



UNITED ARAB EMIRATES
MINISTRY OF FINANCE



عام زايد
YEAR OF ZAYED




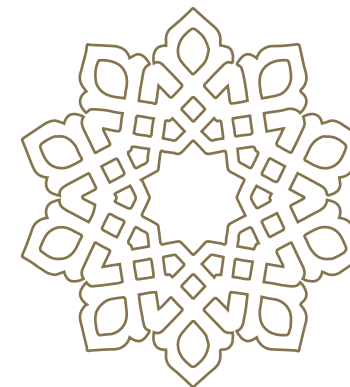
LEGISLATIVE SYSTEM FOR A SUSTAINABLE FUTURE

2018







Annual Report

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LEGISLATIVE SYSTEM FOR A SUSTAINABLE FUTURE



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	UAE Ministry of Finance		MOFUAE
	MOFUAE		MOFUAE



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

“There is no stability or investment without the rule of law and the commitment to enforce its procedures to ensure justice. We are proud of our judicial system, which protects the rights and freedoms of all. We are also proud of the continuous efforts being exerted to enhance the efficiency of our judicial system to make it more flexible and agile to the current global developments, so as to facilitate litigation proceedings and enhance the successes achieved by our state as a haven for business, tourism and investment.”



HH Sheikh

Mohammed bin Rashid Al Maktoum

UAE Vice President and Prime Minister and Ruler of Dubai

“Some officials are keen to emulate best practices when drafting laws. We tell them to look at what makes life easier. There is a difference between the two.”



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Deputy Ruler of Dubai and UAE Minister of Finance



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HH Sheikh

Hamdan bin Rashid Al Maktoum

Deputy Ruler of Dubai and UAE Minister of Finance



The UAE has made considerable progress in its journey towards the goal of sustainable economic growth, towards enhancing its allure as a global business destination, and towards implementing prudent fiscal and monetary policies. This has been made possible by the wise policies of His Highness Sheikh Khalifa bin Zayed Al Nahyan, the President of the UAE. Under His Highness's guidance, UAE 2021 Vision has set a goal of creating a competitive knowledge and innovation-based economy that will create rich employment opportunities for UAE nationals.

The UAE's judicious leadership is also keen to continue improving the country's legislative framework to ensure ongoing compliance with international best practices because a sound legal and institutional framework promotes economic development and financial stability.

In the past year we have undertaken several initiatives that have contributed to the UAE's march towards achieving sustainable growth. As part of these efforts, the Ministry of Finance has worked with all its partners to implement new laws and regulations that will strengthen fiscal and monetary policy legislation. At the forefront of these laws is the Federal Law on Public Debt, through which public debt can be traded in UAE financial markets, as well as the issuance of long-term bonds that can serve as alternative sources of funding for public projects.

The passing of a separate federal decree that raises the capital of the Central Bank of the UAE to AED 20 billion was also an important step. This decree also allows for the creation of a general reserve of up to four times the Central Bank's paid-up capital. In all, the decree aims to maintain the stability of our national currency in a way that will ensure that our economy grows in a balanced manner.

Our country today continues its pioneering journey towards the future while ensuring that we are prepared for it, with economic and social development plans and by boosting the profile of the UAE in international forums.

For its part, the Ministry of Finance is committed to continuing to work on developing and implementing prudent fiscal and monetary policies to manage the country's finances in accordance with international best practices. It is also working tirelessly to achieve financial and economic sustainability of our beloved nation and ensuring the prosperity of our people.



HE

Obaid Humaid Al Tayer

Minister of State for Financial Affairs



The ability of the UAE to surpass the limits of what is possible makes us proud. Our pace of growth, progress and achievement is matched only by our boundless ambition and our pursuit of excellence. Drawing inspiration from the experiences and successes of other nations, we are always proactive when it comes to launching government projects, initiatives and programmes that strengthen the status of the UAE as a global hub for incubating innovation. The fact that the UAE won first place in 11 indicators of global competitiveness in six reports in 2017 and 2018 is testament to our commitment to being as competitive as possible.

This was achieved as part of the one-year 2017 Challenge Project undertaken by the Government of the UAE. It is also part of the Ministry of Finance's initiatives to enhance the competitiveness of the UAE in various international forums.

The UAE has made great strides in its economic, financial, monetary, cultural and social policies. It has also made notable advances in building a legal framework that complies with international standards to support the government and the private sector. The federal decree on government real estate is among the most prominent pieces of evidence which demonstrate the progress of the state's legal framework in that it makes clear provisions regulating the property of the federal government and rights to it.

The Ministry of Finance has also paid considerable attention to the issue of gender equality, and we have undertaken several initiatives to bring about equality and reduce gender gap in government financial positions. Women are given important and vital positions in the Ministry of Finance, including the first female director of financial and administrative affairs, the first assistant undersecretary for financial affairs, as well as in the management and implementation of the federal budget, and the state treasury department. Perhaps the biggest proof of the ministry's commitment to gender equality is that 53.4%, or 138, of the ministry's 258 employees are women.

All of these pioneering achievements have been guided by the wise leadership of our nation, which continues to promote and guide efforts towards human development and to secure the future of our beloved country as well as increasing partnerships between all government entities. All of this comes within the framework of achieving the objectives of UAE Vision 2021 that are aimed at achieving sustainable economic and social development and advancing the prosperity of the UAE.

The Ministry of Finance reaffirms its commitment to support the efforts of our wise leadership in achieving sustainable economic and social growth and development strategies for the prosperity of our citizens and residents. We will continue to exert our efforts to advance development to propel our country to the forefront of nations.

