assessing and resolving gaps in financial data
	Communicating with concerned entities to share related financial data	Coordinating with concerned entities to sign agreements to exchange financial data
	Training federal government employees through the certified financial managers programme	Capacity development of government employees in financial areas by establishing a training programme on general financial jobs and senior financial positions. Pre-work on the programme includes introducing the training methodology and materials, identifying the target audience and developing the required content, and building partnership with relevant entities.
	Attracting and training economists in the federal government	<ul style="list-style-type: none"> Evaluating current economic capacities in the Ministry resolving the gap by attracting new talents developing internal expertise ensuring that the economic capacities are efficient in the decision making process and key activities
Initiative No.5: Capacity building in the federal government for financial and economic areas	Creating a training programme to build financial and accounting capacities in federal entities	Providing training for federal entities on financial policies

Second strategic objective: Increasing efficiency in the implementation of the general federal budget, and cash management		
Initiative	Activity	Description
Initiative No. 1: developing innovative and effective mechanisms to monitor UAE's public expenditures	Enhancing and developing mechanisms to monitor the implementation of the budget	Updating mechanisms to monitor the implementation of the general federal budget by developing rules and reports on the financial performance, the federal government's consolidated accounts and the implementation of accrual basis of accounting
	Developing the federal government's e-financial system	Managing, developing and supporting the federal government's financial information system
	Enhancing the quality of data with regards to implementing and monitoring the budget	Understanding mechanisms related to extracting data when preparing for the budget
Initiative No.2: developing innovative and effective mechanisms to monitor the collection of UAE's revenues	Collecting and monitoring UAE's revenues	Monitoring federal government revenue
	Developing monitoring methods and collection systems for UAE's revenues	Reviewing and developing the current monitoring mechanisms and developing the federal revenue collection systems according to best practices
Initiative No.3: Managing financial performance and the federal government's cash flow	Managing government assets	<ul style="list-style-type: none"> Reviewing federal government's assets portfolio Performing an analysis on managing assets, such as real estate investments or capital Identifying a work plan to enhance the performance and submitting suggestions to the Prime Minister's Office Monitoring UAE's property affairs
	Managing cash flow	<ul style="list-style-type: none"> Effective cash planning requirements to ensure funding federal entities' budget developing monitoring regulations on activities and operations related to the federal government's cash management Managing the federal reserve as part of the budget Developing a government cash flow statement

Initiative No.4: developing a framework with the Prime Minister's Office on reports and performance evaluation of federal entities funded by UAE's general budget	Building internal capacities to review federal entities' operations	Developing capacities to analyse and review federal entities' operations
	Establishing a joint entity with the Prime Minister's office to review the performance of federal entities funded by UAE's general budget	Establishing a joint entity (committee – council – work team) with the Prime Minister's Office and members of federal entities to review the financial performance of each of the federal entities
	Updating a framework to implement this year's budget based on last year's performance	Establishing a framework to implement this year's budget based on last year's performance results and identifying the positive and negative impacts of the result
Third strategic objective: Supporting UAE's financial and economic interests at a global level		
Initiative	Activity	Description
Initiative No. 1: developing and strengthening relations with global financial organisations and institutions	Selecting UAE national to join global financial organisations and institutions	Appointing Emiratis and reviewing the best practices adopted by international financial organisations and institutions
	Taking advantage from the gained experiences in global organisations to serve UAE's economy	Providing technical support services for related entities by transferring knowledge and expertise and benefitting from funding services provided by these organisations
	Committing to international requirements with regards to transparency and exchange of information for tax purposes	Implementing of international standards and requirements with regards to transparency and exchange of information by coordinating with related entities
Initiative No. 2: developing and strengthening global financial relations	Signing avoidance of double taxation agreements	Signing agreements on the avoidance of double taxation on income, ratifying and evaluating them
	Signing promotion and protection of investments agreements	Signing agreements on the encouragement and protection of investment, ratifying and evaluating them
	Signing agreements on the exchange of information for tax purposes	Signing agreements on the exchange of information for tax purposes, ratifying and evaluating them

Initiative No. 3: Strengthening financial and economic integration with GCC countries	Addressing challenges of trade and the Gulf Common Market	Reducing and addressing the obstacles by coordinating with related entities and GCC countries as per the work mechanism adopted by Financial and Economic Cooperation Committee
	Strengthening the gulf economic integration to serve UAE's financial and economic interest	Strengthening the economic integration, activating opportunities provided by the Gulf Common Market, and monitoring the commitment of member countries in implementing the economic decisions issued by Supreme Council of the GCC

