



COP28 UAE

Nov 30, 2023 - Dec 12, 2023



Rich Howard
Chairman of Kreston Board

Kreston Global – “Forward Thinking”
– just part of the recipe for sustainability



Sudhir Kumar
Senior Partner & Head-Corporate
Communications, Kreston Menon
Director - Kreston Global Board

Reimagining Dubai’s Future-
Transformation from a global
Business Centre to the Leader
in MICE and the capital of
global digital economy



Pushpakaran Parambath
Senior Partner
Kreston Menon Corporate Services

Single Family Office
Effective solution for
managing affluent family wealth



Shibu Abraham
Director - Human Resources
Kreston Menon

**Strategic Role of
HR as an ESG Partner**



**WORLD & EMEA
CONFERENCE
DUBAI 2023**

4-7 December 2023



EDITOR'S NOTE



RAJU MENON

COP 28

The UAE is hosting COP28, the 28th session of the Conference of the Parties (COP), convened under the United Nations Framework Convention on Climate Change (UNFCCC). The 2023 UN Climate Change Conference, under the presidency of UAE is happening at the Dubai Expo from 30 November to 12 December 2023. The presidency plan of this annual gathering of nearly 200 countries, aims to focus on four areas including measures to fast-track energy transition, steps to fix climate finance, how to ensure nature, people, lives and livelihoods are at the center of all climate actions and to ensure inclusivity.

While 33,000 people attended last year's summit held at Sharm el-Sheikh, Egypt, more than 70,000 people are expected to participate in COP 28. The officials from 197 countries will deliberate to formulate agreements that will tackle climate change and environmental issues.

While we expect the governments to do their part, businesses also have a huge responsibility towards our planet. It is heartening to see a surge in efforts from corporates and consumers towards sustainable practices that reduce their carbon footprint. The words of Liza Robbins, Chief Executive of Kreston Global reflect the same sentiments, "There is hope, and with better global awareness of these issues, we can still make a difference. Already we have taken concrete steps to improve Kreston Global's interaction with the environment."

Kreston World & EMEA Conference

Kreston Menon is proud to host the Kreston World & EMEA Conference held at JW Marriott Marques in Dubai from December 4 to 7, 2023. I am so excited that this year's conference is focusing on the Kreston Way – where member firms explore possibilities and collaborate to develop an international strategy for their firms to serve their clients better. We have already been collaborating and pitching for international assignments with Kreston firms from within the region, as well as from Europe and Asia Pacific.

Insights

In this edition's guest article, Rich Howard, Chairman of Kreston Global explains how Kreston is constantly forward thinking not only in offering relevant solutions and expertise to the clients, but also in taking steps towards environmental sustainability aligning with the organization's purpose "to promote positive impact around the world."

In his article 'Reimagining Dubai's Future', Sudhir Kumar elaborates on Dubai's strong fundamentals, sustainability, resilience and its capacity to create new opportunities for innovation and enterprise.

My colleague, Shibu Abraham explains how companies with a vision for tomorrow have identified that supporting ESG initiatives can have a meaningful impact on employee engagement and well-being, which in turn will contribute to enhanced productivity and profitability.

Pushpakaran Parambath, who has been instrumental in incorporating more than 9000 companies in the UAE, talks about how Single Family Office can be an effective solution for managing affluent family wealth.

Final Words

Placing clients at the center of all that we do and adhering to the highest standards of professionalism, transparency, ethics and conduct and sustainable practices, we remain committed to partner with our clients in their journey to success.

Reimagining Dubai's Future-Transformation from a global Business Centre to the Leader in MICE and the capital of global digital economy



Sudhir Kumar

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

sudhir@krestonmenon.com

Dubai's real GDP grew 2.8% year-on-year in the first quarter of the 2023 to reach AED 111.3 billion. The continued high growth is a testament to Dubai's strong fundamentals, sustainability, resilience and its capacity to create new opportunities for innovation and enterprise. Wholesale and Retail trade continue to drive economy followed by Transportation, Food services, Real Estate, Financial and Insurance.