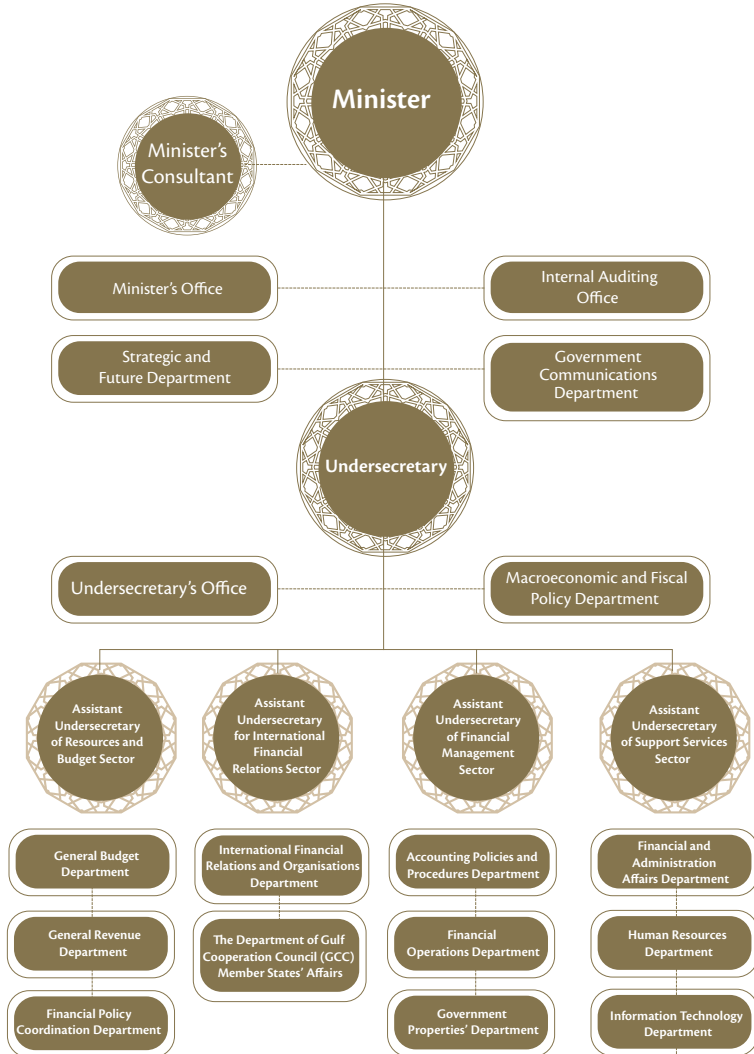


About the Ministry of Finance



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:



The Ministry of Finance's Role Centres Around 5 Main Axes:

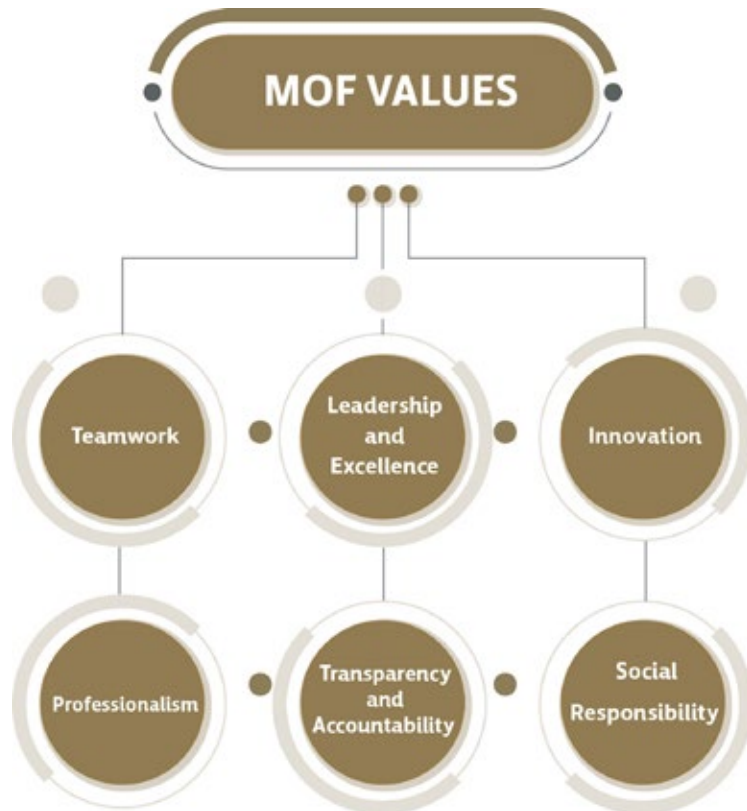


Vision

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.











Leadership councils and committees

Based on its institutional values, the ministry relies on a number of leadership councils and committees that work in an integrated manner to achieve the ministry's responsibilities. The most prominent councils and committees are as follows:

Financial and Economic Committee:

is responsible for studying and coordinating issues related to the general budget of the federal government, strengthening government financial performance and economic relations with various countries, economic blocs, regional and international bodies, organisations and funds. Some of the committee's most prominent achievements for 2018 include:

-  Approving the draft budget for the fiscal year 2019 with revenues and expenses estimated at AED 60.3 billion and raise it to the UAE Cabinet.
-  Approving the additional financial allocations of federal entities for the fiscal year 2018 with a total value of AED 369.3 million.
-  Approving to raise the budget ceiling of some federal entities for the fiscal year 2019 with a total value of AED 1,626.9 million.
-  Approving financial allocations for the completion of government of the future.
-  Counsel on government revenues shared with local governments.
-  Counsel on the development of the federal government budget.
-  Counsel on facilitating and expediting the payment of financial dues required by the federal government to state-owned companies.
-  Counsel on federal government cash flows required for fiscal year 2019.

Government Financial Policy Coordination Council:

The council supervises the preparation of government financial data and reports on the national level, develops government financial policies. Some of the committee's most prominent achievements for 2018 include:

Preparing a manual for the health sector in cooperation with World Bank Group.

- ❁ Preparing the quarterly consolidated financial reports and Annual Report of the nation for the financial statements of 2017.
- ❁ Preparing the financial report for the first, second and third quarter of 2018.
- ❁ Participating in the UAE government's annual meetings.
- ❁ Implementing IMF's Enhanced General Data Dissemination System (e-GDDS) in cooperation with the Federal Competitiveness and Statistics Authority, thus becoming the first Gulf state to launch the system.
- ❁ Organising financial coordination workshop on a national level.
- ❁ Preparing national financial developments report in cooperation with the World Bank Group.
- ❁ Participating in the fifth meeting of the Arab Statistics Initiative (Arabstat).
- ❁ Organising the workshop on preparing the hospital budget.