Fourth strategic objective: Strengthening UAE's competitiveness levels in financial and economic fields

Initiative	Activity	Description
Initiative No. 1: enhancing financial policy coordination in UAE	Unifying UAE's financial policies	Unifying financial policies, providing the Government Financial Policy Coordination Council the right with a wider role in various government financial policy fields
	Unifying financial data in UAE	Unifying financial data in UAE, strengthening the country's competitiveness level and attracting foreign investments.
Initiative No. 2: reviewing and updating financial rules and policies	Preparing and reviewing financial rules and policies of the federal government	Achieving financial legislations and policies to meet the federal government's requirements
	Preparing studies on the overall economy and updating UAE's financial policies	Implementing UAE's financial policies, and preparing studies on the overall economy.
	Studying the legal framework for innovation	Establishing the legal framework which aims to promote innovation
Initiative No. 3: protecting UAE's financial system	Creating Financial Stability Board (FSB)	Establishing a multilateral government entity or council to oversee the financial stability
	Identifying and monitoring financial stability risks and the appropriate regulatory framework	<ul style="list-style-type: none"> Identifying the sources of non- financial stability and establishing monitoring systems Evaluating gaps in the current systems to achieve financial stability
	Strengthening financial stability measures	Strengthening the multilateral financial stability systems

Fifth strategic objective: Ensuring the provision of all administrative services in accordance with the standards of quality and transparency		
Initiative	Activity	Concerned department
Initiative No. 1: managing financial resources efficiently and effectively	Preparing the budget and following up on its implementation	Administrative and Financial Affairs Department
	Managing payroll	
	Managing employee benefits and compensation	
Initiative No. 2: managing procurement as per international best practices	Internal auditing	Office of Internal Auditing
	Managing procurement	Administrative and Financial Affairs Department
Initiative No. 3: implementing best practices in human resources	Managing and following up on contracts	Human Resources Department
	HR planning, recruitment, selection and placement	
	Employees training and development programmes	
Initiative No. 4: implementing institutional excellence standards	Managing other HR services (performance, appraisal, compensation, benefits, personnel)	Institutional Development Department
	Managing customer relations	
Initiative No. 5: developing the strategic plan and evaluating performance	Preparing for the participation of the Sheikh Khalifa Government Excellence Programme	Institutional Development Department
	Quality management	
Initiative No. 6: securing internal and external communication	Identifying and evaluating key performance indicators	Government Communication Department
	Establishing the strategic and operational plan	
Initiative No. 7: providing the latest IT services	Planning and coordinating internal and external communication	IT Department
	Managing media activities	
Initiative No. 8: providing the best legal services	Developing electronic systems and apps	Legal Affairs Department
	Providing technical support to users (help line)	
	IT frastructure and information security	
	Preparing studies and legal consultations	
	Managing legal affairs	

Initiative No. 9: implementing best global practices in leadership	The offices of the Minister, the Undersecretary and the Assistant Undersecretaries	Office of the Minister, Undersecretary and Assistant Undersecretaries
	The Minister's advisor and the Undersecretary's advisor	
Initiative No. 10: providing common services for all organisational unites	Maintenance	Administrative and Financial Affairs Department
	Rent	
	Transportation	
	Consultation fees	
	Other recurrent expenses (outgoing and incoming, utilities, mobile phones, the internet, etc)	
	Other common services (office tools, stationary, etc)	
Sixth strategic objective: Strengthening the culture of innovation culture within the institutional environment		
Initiative	Activity	Concerned department
Initiative No. 1: innovation capacity building for employees	Holding innovation training programmes for employees	CEO of Innovation at MoF
	Enrolling employees in the Public Sector Innovation Diploma Programme	
	Implementing internal awareness campaigns to spread a culture of innovation culture among employees	
Initiative No. 2: adopting the latest innovation tools in the Ministry	Developing internal competitions to stimulate innovative minds	
	Creating innovation labs and holding brainstorming sessions to come up with innovative ideas	
Innovation No. 3: creating a supportive environment for innovation	Inviting innovative ideas and suggestions in the Ministry	
	Documenting the Ministry's leading innovations	
	Building partnerships in the innovation field with academic institutions, global organisations, research centres and the private sector	





Strategy Team

”