During the first half of 2023, the Dubai International Airport welcomed 41.6 million passengers on 201,800 flights. 257 destinations across 104 countries are connected by Dubai through 91 airlines. 120 smart gates are used by 36% of the passengers. Currently Dubai Airport handles 1100 flights per day, with 62 aircraft movements in an hour and 381,000 aircraft movements per year.

In the first 6 months of 2023, Dubai welcomed more than 8.5 million international visitors. Dubai was named the world's top ranked destination in Tripadvisor's Travellers Choice Awards 2023.

Dubai's bourse Dubai Financial Market rose 14% with a record AED 71 billion gain in market value for listed companies reaching AED 652 billion. Real Estate grew with total transactions reaching AED 285 billion. Dubai also emerged as one of the world's three most attractive cities for the wealthy. Also ranked as one of the cities that recovered the fastest from the pandemic. Dubai registered a growth of 44% in business event bids in the first 6 months of 2023 leading to 143 MICE which will bring in 94,000 experts and leaders to Dubai.

In Dubai and the UAE there is a unique opportunity to boost local manufacturing and also make it a hub for global trade. By investing in local manufacturing, the UAE is planning to create jobs, reduce its reliance on imports and increase its economic independence. D33, Dubai's

economic agenda is an aspirational statement of intent by Dubai's leadership towards the future. D33 is the future that will guide Dubai to achieve the goal of doubling the economy over the next 10 years and also become one of the top 3 economic cities in the world. It is interesting to see that the leadership focusing on innovation and future technologies to reinforce Dubai's reputation and brand as a global tech hub. Sandbox Dubai aims to transform the city as a major hub for incubation for business innovation by enabling the testing and marketing of new products and technologies. This will attract global tech talents and entrepreneurs to Dubai and help create the target of 30 unicorns by 2033. Dubai's ambition is to generate a new economic value of AED 100 billion from digital transformation annually.

The Dubai Government has worked to create an environment that fosters innovation, entrepreneurship and economic diversification with a world-class infrastructure and the latest technology to the new skilled workforce and the investors that are reaching Dubai. Social listening and creative bespoke solutions suiting the ever changing business requirements are in top priority for Dubai.

Dubai emerged as the World's most popular destination for two years running ranked by Trip advisor, has 810 hotels and hotel apartments with 154,000 hotel rooms currently with the world's highest occupancy rates at 78% in 2023. Dubai welcomed 8.6 million tourists in the first half of 2023. Internationally branded hotels constitute 67% of Dubai's existing rooms list with Accor at the top spot with 71,820 rooms, Marriott at 63,790 rooms, IHG at 35,140 rooms and Hilton at 33,450 rooms.

Dubai has achieved top global ranking in attracting FDI in the cultural and creative industries by attracting 451 projects in the cultural and creative industries surpassing major cities like London, Singapore, Paris and Berlin.



Dubai's total FDI capital flows in the cultural and creative industries reached AED 7.35 billion in 2022, ranking first in the MENA region and 12th globally.

100% ownership in Mainland for Foreign Direct Investments and long term visa for investors in the UAE are the new laws. Also the Government is planning to launch Dubai's Unified License as a unique commercial identity for all companies all over Dubai. This will be a game changer in future. The Dubai Digital Cloud Project is a collaboration between the public and private sectors and it not only supports economic growth, but also seeks to raise the efficiency of government operations and the quality of life of people. It cements Dubai's global status as a model city and an example of how digital transformation can be implemented to serve the community and the business sector.

Dubai reinforced its status as a global leader in sustainable infrastructure by unveiling the world's largest and most efficient waste-to-energy facility in Warsan, with an investment of AED 4 billion. The plant has a capacity to generate 220 megawatt-hours of renewable energy, powering approximately 135,000 residential units and is designed to process two million tonnes of waste per year without any adverse environmental impact. The UAE's Energy Strategy will create 50,000 green jobs by 2030. UAE will invest between AED 150-200 billion by 2030 to ensure energy demand is met while sustaining economic growth resulting in financial savings of AED 100 billion. This will pave the way for UAE's climate and net-zero commitments by 2050. UAE recognises the importance of youth as agents of change, entrepreneurs and innovators

who can contribute to the green transition and foster environmentally sustainable decisions in work and life. Hosting the COP 28 will be a game changer and is a platform to showcase the UAE's strides in climate sustainability and commitment to halve carbon emissions by 2030. The UAE calls for a global cooperation to protect the environment and preserve our planet for future generations. The UAE is a leader in innovation and sustainability in the region with a target of increasing the share of clean energy to 50 percent by 2050. Thus UAE aims to becoming a global hub for green economy and clean energy.