Financial Restructuring Committee:

The committee supervises the financial restructuring procedures of financial institutions, appointing experts in financial restructuring, establishing an electronic record of individuals with a bankruptcy ruling, by either imposing restrictions as ordered by the court, or the loss of eligibility under the provisions of the law. Forming this committee will raise the UAE's competitiveness in international reports, such as in the World Bank Group's Doing Business report, given that providing a mechanism for settling off-court debt and traditional bankruptcy procedures have become an international requirement that must be provided for in modern bankruptcy laws. The committee's most notable achievements in 2018 are:

- ❁ Issuing Ministerial Resolution No. 94 of 2018 on appointing the Secretary of the Financial Restructuring Committee.
- ❁ Forming the sub-committees, namely the Technical and Legal Committee.
- ❁ Adopting the Committee and affiliated committees' charters.
- ❁ Adopting the Committee's Procedures Manual.
- ❁ Opening the Committee's bank accounts.
- ❁ Issuing Cabinet Decision No. 29-1 and 2019 on determining financial regulators on financial restructuring.
- ❁ Conducting workshops to explain the bankruptcy law to judiciary members.
- ❁ Begin the process of launching the website, mobile application and corporate identity.



First Chapter: Significant Achievements for A World-Leading Ministry



Achievements of The Strategic Objectives

1

First strategic objective achievement:
Strengthening federal government financial
planning and public finance sustainability



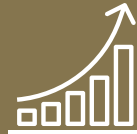
17 ACTIVITIES



38 INDICATORS



7 STRATEGIC
INDICATORS



31 OPERATING
INDICATORS

No.	Activity	Department	Achievement Rate
1	Qualifying federal government employees through CFO Programme.	Accounting Policies and Procedures	99.0%
2	Establishing training programme for capacity building in accounting and financial areas.		
3	Preparing the federal budget and developing mechanisms as per public expenditure forecasts.	Public Budget	
4	Taking into consideration public's opinion in planning the general budget.		
5	Establishing federal reserve.		
6	Analysing and evaluating opportunities to reduce expenditure and estimate objectives of reserves, revenues and government spending.		
7	Preparing public revenue forecasts and developing mechanisms.		
8	Developing and diversifying sources of public revenue.	Public Revenues	
9	Identifying unified requirements and guidelines to report data.	Coordination of Financial Policies	
10	Data gap analysis, procedures and reporting tools.		
11	Communicate with relevant UAE authorities to share relevant data.		
12	Assess financial scenarios and identify financial sustainability gaps.	Macroeconomics and Financial Policies	
13	Financial risk management and control.		
14	Public debt management.		
15	Innovation fund.	CEO of Innovation	
16	Masar programme.		
17	Managing budget for innovation.		

2

Second strategic objective achievement: Increasing efficiency in the implementation of the general federal budget, and cash management of the federal government



No.	Activity	Department	Achievement Rate
1	Enhancing and developing mechanisms to monitor the implementation of the budget.	Financial Operations	96.1%
2	Developing the federal government's electronic financial systems.		
3	Improving the quality of data related to budget implementation and monitoring.		
4	Managing government assets.	Government Properties	
5	Managing cash flow.	Financial Operations	
6	Building internal capacities to review federal entities' operations.		
7	Establishing joint entity with the Prime Minister's Office to review the performance of federal entities funded by UAE's general budget.		
8	Developing a framework that reflects the implementation of previous year's budget performance results on subsequent budgets.		
9	Developing monitoring methods and collection systems for UAE's revenues.	General Revenue	
10	Collecting and monitoring UAE's revenues.		

3

Third strategic objective achievement:
Supporting UAE's financial and economic
interests at a global level



No.	Activity	Department	Achievement Rate
1	Appointing UAE nationals to join global financial organisations and institutions.	International Financial relations and organisations	96.8%
2	Manifestation of experience gained from global organisations to serve UAE's economy.		
3	Committing to international requirements with regards to transparency and exchange of information for tax purposes.		
4	Signing agreements on the avoidance of double taxation.		
5	Signing agreements on the protection and encouragement of investments.		
6	Signing agreements on the exchange of information for tax purposes.		
7	Managing government investments.		
8	Activating the role of the UAE in the Gulf financial and economic committees.	Gulf Cooperation Council for the Arab Gulf States	
9	Strengthening the gulf economic integration to serve UAE's financial and economic interests.		

4

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



No.	Activity	Department	Achievement Rate
1	Unifying UAE's financial data/ statements.	Department of Coordination of Fiscal Policies	97%
2	Unifying UAE's financial policies.		
3	Streamlining unified payment system.	General Revenue Department	
4	Preparing and reviewing financial rules and policies of the federal government.	Policies and Accounting Standards Department	
5	Preparing macroeconomic studies and updating UAE's financial policies.	Macroeconomic and Fiscal Policy	
6	Preparing studies on the establishment of a general framework for financial stability in the UAE.		
7	Studying the legal framework for innovation.		



Second Chapter: Legal Structure for financial sustainability





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Younis Haji Al Khouri

Undersecretary of the Ministry of Finance



Under prudent leadership, the United Arab Emirates has paid great attention to the development of the legislative structure of the state. This has been done to guarantee rights and boost investor confidence that support financial stability and enhance the UAE's competitiveness in international forums and ensure its place as one of the most important financial and business centres in the world.

Last year witnessed significant legislative achievements, including a federal decree on public debt. The decree allows the federal government to issue sovereign bonds, and support the Central Bank's role in liquidity management. A separate Central Bank federal law boosts the regulation of financial facilities and activities, which enhances the performance of monetary policies and stability of finances in the state. This will put in place stronger oversight of credit to ensure balanced growth of our nation's economy.

All these decrees are part of the state's strategy to safeguard the financial system and put in place the most efficient regulations, which will enhance competitiveness and support the growth of the national economy.