The five year strategy (2021-2017) prepared by the Ministry of Finance paves the way to improved financial planning and public finance in the UAE. The main objectives include developing mechanisms to implement the general budget according to international practices, and capacity building. Additionally, the Ministry is committed to supporting federal government innovation projects, as well as strengthening financial relations with countries and global organisation and institutions. The Ministry also works on strengthening the financial and economic integration with GCC countries, and focuses on its legislative role by drafting financial rules and legislations following the UAE’s requirements and according to the best practices. These steps taken will enhance the UAE’s position as a global leader. The Ministry has contributed in strengthening the UAE’s financial stability, building financial capacities, supporting the interests of the federal government, preparing studies on the overall economy, updating financial policies and creating synergy between the federal government and local governments in terms of financial policies.

”



Fourth Chapter:
Leadership and
Competitiveness





Testimonials from financial leaders



HE

Christine Lagarde

Managing Director of the International Monetary Fund



has been a great pleasure to visit the UAE and engage with its leaders and people. During my visit, I met His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai; His Highness Sheikh Mohamed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces; Mohammed Al Gergawi, Minister of Cabinet Affairs and the Future; HE Obaid Humaid Al Tayer, the Minister of State for Financial Affairs and a number of senior officials in the country. We had constructive discussions about the global economy, the outlook for the region, and the UAE economy.

During my meetings, I complimented the UAE authorities on their sound policies. Gradual fiscal consolidation and vigorous implementation of structural reforms, including those underlying Vision 2021, will help the economy adjust to the lower oil price environment, promote further economic diversification, and boost productivity. At the World Government Summit, I had the opportunity to engage with policymakers and private sector leaders on future global and regional developments. I shared the IMF's latest assessment of the global outlook and risks, and participated in stimulating discussions on challenges in economic diversification and the use of new financial technologies.

In my speech at the opening of the Arab Fiscal Forum jointly organized by the Arab Monetary Fund and the IMF, I stressed the importance of developing a medium-term strategy for generating higher and more predictable government revenues in Arab countries to finance spending that promotes growth, equity, and inclusiveness. I also had the pleasure of interacting with representatives of the private sector, women leaders, and young innovators operating from the UAEs. I was inspired by their innovativeness, dynamism, and determination to respond proactively and thoughtfully to challenges. The IMF enjoys a strong relationship with the UAE authorities. I reiterated the IMF's readiness to continue to help the authorities through a policy dialogue tailored to the needs and circumstances of the UAE economy.





HE

Darwish bin Ismail bin Ali Al Balushi

Minister Responsible for Financial Affairs – Oman

”

It is my pleasure to congratulate the Ministry of Finance on issuing its annual report, which reflects the Ministry’s achievements and its role in UAE’s economic and social development.

The Ministry of Finance is a pioneer in financial systems and in the application of electronic developments. The Ministry provided a number of positive initiatives to support and achieve economic integration for GCC countries; and its flexible position towards joint gulf economic and financial affairs aims to achieve common interests and objectives between GCC states. During the GCC Financial and Economic Cooperation Committee meetings, the Ministry’s initiatives are clearly seen, due to their role in achieving significant partnerships and cooperation agreements in the financial and economic fields.

The Ministry has adopted a sound methodology in the financial policy field which led to coping with recent declines in oil prices, and notable efforts to diversify the economy and sources of revenue, rationalise expenditures, increase productivity, and strengthen the competitiveness capabilities and the management of the public finance.

There is a continuous cooperation between the Ministries of Finance in UAE and Oman in multiple fields, which is represented through the UAE-Oman Higher Joint Committee. The Committee reflects the strong relationship between both countries and their commitment towards cooperation to achieve joint interests for both parties. We hope this strong partnership prospers under the wise leadership of President His Highness Sheikh Khalifa bin Zayed Al Nahyan and Sultan Qaboos bin Said, Ruler of Oman.

”



HE

Waleed Al Sayegh

Director General of the Central Finance Department of Sharjah

A Year Of Achievements

The UAE's Ministry of Finance represents the government in managing and developing efficient resources based on effective financial policies and in accordance with best international practices. This aims to protect the UAE's financial system and ensure its ability to meet the requirements of various government entities within a competitive environment.

Through continuous and effective cooperation with local financial departments, the Ministry of Finance achieved multiple accomplishments in line with the current developments and future changes, where the UAE seeks to become one of the world's leading nations by 2021.