UAE became the fifth country in the World to reach Mars. However UAE's ambitions transcend Martian exploration with ambitious plans to investigate the asteroid belt within our solar system. That shows the unwavering commitment and innovation of UAE in the field of space science. Mohammed Bin Rashid Space Centre, Dubai founded in 2006 is home to the UAE National Space Program.

UAE's ambitions of the 'Make it in the Emirates' programme under the 'Operation 300 billion' industrial strategy is to raise the industrial sector's contribution of GDP to AED 300 billion by 2031 from AED 133 billion in 2021. If you look at trade, investment, financial markets, logistics, infrastructure, shipping, tourism, aviation etc. UAE is the country where investors are attracted and they find capital, talent and ideas come together, grow and flourish. Omnichannel digital payments, training and upskilling staff, digitizing business operations, data analytics and insights are considered by the entrepreneurs as key changes for business growth in UAE.



Dubai government services reach 99.5% digitisation rate with over 120 government smartphone applications being developed. It's paperless objective has been achieved. Digital transaction account for 87% of total government service transactions. Dubai is ready to usher in an advanced digital future and raise its status as a global exemplar for digital governance in line with the ambitious objectives of the 'Dubai Economic Agenda 33' and the aims of the 'We The UAE 2031'. Dubai Centre for Artificial Intelligence will help Government entities deploy future technologies across key sectors. The Centre aims to train 1000 government employees from over 30 government entities on the uses of generative AI and also support 20 local and global advanced technology start-ups.

The GCC has the World's eighth largest economy with a GDP of US\$ 2.4 trillion and has an annual growth rate of 6%, which is targeted to be raised to US\$ 6 trillion by 2050. The six countries that make up the GCC conduct US\$ 107 billion worth of international trade while GCC sovereign funds manage investments worth US\$ 3.25 trillion. The MENA region with 25 countries is home to 7% of the World's population which approximately 500 million people. Dubai has 47.4% Emiratis in private sector out of the total 79,000 Emiratis working in the UAE private sector. UAE collaborates with the region and World by signing Common Economic Partnership Agreements (CEPA). India, Indonesia, Turkey and others have signed the CEPA.

Huge collaborations are happening at Kreston Middle East. We are 16 Firms from 12 countries in the Middle East. And we are projecting as one brand Kreston in the region. Recently we bagged a major deal on Audit from a major

regional player who moved Audit to Kreston now, after more than 30 years of Audit with Big 4's. This Audit deal is for Kreston in UAE, Saudi Arabia and Egypt. And they will sign with other regions also. Recently the ME conglomerate of a global engineering firm knowing Kreston Menon and Middle East collaboration shifted their UK audit from the Big 4 to Kreston Partner in the UK. Kreston Menon initiated this. Kreston Menon helps Kreston firms globally by activating them with the UAE and Middle East business enablers and trade bodies. That can be connecting with their Diplomatic Missions, Trade Offices and Major Companies. Also connect Kreston Partners in all countries with the UAE Diplomatic and Trade Missions in their country. Thus collaboration and connectivity increases and together we shall create an outstanding experience for our clients and prosperity for all. Kreston Middle East collaborates with Kreston Africa and also jointly participates in Conferences and meetings. Other Kreston Regions are in the anvil and Kreston Middle East are in talks with them.

Kreston World & EMEA Conference 2023, organized by Kreston Global and hosted by Kreston Menon is happening in Dubai from Dec 4-7 at the JW Marriott Marquis, Business Bay. 300 plus delegates from 120 plus countries are attending the Conference.

Yes, the story of Dubai continues to be written and it's an achievement for all that call Dubai home-past, present and future. As His Highness Sheikh Mohammed Bin Rashid Al Maktoum-Vice President and Prime Minister of the UAE and the Ruler of Dubai says-'We know our economic position during the next decade-the world makes way for those who know what they want'.