Because of its pivotal role in enhancing performance and ensuring competition with private sector companies, the Ministry of Finance is committed to working towards putting in place good governance in all procedures and practices. Strengthening good governance practices is essential in enhancing the ministry's ability to mitigate risks and manage them rationally, as well as our commitment to ensuring the quality of the service delivery process.

The Ministry of Finance places great importance on the development of a positive and happy environment, in line with the initiatives of the National Programme for Positivity and Happiness. We do this by establishing a culture of happiness and positivity among our employees, which in turn helps us provide the best innovative services to our customers.

Regulatory Laws and Regulations in 2018



Federal Decree Law No. 8 of 2018 on Financial Leasing

The financial leasing law was issued to establish the necessary legislative and legal frameworks that enable the owner of the rented property to lease it for a specified period under an independent contract. The tenant is given the right to choose the property at the end of the lease period without having to resort to bank financing to directly purchase the property. This will contribute to diversifying the opportunities available for industrial and commercial projects to obtain the equipment and production tools that will enable them to start and develop their activities.

Financial leasing is considered as one of the fundamental tools for financing projects and attracting foreign cash flows and investments, especially in the industrial sector. It also enhances the ability of companies and enterprises to compete according to international standards and contribute to the development of financing mechanisms in adherence with clear legal rules that define the rights and duties of various parties, thus supporting the achievement of the development goals of the country.



Federal Decree Law on Public Debt

Federal Decretal Law No. (9) of 2018 on public debt was issued to enable the federal government to issue sovereign bonds, and help the banking sector meet international liquidity rules as soon as they are issued. Additionally, the law will enable banks operating in the state to purchase government bonds in dirhams or foreign currencies, which will help them comply with Basel III requirements. The issuance of sovereign bonds will support the Central Bank's role in liquidity management in the banking system. Furthermore, the issuance of government debt securities will help benchmark the UAE dirham yield curve, thereby bolstering the local financial market for financing of companies operating in the country.

The Public Debt Law plays an important role in reviving the nation's debt market and the importance of its regulation in achieving the financial stability of the country. It will also support the creation of a government bond market through which public debt

instruments can be traded in UAE financial markets, and long-term bonds can be issued, thus contributing to alternative sources of funding for federal government projects. The Public Debt Law will have substantial returns for the nation, as it will plan and develop the sovereign debt management market according to international best practices, and will have a significant positive impact on upgrading the nation's macroeconomic level and performance, given that prudent public debt management reduces the cost of borrowing and improves the UAE's credit rating.



Federal Decree Law Regarding Netting

Federal Decree Law No. (10) of 2018 Regarding Netting, shall apply to all qualified financial contracts, netting agreements specified under this law or collateral arrangement, which are entered into by any person in the state. This decretal law does not apply to the Financial Free Zones and financial institutions licensed thereby to the extent where there are similar legislations governing similar cases referred to in this decretal law.

The promulgation of this law is also aimed at strengthening the legislative framework for the settlement of obligations arising from qualified financial contracts through set-off, offset, or net out obligations. The UAE is committed to developing the legislative and legal structure of the state; and the integration of all necessary aspects and provisions to ensure the rights of all concerned parties, protect investors and raise their confidence in order to support financial stability, and enhance the competitiveness of the state internationally.

The law will further strengthen the state's leading position as one of the most important business and financial centres in the world, and will be a new addition to the advanced financial legislative infrastructure in the UAE. It shall lead into reducing credit and settlement risks and increases the effectiveness of its regulatory procedures, inclusive of safeguards related to netting. This in turn shall strengthen oversight and governance frameworks, improve the performance of the national economy and attract more foreign investment for the state.



Federal Decree Law on the Central Bank and Organisation of Financial Institutions and Activities

Federal Decree Law No. 14 of 2018 on the Central Bank and the regulation of financial institutions and activities comes from the UAE's wise leadership's keenness to develop the legislative and legal structure of the nation, as it plays an important role in supporting the business sector and the local economy. This law will enhance the performance of monetary policies, the stability of the national currency, while contributing to better monitoring frameworks for the nation's credit status. This will help achieve balanced growth of the national economy, as well as raise the country's fiscal performance and enhance confidence in the national economy.

The provisions of this law shall apply to the Central Bank, financial institutions and activities; but does not apply to Financial Free Zones in the nation and the financial institutions regulated by the authorities of those zones. This law will strengthen the Central Bank's ability to maintain the stability of the national currency within the monetary system, contribute to the financial stability of the nation, and ensure prudent management of the Central Bank's foreign reserves. This will be undertaken, in addition to the organisation, development, maintenance and preservation of the nation's financial infrastructure, including electronic payment systems, digital cash and stored value facilities.

The law represents a paradigm shift in the way financial institutions will be regulated and supervised. The philosophy of the new law is based on licensing specific financial activities and ensuring individuals with key functions in those institutions follow the proper criteria set out for authorisation to carry out their functions.



Federal Decree Law on the Collection of Revenue and Public Funds

Federal Decree Law No. (15) Of 2018 on the Collection of Revenues and Public Funds aims to expedite claim, implementation and settlement procedures and collection of debt from income, taxes, fees and public funds, owed by debtors who have accrued rights to federal government entities as creditors.

This decree enhances the federal government's public revenue management framework and ensures the effectiveness of the claim, implementation and settlement procedures, as well as debt collection in line with global best practices. This law establishes a clear framework for debtors to pay their revenues and public funds, and guarantees the rights of federal government entities. The law affirms the obligation of any debt owed to a federal government entity or creditor to pay that debt on time without delay.



Federal Decree Law on Real Estate Property of the Federal Government

Federal Decree No. (16) of 2018 on Real Estate Properties of the Federal Government, the provisions of which apply to all the federal properties in and outside of the country. It contributes to the creation of a legal framework and clear provisions that regulate the real estate property of the federal government and / or any right over these properties. The decree stipulates that the federal property shall be registered in the name of the government in the real estate records of the competent local authority, or the nation in which the property is located, except in the cases of diplomatic authorities of the nation abroad, or conflicts with bilateral or international agreements enforced in the nation.