The Central Finance Department in Sharjah was committed to enhancing its partnership with the Ministry of Finance to achieve its objectives and the wise vision of our leaders, under the directives of His Highness Dr. Sheikh Sultan bin Mohammed Al Qasimi, Supreme Council Member and Ruler of Sharjah. It also aims to develop a financial system based on innovation to enhance financial sustainability and achieve economic growth.

We are proud to be a part of the Ministry's achievements in 2016, particularly in building the UAE's financial legislative structure, strengthening financial policies, encouraging and spreading awareness on innovation to achieve financial sustainability and developing cooperative relations with various countries.

The Ministry signed multiple agreements on the avoidance of double taxation and to promote and protect investments, it also issued the Bankruptcy Law which protects the rights of all parties, declared the Value Added Tax, established the Federal Tax Authority, and implemented the automatic exchange of information for tax purposes. The Ministry of Finance also implemented workshops which aimed to increase the efficiency of financial services technology and launched the Innovation Lab to promote creative products. It also commenced the implementation of the 'Sheikh Mohammed bin Rashid Fund to Finance Innovation' and launched its e-platform to receive funding requests. These successful accomplishments will strongly drive and empower an overall culture of innovation in the workplace.

The achievements of the Ministry during 2016 will strengthen economic growth, develop the efficiency of government expenditure, enhance the financial performance and empower the financial system to achieve sustainability and stability for the federal government, and increases the efficiency of UAE's general budget to ensure that it remains a leader in the financial field.

Awards And Certificates

In line with its efforts to highlight its significant role at a local, regional and global levels, the Ministry of Finance participated in a number of awards related to its field, with an aim to improve the organisation development. MoF compared its performance with distinguished local, regional and international entities, and achieved the objectives outlined in its plan on award participation by a 100% in 2014-2016. The Ministry added a series of awards and achievements in 2016; including two awards from the Mohammed Bin Rashid Government Excellence Award:

1. HE Younis Haji Al Khouri, Undersecretary of the Ministry of Finance was awarded the Mohammed Bin Rashid Government Excellence Award in the category of “Best Undersecretary”



HE
Younis Haji Al Khouri
Undersecretary of the Ministry of Finance

Receiving this award from His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE, Ruler of Dubai, was a great honor which shows that success is never a personal effort, but comes as a reward for each and every team member involved in team work. Over the past years, the Ministry of Finance employees has made great efforts to achieve tangible results in the development of financial policies, preparation and issuance of the UAE's General Budget, following up on the implementation of Financial Operations and innovations in the design, development and implementation of the e-financial systems. Furthermore, we excelled in developing and diversifying sources of revenues and expanding the network of financial relationships of the Ministry of Finance at the regional and international levels. This was possible through encouraging investments, and establishing partnerships to protect investments and prevent double taxation.

This enabled the Ministry to achieve the first place globally in efficient management of public funds in accordance to the Global Competitiveness Report.

Our excellence at the Ministry of Finance is a reflection of the excellence of our leadership and the continuous support they provide us. We have always received support and guidance from HH Sheikh Hamdam bin Rashid Al Maktoum, Deputy Ruler of Dubai and UAE Minister of Finance. His Highness's wise leadership has motivated me and all the Ministry's employees to actively contribute to the government's direction and vision. I also had the privilege of working alongside the team of HE Obaid Humaid Al Tayer, Minister of State for Financial Affairs, which gave me the opportunity to work, innovate and excel in government financial work. I have worked with the Ministry of Finance's team to lay advanced accounting foundations including the transformation the federal government accounting system from a cash basis to accrual basis; which is considered the best globally, establishing a regional system for clearing and settling inter-Arab payments, and establishing a preparatory committee consisting of undersecretaries to prepare for the Arab Ministers of Finance Meetings in 2015. The Ministry of Finance has made significant efforts to establish local and regional financial institutions that play an important role in supporting sustainable economic development including the Emirates Development Bank, Al Etihad Credit Bureau, Union Bank for Export Services and the World Bank Group Bureau in Abu Dhabi.

In my current position, I have participated in the preparation and development of laws, legislations and financial policies related to financial sector, tax sector, and finance and banking sectors in the UAE. I have also participated in preparing and developing financial policies, regulations and procedures at the federal government level, as well as supervising the introducing and updating of federal government service fees, fines and its resulting services, and studying the imposition of fees on monetary transfers outside the UAE, which enhances the sustainability of governmental revenues.