Rich Howard
Chairman of Kreston Board
rhoward@cbiz.com

As I write this article, Kreston Global has just finished its annual week-long celebration of our global community called “Kreston Week.” This year, our theme was #GoGreenforKreston. This theme is about environmental sustainability and is very much aligned with our organization’s purpose “to promote positive impact around the world.” But this is only part of our purpose - we also exist “To connect ambitious and enlightened people from the entrepreneurial business community.” Creating connections between people, member firms and their clients to solve business problems is paramount to our value proposition as a network. Kreston Week is an opportunity to emphasize the importance of our purpose and to take time to recognize, reward and celebrate those who contribute so positively to our long-term sustainability. By engaging in activities that are focused on what drives our network’s success – celebrating those members making connections, recognizing those members who exhibit behaviors that align with the “Spirit of Kreston”, describing how we are improving our environment and educating on the power of purpose, we reinforce our culture of global collaboration and the values on which the network was founded.

While true that our theme this year of going green applies to the very specific issues of environmental and planetary sustainability, our vision for sustainability of the Kreston Global network is necessarily much broader and applies to the entire global organization. The sustainability of a

network or any business, no matter what type of network (accountants and consultants, in our case), depends on many different factors, some of which are within our control and some that are not. Threats to the long-term sustainability of any business, not just a global network, can arise from many different sources and be catastrophic.

For Kreston to be truly sustainable, we need a model that stays true to our purpose, while at the same time inspires and rewards active engagement and collaboration of our members (locally, regionally and globally), offers relevant solutions and expertise to the clients of our members and is constantly forward thinking in everything we do. It is this concept of “Forward Thinking” that I would like to focus on in the remainder of this article.

Forward Thinking is not just a phrase we use at Kreston to describe an aspirational goal. To me, it is a critical part of our ability to be successful. So critical, in fact, that we have included it in our organization’s strategic plan. By doing this, we have elevated the idea to something tangible (vs. esoteric) and created actionable strategies that are being implemented to ensure that our organization operates in a forward thinking manner. To be clear, it is not about predicting the future. Nobody that I know can do that. Rather, it is about being aware of and adaptable to changes that are likely to occur in our environment and creating a culture (both structurally and procedurally) that helps us respond in a timely and appropriate manner to avoid extinction.

Kreston is using the idea of “Forward Thinking” to help us with managing some of the risks we face as a global network. It is being used to help us remain relevant to our member firms and their clients, manage leadership and succession issues, promote global and regional

collaboration, address resource constraints, mobility issues and changing expectations of our workforce (no matter whether these are driven by diversity, multi-generational populations or geographic and cultural dynamics).

Over the last couple of years, I have been fortunate to travel and meet with many of our members in each of the geographic regions where Kreston operates and I find it very interesting that the issues they raise and the challenges they describe, that are most significantly impacting their businesses, are very similar. Invariably, one of the most frequent issues I hear about is the lack of qualified resources that are available in their market and the challenges they face with regard to attracting and retaining their best talent. The responses to these challenges might vary between firms but the issue has a direct impact on the long-term sustainability of each of their businesses and, ultimately, to the global network as well. This challenge requires Forward Thinking to properly balance the issues of supply and demand of people, use of technology, outsourcing/staff-sharing arrangements and secondments among member firms.

So, how is Kreston Global using Future Thinking to address some of these challenges?

First, Kreston has created a highly collaborative structure of Global Groups. Some of the groups are focused on service lines (e.g., audit, tax, corporate finance) and others are functional expert networks (e.g., marketing, HR, technology, mobility). Finally, some of the groups are focused on the future including new service lines that may emerge and matters of leadership and succession (e.g., Global ESG Group and the Futures Emerging Talent Committee). Our member firms are also creating more regional collaborations. One notable example includes the 12 countries that make up Kreston Middle East. Members in this region have recently begun to capitalize on the power of the group vs. the power of the individual by working together more proactively, branding themselves as a region and sharing resources and capabilities to maximize their value and efficiency to eliminate duplication of efforts where possible. Consequently, we have seen significant growth in this region.