Tax agreements of 2018

In May, the UAE joined the Inclusive Framework on the BEPS programme to become the 116th jurisdiction to join this framework. In July 2018, the nation signed the Multilateral Agreement (MLI), which is a successful means for governments to resolve any loopholes in tax agreements, prevent abuse of treaties and to improve the settlement of disputes. Additionally, MoF signed an agreement on the exchange of Country-by-Country reports (MCAA CbCR) under the Base Erosion and Profit Shifting (BEPS) Action 13 minimum standard based on the Convention on Mutual Administrative Assistance in Tax Matters (MAC). This agreement establishes the requisite rules and procedures for the appropriate authorities to annually exchange financial reports of multinationals with incomes of € 750 million or more. The reports are handed over to the tax authority of the country where these companies are based and exchanged with the tax authorities of the countries in which the group operates.



Federal Decree Law on Anti-Money Laundering and Countering the Financing of Terrorism

Federal Decree No. (20) of 2018 on Anti-Money Laundering and Countering the Financing of Terrorism is a fundamental pillar of anti-money laundering and countering the financing of terrorism, and contributes to raising the effectiveness of the legal and institutional framework of the nation to achieve desired results. This law aims to combat money-laundering and to establish a legal framework that supports and strengthens the efforts of the relevant authorities in the nation in countering money-laundering and related crimes. The law also counters financing of terrorist operations and suspicious organisations, which enhances the UAE's commitment to international recommendations and treaties.

This decree is part of the keenness of the UAE's wise leadership to develop the legislative and legal structure of the nation to ensure compliance with international standards on anti-money laundering and countering the financing of terrorism.



Some of the ministry's most prominent contributions and achievements include:

- ❁ Becoming a member of The Global Forum on Transparency and Exchange of Information for Tax Purposes, complying with international standards, and implementing international decisions, most notably the relevant G20- decisions.
- ❁ Signing the Convention on Mutual Administrative Assistance in Tax Matters (MAC) and the Multilateral Competent Authority Agreement (MCAA) in adherence with the Common Reporting Standard (CRS).
- ❁ Representing the UAE in the OECD in fiscal and public finance policies. The country has been accredited since 2007 as a regional hub for the Middle East and North Africa region.
- ❁ Signing the Foreign Account Tax Compliance Act (FATCA) in order to be compliant with US laws, and ensure a transparent flow of information with international partners.
- ❁ Joining the Inclusive Framework on Base Erosion and Profit Shifting (BEPS) by signing the Multilateral Convention (MLI).
- ❁ Participating in regional and international entities' annual Board of Governors financial meetings.
- ❁ Organising the Annual Arab Fiscal Forum, hosting the Annual Meeting of the Undersecretaries of Arab Ministries of Finance in collaboration with the Arab Monetary Fund, and the Joint Annual Meeting of Arab Financial Institutions.
- ❁ Being a strategic partner at the World Government Summit and organising various specialised workshops.
- ❁ Organising and hosting conferences and meetings at the regional and international levels in the country and abroad, such as the workshop on investment portfolios and hosting the UAE banks reception.

In this context, the UAE signed 116 agreements on the Avoidance of Double Taxation, and 78 Protection and Promotion of Investments agreements.

Protection and Promotion of Investments agreements signed in 2018	Avoidance of Double Taxation agreements signed in 2018
Panama	Angola
Mali	Mali
Kazakhstan	Turkmenistan
Argentina	Saudi Arabia
Japan	San Marino
San Marino	Chad
Chad	Botswana
Uruguay	Suriname
Suriname	Brazil
St Vincent and the Grenadines	St Vincent and the Grenadines
Nigeria	Nigeria

Digitising FinTech

Finovate:

As a strategic sponsor for the Innovation Month, the Ministry of Finance hosted the first-ever 'Finovate' event in the Middle East. Finovate is one of the world's leading financial technology events. The event focused on innovation, development and investments in FinTech, payment technology and banking in the Middle East. It also several specialist speakers in addition to a range of innovative presentations and solutions. More than 400 participants and several key stakeholders in the banking, financial and FinTech sectors in the region attended the event, enabling decision-makers and stakeholders to exchange expertise.

eDMobile:

The eDMobile is the latest addition to the free digital government services that enable customers to pay all charges on their smartphones, website or Point of Sale. The eDMobile is an electronic wallet that includes all the customer payment cards, thus it's an actual replacement for the plastic cards and physical wallet, enabling user to make payments electronically. The plan is part of the ministry's efforts to support the eDirham 2000-2020 and to allow the eDirham transformation vision to contribute to the realisation of the UAE vision 2021.



Electronic application of Financial Management Information System (FMIS)

The Ministry of Finance launched the Overseas Health Departments FMIS Implementation in three external health facilities in Germany, Thailand and Egypt in cooperation with the Ministry of Health and Prevention. This project is part of the ministry's efforts to improve financial systems and automate all accounting procedures by providing a unified and secure system for managing financial systems and access to financial information for all health departments affiliated to the Ministry of Health and Prevention Abroad.

Additionally, all the financial processes at all the Overseas Health Departments are standardised and are managed through the application, which introduces greater financial discipline and provides better control in terms of the Financial Book Closures and timely management of the financial information. It also affords more flexibility in the management of financial operations.

This project serves the government's directions in establishing an integrated government platform, supports coordination and financial integration between all government entities inside and outside the country, and enables them to follow up financial data easily. This contributes to the provision of government services as per the highest international standards, in line with the initiative of H.H. Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, to transform from e-government to smart government.

Design Thinking... Making use of artificial intelligence to develop financial services and operations

The Ministry of Finance conducted a series of brainstorming sessions throughout the UAE Innovation Month as part of the Ministry Employees' Programme. The sessions were based on 'Design Thinking', a new and innovative government methodology that is implemented directly within the corporate development and innovation plan. The sessions covered the IBM principles of Design Thinking, by directly applying its methodology and tools, looking into the future and embracing artificial intelligence, as well as its most important techniques and applications in the development of services and processes.