These achievements have played a vital role in receiving many awards of excellence and letters of appreciation such as the letter from HH Sheikh Abdullah bin Zayed Al Nahyan, Minister of Foreign Affairs and International Cooperation, a letter from the OPEC Fund for International Development (OFID), Mohammed bin Rashid Government Excellence Award in 2014 in the categories of "Distinguished Federal Entity with less than 900 Employees", "Distinguished Federal Entity in the field of

Institutional Leadership", "Distinguished Joint Team Award", "Gold Category for Government Excellence, from Sheikh Khalifa Government Excellence Program", "The Best Prepayment system for E-Dirham, from Cards & Payments Middle East", "Eagle Awards for Outstanding Arab Government Leaders" and other prestigious awards that have served as proof to the Ministry's leading achievements in the development of financial legislations. The Ministry of Finance also played an important role in my participation in many tasks that do not fall within the scope of my duties in the Ministry such as providing technical support and advice in various financial and economic matters at the local and global levels. I also participated in the World Economic Outlook (WEO) that was held in Italy for economists, developing and adopting the policies of licensing and regulations of exchange companies, preparing the liquidity system and developing all administrative regulations. Additionally, I participated in developing new electronic systems for the General Pension and Social Security Authority such as the subsidy system, benefits system, financial systems, investment systems, identification of pre-retirement benefits system, issuing of executive regulations and all other regulations, defining authorities and developing the guidelines of investment of the Authority.

We would have never succeeded in all of these accomplishments without the support of the Ministry. Success is never a personal effort; it is the result of a group effort by all parties to achieve the Ministry's strategic objectives. We renew our commitment in the Ministry to continue excelling and working towards meeting the objectives of the national agenda and government's directives and measures. These objectives are the duties of every individual living on this good land, which has always believed and invested in the human factor as a main pillar for the national structure and a cornerstone for leading the march of progress and strengthening the UAE's leadership and competitiveness.



2. MoF won the Mohammed Bin Rashid Government Excellence Award in the category of “Best Entity in the Field of Innovation”



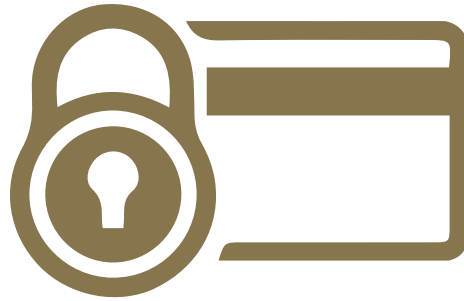
3. MoF won the Ideas Arabia Award in the category of “Idea of The Year” 2016, which was held by Ideas Arabia Sub-group of Dubai Quality Group



4. MoF received certification for the PASS 99:2012 Integrated Management Consultancy for the Ministry’s IT system, including the ISO 20000, ISO 27001 and ISO 22301



5. MoF received the Certification of Compliance in Payment Card Industry Data Security Standard (PCI DSS). This certification conferred by Trustwave Holdings, is particularly for the system's 11 components and for the security compliance of its Triple Data Encryption Standard (3DES); which are in accordance with the international standards.



6. MoF received the special Merit Award for Government to Business and Customer (G2BC), for the e-Dirham system. This award is dedicated to the outstanding achievements of entities and units in the payment industry



7. His Highness Sheikh Hamdan Bin Rashid Al Maktoum, Deputy Ruler of Dubai and the Minister of Finance of the UAE, honors the Ministry's innovation pioneers during the UAE Innovation Week.



Competitive Indicators

- ❖ Achievements of the UAE and the Ministry of Finance in Competitiveness Indicators.
- ❖ MoF developed policies and legislations to enhance the economic work environment and legal and institutional frameworks, for a faster integration of the country's economy into the global economy.
- ❖ MoF led initiatives that paved the way to the UAE's high ranks in global competitiveness reports.
- ❖ MoF ranked first among other countries across the globe in establishing a tax-free work environment with no mandatory payments.
- ❖ MoF developed tax policies and achieved the overall economic goals and financial sustainability through diversifying government revenues.
- ❖ MoF scored above its target in Strength of legal rights index according to the World Bank report (measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitates lending).
- ❖ According to the World Competitiveness Yearbook 2016, published by the World Competitiveness Center of the Swiss-based International Institute for Management Development (IMD), The UAE ranked:
 - ❖ 3rd place in the 'Entrepreneurship' Index.
 - ❖ 15th place as the world's top 20 competitive economies, leading on advanced economies such as the United Kingdom, Australia and New Zealand.
 - ❖ 1st place in the Arab world and 41st globally in the 'Innovation' Index.