Third Chapter: Leadership and excellence

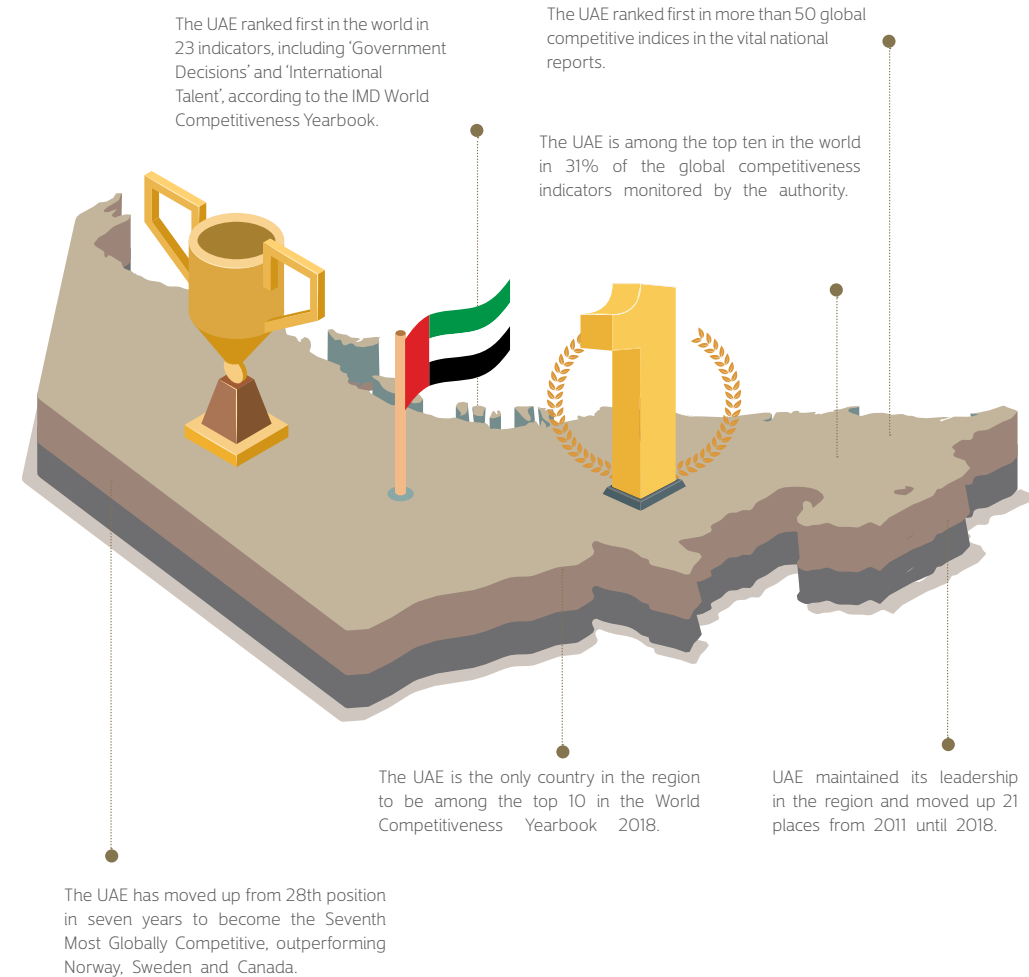


Certificates and Awards

- Mohammed bin Rashid Government Excellence Award 2018 Leading Federal Entity - ministries with less than 500 employees' award.
- Mohammed bin Rashid Government Excellence Award 2018 Leading Federal Entity - Most Influential Entity that enhanced the UAE's competitiveness. Best Federal Authority Supporting Gender Balance.



Competitive Indices





The UAE Ranked First In:

Three indices in the Global Competitiveness Report 2018-2017 issued by the World Economic Forum (WEF).



Efficiency of Government Spending index



Annual Inflation Rate Index

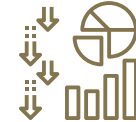


Absence of Effect of Taxation on Incentives to Invest index

Two indices in the Travel & Tourism Competitiveness Report 2017, issued by WEF.



Effect of Taxation on Incentives to Invest index



Low Tax Rate (% Profit) index



The 'Ease of Paying Taxes' index in the Ease of Doing Business 2017 report issued by WBG.

The 'Ease of Paying Taxes' index in the Global Innovation Index by INSEAD

❁ Three indices in the World Competitiveness Yearbook by IMD:



❁ The 'Extent and Effect of Taxation' index in the Global Talent Competitiveness Index by INSEAD

❁ The 2017 Ease of Doing Business report issued by World Bank Group

- The UAE jumped 10 places in the World Bank's Ease of Doing Business ranking to 11th position globally, following a package of reforms in the past year that boosted the country's economic competitiveness.
- The UAE is ranked among the top 20 economies in 190 countries and is one of the top 10 countries in the world for its strategic vision.
- The UAE ranked highly on factors such as Ease of Paying Taxes index, where it ranked first; it ranked second in the Paying Taxes index; ninth in Enforcing of Contracts index and fifteenth in the Protection of Minority Investors index.



❁ The Global Competitiveness Report 2018-2017 issued by the World Economic Forum (WEF)

- The UAE maintained its position among the top 20 global competitive economy for the fifth consecutive year in the Global Competitiveness Report 2017-2018.
- The UAE has overtaken advanced economies such as France, Belgium, Australia, South Korea and China in the Global Competitiveness Report 2017-2018.
- The UAE ranked first in Arab world and seventeenth internationally.
- The UAE maintained its ranking among the world's major economies based on innovation for the eleventh year.



❁ The UAE ranked first in the following indices:



❁ The UAE ranked third in the world index of the Low Tax Impact on the Labour Market.