- ❖ 7th place globally in the 'Government Efficiency' Index, and the UAE achieved the following ranks in its sub-indicators:
 - ❖ 8th place 'Public Financing' index.
 - ❖ 3rd place in the 'Financial Policy' index.
 - ❖ 8th place in the 'Institutional Framework' Index.
 - ❖ 11th place in the 'Business Legislation' Index.
 - ❖ 38th place in the 'Corporate Responsibility' Index.
- ❖ 11th place globally in the field of business efficiency, and the UAE achieved the following ranks in its sub-indicators:
 - ❖ 8th place in the 'Productivity and Efficiency' index.
 - ❖ 10th place in the 'Labour Market' index.
 - ❖ 22nd place in the 'Financing' index.
 - ❖ 8th place in the 'Management Practices' index.
 - ❖ 3rd place in the 'Values and Behaviours' index.
- ❖ 12th place globally in the 'Economic Performance' Index, and achieved the following results in its sub-indicators:
 - ❖ 7th place in the 'Local Economy' index.
 - ❖ 28th place in the 'International Trade' index.
 - ❖ 18th place in the 'International Investment' index.
 - ❖ 8th place in the 'Labour and Employment' index.
 - ❖ 33rd place in the 'Price' Index.

- ❖ 38th place globally in the 'Global Infrastructure' index and achieved the following results in its sub-indicators:
 - ❖ 13th place in the 'Infrastructure' index.
 - ❖ 30th place in the 'Technical Infrastructure' index.
 - ❖ 42nd place in the 'Scientific Infrastructure' index.
 - ❖ 37th place in the 'Environmental Performance' index.
 - ❖ 41st place in the 'Education' index.
- ❖ The UAE's strength points according to the report, include:
 - ❖ Personal income taxes.
 - ❖ Fuel prices.
 - ❖ Foreign labour.
 - ❖ Gross Domestic Product (PPP) per Capita.
 - ❖ Trade services.
 - ❖ Employment ratio.
 - ❖ Labour force ratio.
 - ❖ Local energy production ratio.
 - ❖ Efficiency of government decisions .
- ❖ The UAE ranked 16th globally and 1st in the Arab world in the World Competitiveness Yearbook 2016-2017 with 5.26 points, and tops many developed countries such as Belgium, Luxembourg, France and Australia:
 - ❖ 2nd place in the 'Quality of Air Transport Infrastructure' index.
 - ❖ 3rd place in the 'Quality of Ports Infrastructure' index.
 - ❖ 4th place globally in the 'Infrastructure' index.

- ❖ 7th place in the 'Reliability of Police Services' index.
- ❖ The UAE ranked among the top 20 globally in 6 out of 12 indicators:
 - ❖ 3rd place globally in the 'Market Efficiency' index.
 - ❖ 4th place globally in the 'Infrastructure' index.
 - ❖ 7th place globally in the 'Institutional' index.
 - ❖ 13th place globally in the 'Business Development' index.
 - ❖ 18th place globally in the 'Technology Readiness' index.
 - ❖ 25th place globally in the 'Innovation' index.
 - ❖ 27th place globally in the 'Market Size' index.
 - ❖ 28th place globally in the 'Financial Market Development' index.
 - ❖ 38th place globally in the 'Macroeconomic' index.
 - ❖ 34th place globally in the 'Higher Education and Training' index.
 - ❖ 40th place globally in the 'Health and Education' index.
- ❖ UAE ranked among the top 10 countries globally in 50 sub-indicators, out of 116 axis:
 - ❖ 1st place globally 'Government Procurement of Advanced Technology Products'.
 - ❖ 2nd place globally in 'Tax Impact on Attracting Investments' index.
 - ❖ 2nd place globally in the 'Status of Investments Zones' index.
 - ❖ 3rd place globally in the 'Foreign Direct Investment (FDI) on Technology Transfer' index.
 - ❖ 4th place globally in the 'Burden of Customs Procedures' index .
 - ❖ 4th place globally in 'Evolution of Marketing Tools and Methods' index.
 - ❖ 5th place globally in the 'Wage-Productivity' index.