Fourth chapter:
For a Sustainable Future





For a Sustainable Future

The Ministry of Finance's Strategic Plan 2021-2017 is based on the UAE 2071 centennial, which is to reach a diversified knowledge-based economy, compete against the best economies in the world, and focus on advanced industries, science, technology and innovation. The objectives of a competitive, knowledge-based economy are directed towards achieving, by 2021, the first place in the world in the following competitive indices:



Ease of Doing Business Index



Global Competitiveness



Global Innovation



The Ministry's Six Main Strategic Objectives In 2019 Are:

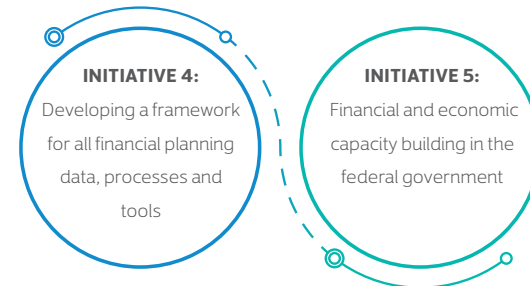
First Strategic Objective - Strengthening Federal Government Financial Planning And Public Finance Sustainability



1. Preparing the federal budget and developing mechanisms as per public expenditure forecasts.
2. Preparing public revenue forecasts and developing mechanisms.
3. Taking into consideration public's opinion in planning the general budget.

1. Developing and diversifying sources of public revenue.
2. Assess financial scenarios and identify financial sustainability gaps.
3. Financial risk management and control.
4. Public debt management.
5. Establishment of federal reserve.
6. Government investment management.

1. Innovation fund.
2. Accelerator programme.
3. Managing budget for Innovation.



1. Identifying unified requirements and guidelines to report data.
2. Data gap analysis, procedures and reporting tools.
3. Communicate with relevant UAE authorities to share relevant data.

1. Qualifying federal government employees through CFO Programme.
2. Economic polarisation and qualification in the federal government..
3. Establishing a training programme for financial and accounting capacity building in the federal authorities.

Second Strategic Objective: Raising The Efficiency And Effectiveness Of Budget Implementation And Managing The Financial Position And Cash Flows Of The Federal Government

INITIATIVE 1:

Develop innovative and effective mechanisms to prepare and monitor the implementation of UAE's general budget

1. Enhancing and developing mechanisms to monitor the implementation of the budget.
2. Developing the federal government's electronic financial systems.
3. Enhancing the quality of data with regards to implementing and monitoring the budget.

INITIATIVE 2:

Developing innovative and effective mechanisms to follow up on the implementation of the federal public revenue collection

1. Collecting and controlling public revenues.
2. Developing control channels and collecting public revenues.

INITIATIVE 3:

Financial position and cash flows management of the federal government

1. Government assets management.
2. Cash flow management.

INITIATIVE 4:

Developing a framework with the Prime Minister's Office to report and review the performance of federal entities funded by UAE's general budget

1. Building internal capacities to review federal entities' operations.
2. Establishing a joint entity with the Prime Minister's Office to review the performance of federal entities funded by UAE's general budget.
3. Establishing a framework to implement this year's budget based on last year's performance.

Third Strategic Objective: Supporting UAE's Financial And Economic Interests at a Global Level

INITIATIVE 1:

Develop and strengthen relations with global financial organisations and institutions

1. Appointing UAE nationals to join global financial organisations and institutions.
2. Making use of experiences gained through global organisations to serve UAE's economy.
3. Committing to international requirements with regards to transparency and exchange of information for tax purposes.

INITIATIVE 2:

Developing and strengthening relations with international financial institutions and organisations

1. Signing agreements on the avoidance of double taxation.
2. Signing agreements on the protection and encouragement of investment.
3. Signing agreements on the exchange of information for tax purposes.

INITIATIVE 3:

Activating opportunities and benefits of GCC financial and economic integration

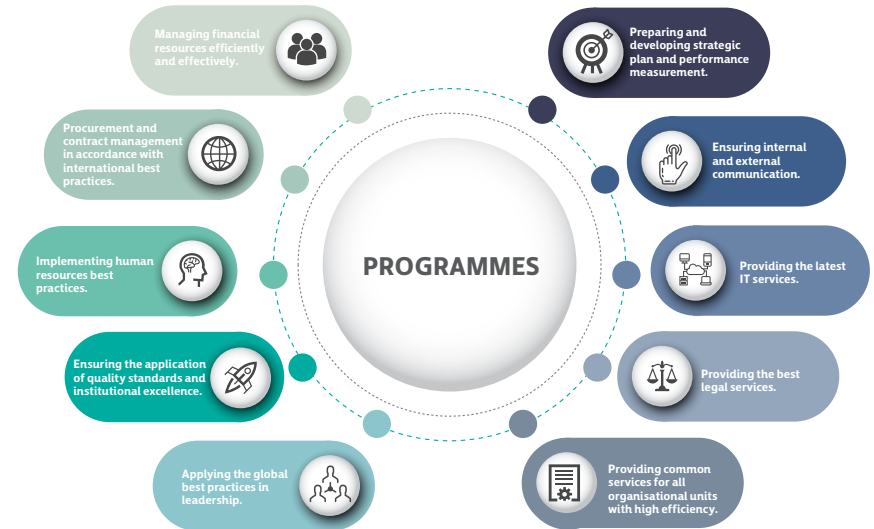
1. Addressing challenges of trade and the Gulf Common Market.
2. Strengthening the gulf economic integration to serve UAE's financial and economic interests.



Fourth Strategic Objective: Strengthening UAE's Competitiveness In Financial And Economic Fields



Fifth Strategic Objective : Ensuring All Services Are In Accordance With Quality, Efficiency And Transparency Criteria

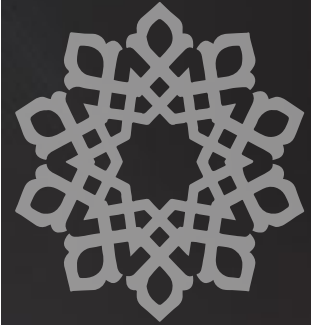


Sixth Strategic Objective: Strengthening The Culture Of Innovation Within The Institutional Environment.





Fifth Chapter:
Highlights of the March
to Excellence





Most Prominent CSR Contributions



MoF organised various events to celebrate the UAE Month of Reading.

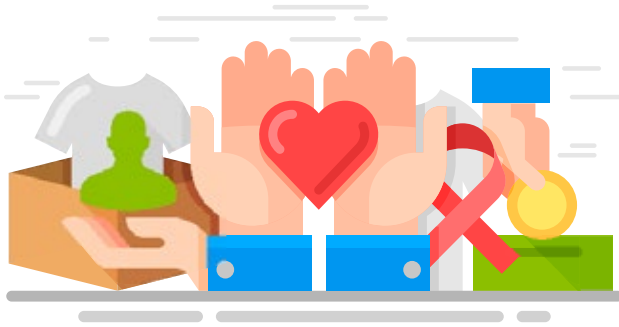


The Ministry of Finance participated in organising an event for people of determination.



MoF undertook various humanitarian initiatives and organised events aimed at highlighting the spirit of solidarity and social communication amongst the members of our society. These initiatives included a number of charitable and social activities where suhoor meals were distributed and a fundraiser was organised.

The Ministry of Finance organised Zayed humanitarian event 2018.



The Ministry of Finance organised Emirati Women Day 2018



The Ministry of Finance organised a session titled "Saving culture in Woman's Life 2018".



The Ministry of Finance organised awareness campaign on diabetes 2018.



The Ministry of Finance launched the Sheikh Zayed e-book initiative aimed at introducing primary students in 50 different schools to Sheikh Zayed in an innovative manner through a non-traditional book that includes video clips that detail the biography of the founding father.



The Ministry of Finance organised Flag Day 2018 event.



The Ministry of Finance organised Martyrs' Day 2018 event.



The Ministry of Finance organised National Day 2018 event.



Most Prominent Events



Ministry of Finance held UAE Banks Reception alongside the annual meetings of International Monetary Fund and World Bank Group.



On the sideline of the 3rd Arab Fiscal Forum, the Ministry of Finance held an open discussion with the youth, a working lunch with businesswomen in the UAE, and an open discussion on sustainability.



On the sideline of World Government Summit, the Ministry of Finance organised a high-level closed session on Universal Basic Income with Managing Director of the International Monetary Fund (IMF), a session on FinTech, and a session on public-private partnership in health care.

Ministry of Finance launched a series of initiatives and activities to mark the UAE Innovation Month 2018, such as the Innovation Debate, the Fair for Future Jobs under the theme Design your Future, in addition to launching the Pop-up and Mobile School initiative.





Ministry of Finance hosted the 2018 Annual Forum to honour strategic partners and distinguished employees.



Ministry of Finance organised annual Ramadan event for its employees in Abu Dhabi and Dubai.



Ministry of Finance received a delegation from the Arab Bank for Economic Development in Africa (BADEA).



Ministry of Finance held a session on providing safe spaces for youth.



Ministry of Finance held a workshop on preparation of hospital budgets.



Ministry of Finance held an interactive panel discussion that focused on the challenges facing financial operations and the solutions that can emerge from fostering a culture of innovation.



Ministry of Finance in collaboration with the World Bank Group (WBG), held a discussion on strengthening the project to enhance the financial coordination of the health and education sectors of the nation.



Ministry of Finance and the Organisation for Economic Co-operation and Development (OECD) organised a workshop titled 'Implementing Multilateral Mechanisms and Taxes amid a Digital World'.



Most Prominent Regional, Global and Local Participations



Ministry of Finance participated in the third meeting of the Undersecretaries of Arab Ministries of Finance.



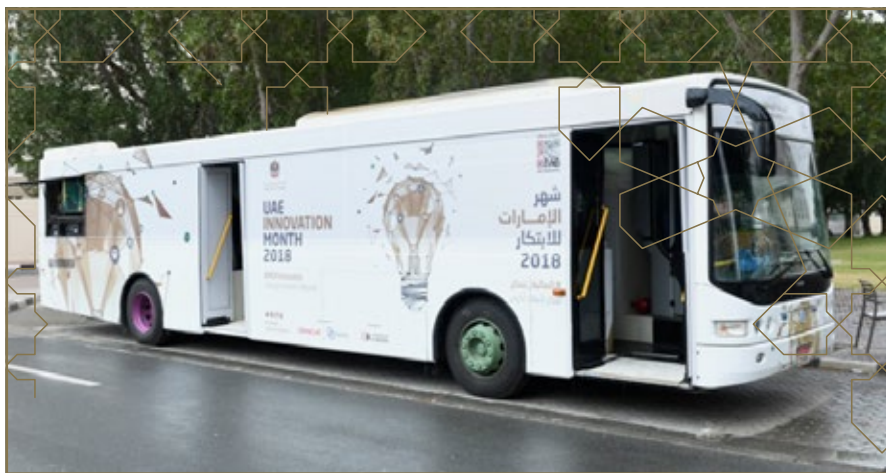
Ministry of Finance participated in third Arab Fiscal Forum.



Ministry of Finance participated in the Board of Governors meeting of the International Fund for Agricultural Development (IFAD).



Ministry of Finance discussed international development issues and ways of supporting poverty reduction in developing countries at the Annual and Spring meetings of the International Monetary Fund and the World Bank Group.



Ministry of Finance participated in the UAE Innovation Month 2018.



The UAE participated in the Joint meeting of Arab Financial Institutions in Jordan.



H.E. Obaid Humaid Al Tayer participated in the 43rd Annual Meeting of the Islamic Development Bank Group in Tunisia.

H.E. Obaid Humaid Al Tayer participated in the ninth Ordinary Session of the Council of Arab Ministers of Finance and Joint Annual Meeting of Arab Financial Institutions.





H.E. Obaid Humaid Al Tayer headed a UAE delegation at OFID's Ministerial Council meeting.



H.E. Obaid Humaid Al Tayer headed a UAE delegation at annual meetings of IMF and WBG.



Ministry of Finance participated in GITEX Technology Week as part of the federal government's stand.