- ❖ 5th place globally in the 'Availability of Scientists and Engineers' index.
- ❖ 6th place globally in the 'Recruitment and Termination Procedures' index.
- ❖ 7th place globally in the 'Labour Services' Index (End-of-Service Remuneration and Notice and Final Pay).
- ❖ 7th place globally in the 'Procurement Criteria' index.
- ❖ 7th place globally in the 'Customer Care' index.
- ❖ 7th place globally 'Corporate Technology Assimilation' index.
- ❖ 10th place globally in the 'Employee-Employer Relationship' index.
- ❖ 10th place globally in the 'Foreign Ownership of Companies' index.
- ❖ 10th place globally in the 'Local Supplier Availability' index.
- ❖ The UAE achieved the 7th place globally in the 'Institutional' index, and the following ranks in some of its sub-indicators:
 - ❖ 2nd place globally in 'Political Confidence' index.
 - ❖ 5th place globally in 'Diversification of Financial Resources' index.
 - ❖ 6th place globally 'Ethical Business Practices' index.
 - ❖ 7th place globally in the 'Institutional' index.
 - ❖ 10th place globally in the 'Legal Dispute Resolution' index.
- ❖ The UAE ranked 4th globally in the Infrastructure Index and the following ranks in some of its sub-indicators:
 - ❖ 1st place globally in the 'Quality of Roads' index.
 - ❖ 10th place globally in the 'Quality of Power Supply' index.
- ❖ The UAE ranked 3rd globally in the 'Commodity and Market Efficiency' Index and the following ranks in some of its sub-indicators:

- ❖ 1st place globally in the 'Impact of Tax on Attracting Investments' Index.
- ❖ 3rd place globally in the 'Trade Barriers' index.
- ❖ 4th place globally in the 'Impact of Agricultural Policy' index.
- ❖ 8th place globally in the 'Tax Rate' index.
- ❖ 9th place globally in the "Intensity of Local Competition" index.
- ❖ 10th place globally in the 'Extent of Market Dominance' index.
- ❖ The UAE ranked 11th globally in the Labour Market Efficiency Index and the following ranks in some of its sub-indicators:
 - ❖ 2nd place globally in the 'Impact of Tax on Investments' index.
 - ❖ 2nd place globally in 'Attracting Professional Talents' index.
 - ❖ 3rd place globally in 'Maintaining Professional Talents'.
 - ❖ 3rd place globally in 'Flexibility of Wage Determination' index.
 - ❖ 5th place globally in 'Association between Wages and Productivity' index.
 - ❖ 10th place globally in the 'Employer/ Employee Relationship' index.
- ❖ The UAE ranked 28th globally in the 'Financial Market Development' Index and the following ranks in the sub-indicators:
 - ❖ 7th place globally in the 'Venture Capital' index.
 - ❖ 13th place globally in the 'Availability of Financial Products and Services' index.
 - ❖ 15th place globally in the 'Securities Trading Act' index.
 - ❖ 16th place globally in the 'Ease of Access to Loans' index.
 - ❖ 17th place globally in the 'Financial Soundness' index.
- ❖ The UAE ranked 25th globally in the Innovation Index and the following ranks in the sub-indicators:

- ❖ 15th place globally in the 'Capability to Innovate' index.
- ❖ 25th place globally in the 'Cooperative Research between Industries and Universities' index.

- ❖ 27th place globally in the 'Quality of Scientific Research Institutions' index.





Chapter Five: Social Responsibilities

Community Contributions

MoF launched an Environmental Awareness Campaign in Rudaim Beach



MoF organised a visit to the Abu Dhabi International Book Fair to support orphans, in collaboration with the Emirates Red Crescent



MoF delegation, headed by Younis Haji Al Khoori visited Al Basma British School



MoF organised a donation campaign to support Emirates Red Crescent



MoF launched “Iftar Saem” initiative which benefited over 400 people



MoF held an exhibition on defective and punitive products in collaboration with the General Department of Punitive and Correctional Establishments- Dubai Police



Events

MoF organised a workshop to discuss the mechanisms to improve the UAE’s competitiveness levels within various global competitiveness reports



HH Sheikh Hamdan bin Rashid Al Maktoum, Deputy Ruler of Dubai and UAE Minister of Finance, launched the initiative “MoF... Happiest Ministry”



MoF held a workshop on financial rules



MoF organised a workshop on the launch of the pilot phase of “HH Sheikh Mohammed Bin Rashid Al Maktoum Fun to Finance Innovation”



MoF organised a workshop on the definition and measurements of happiness, in collaboration with the UN office



MoF organised “Woman and Innovation” Forum, on the occasion of Emirati



HH Sheikh Hamdan Bin Rashid Al Maktoum inaugurated the Innovation Lab and attended the first brainstorming session



MoF participated in the Nation's Martyrs tribute



MoF participated in the nationwide campaign "Flag Day" by hoisting the UAE flag in both its premises in Abu Dhabi and Dubai



HH Sheikh Hamdan bin Rashid Al Maktoum, Deputy Ruler of Dubai and UAE Minister of Finance, met with the Youth Council of the Ministry of Finance



MoF celebrated the 45th National Day of the UAE



MoF organised an introductory meeting on Gulf Economic Integration at the Ministry of Presidential Affairs in Abu Dhabi



MoF organised workshop on happiness and positivity in its premises in Abu Dhabi and Dubai



MoF organised the annual meeting of Undersecretaries of Arab Ministries of Finance in Abu Dhabi, in collaboration with the AMF



Ministry of Finance hosts 2016 Annual Forum to honour strategic partners and distinguished employees



MoF held its Ramadan Forum for the Ministry's staff at the Intercontinental Hotel, Abu Dhabi



MoF hosted the International Monetary Fund (IMF) Mission on Article IV Consultations for the assessment of the economic and financial performance of member states



MoF organised a seminar on Fintech services in collaboration with the IMF



MoF organised, for the fifth consecutive year, the UAE Banks reception, alongside the 34th annual meetings of the International Monetary Funds (IMF) and the World Bank Group (WBG) in Washington DC; In collaboration with the UAE Central Bank, Dubai International Financial Center (DIFC) and Abu Dhabi Global Markets (ADGM)



MoF organised two workshops under the theme “Voice of the Customer”, during its participation in GITEX Technology Week 2016



HH Mohammed bin Rashid Al Maktoum attended MoF’s Innovation Festival and inaugurated the e-platform of the Innovation Fund Intercontinental Hotel, Abu Dhabi



MoF organised a workshop titled “Practical Application of Recent Tax Treaty Developments”, in collaboration with the Organisation for Economic Cooperation and Development (OECD)



The Ministry Of Finance's Participation In External Activities

On the occasion of Christine Lagarde, Managing Director of the International Monetary Fund first visit to the UAE, MoF organised a press conference in the presence of HE Obaid Humaid Al Tayer, Minister of State for Financial Affairs



MoF headed the second meeting of the UAE Luxembourg Council for Islamic Finance Cooperation



HE Obaid Humaid Al Tayer, Minister of State Financial Affairs headed the UAE delegation participating in the Spring Meeting for the International Monetary Fund (IMF) and World Bank Group (WBG). HE Al Tayer also headed the Arab Group at the International Monetary and Financial Committee (IMFC)



The Ministry of Finance participated in the Joint Annual Meeting of Arab Financial Institutions and Seventh Meeting of the Council of Arab Ministries of Finance in Bahrain



MoF participated in the G20 seminar on International Financial Architecture which was held in Paris



MoF participated in the 41st Annual Meeting of the Islamic Development Bank (IDB) Group Board and meetings with affiliated institutions in Jakarta Indonesia



MoF participated in the 102nd meeting of the GCC Financial and Economic Cooperation Committee at the General Secretariat in Riyadh



MoF participated in the 37th ministerial meeting of the OPEC Fund for International Development (OFID) at the level of the Ministry of Finance in the member states of the Fund, in Vienna Austria

MoF participated in GITEX Technology Week 2016



MoF participated in the annual meetings of the International Monetary Fund (IMF) and the World Bank Group (WBG) in Washington DC



HE Obaid Humaid Al Tayer, Minister of State for Financial Affairs, headed the Arab Group at the International Monetary and Financial Committee (IMFC); which was held alongside the 34th Annual Meeting of the International Monetary Fund (IMF) and the World Bank Group (WBG) in Washington DC





Government Communication Department

”

The Ministry of Finance is leading a number of initiatives on various levels including legislative structures, financial policies, sustainability of resources and service development. The Government Communications Department communicates its efforts with stakeholders and the public through various channels of direct and indirect communication. This allows them to discuss their insights and opinions; engage them in services that are directed towards them; and develop solutions in collaboration with the Ministry's staff to meet expectations and improve satisfaction levels. The Government Communication Department team also plays a pivotal role in organising all of the Ministry's internal and external community activities. The team develops and implements the Ministry's media plans to ensure they are implemented in an appropriate manner that aligns with their strategic objectives.

”