Another example is at a more localized level, within a single country, where our members share a common skill or expertise. In the UK, several of our Kreston members specialize in providing services to the Academies industry. Each year, these members collaborate on a thought leadership publication that shares a variety of relevant financial performance metrics and explores key highlights, reflections and future trends of the Academies industry

while offering critical insights and analysis for the future. The “2023 Kreston Academies Benchmark Report” is the 11th annual publication of these results and it captures a financial picture of over 2,700 schools making it the most complete and detailed picture of the academy trusts in the UK. This is not only a great example of the value of collaboration but it also demonstrates how “Forward Thinking” allows our Kreston experts to leverage their talent and contribute to the overall sustainability of an industry.

Forward Thinking also includes considering the impact of emerging issues, one of which includes the evolving circumstances around the world with regard to ESG matters. Kreston’s Global ESG Group is helping us achieve our strategy by 1) improving Kreston’s own ESG performance, 2) encouraging our members to set goals and progress their own ESG impact and 3) helping clients with achieving their ESG goals and compliance obligations. Our Kreston Week celebration featured several events focused on these very activities and real life case studies.

Finally, Forward Thinking involves leadership and I want to highlight two items in particular - our Kreston Futures Emerging Talent Committee and our Kreston Connected Leadership Program. The committee was established to help manage the risks related to succession. Actively encouraging the involvement and input of our future leaders today will go a long way in helping us prepare for a seamless transition to the future leaders of tomorrow. We also wanted to understand the perspectives of our people who are in the earlier stages of their careers in order to ensure that our organization evolves in a way that meets the needs of future generations. So, this committee has a dual purpose and value. Since we are a membership organization, the future leaders of Kreston Global are likely to be the future leaders of the member firms themselves. Consequently, Kreston developed the Connected Leadership Program with the goal of developing the next generation of international leaders who will help grow their firms through the power of their network connections. Remember, creating connections is our purpose!

The Futures Emerging Talent Committee is led by Emily Baldwin, a Senior Manager at one of our UK members, and includes many other highly-motivated future leaders from member firms around the network. Emily’s efforts in this regard also contributed to her being the 2023 winner of the “Spirit of Kreston” award, which honors a person in our network that embodies our ethos of an international mindset, who seeks to connect people and is entrepreneurial, driving positive change for their clients and their people. The award was inspired by the founder of Kreston Global, Dr. Gabriel Brösztl, and I had the honor of presenting the award to Emily at the Golden Global Awards ceremony during Kreston Week.

It is an exciting time to be involved in such a dynamic and Forward Thinking global network like Kreston and I am proud to be the Chairman. While uncertainty always exists, Forward Thinking helps ensure that we stay true to our purpose and prevents us from becoming distracted from our overall vision. With change comes opportunity and change is never-ending!■



STRATEGIC ROLE OF HR AS AN ESG PARTNER



Shibu Abraham

Director – Human Resources & Administration
Kreston Menon

shibu@krestonmenon.com

The term “ESG” refers to a broad category of corporate responsibility initiatives that focus on governance, social, and environmental issues. In the previous editions of Kreston Menon News, ESG experts talked about how the emergence of ESG requirements persuades businesses to think beyond profit generation and about the long-term impact of their activities on the environment and society.

In this edition we will be focusing on the ‘S’ of ESG and how those social initiatives can be put into play in your businesses. Companies with a vision for tomorrow have identified that supporting ESG initiatives can have a meaningful impact on employee engagement and well-being which in turn will contribute to enhanced productivity and profitability.

Infusing ESG Strategy to the EVP

I recently visited a real estate company where the salesperson was focusing more on the positive impact the sustainability measures incorporated into the building will have on the day to day lives of the tenants and residents. When probed more on his approach of centering his conversation on the green initiatives than the infrastructural details and layout of the units, he disclosed that these ESG factors are the deal breakers when it comes to the purchase decision of young potential buyers.

Similarly, in today’s war for talent, many organizations are positioning ESG as the focal point of their EVP (Employee Value Proposition) and using it to market themselves to the younger generation. They do not opt to work with organizations unless they are certain that those businesses have a futuristic vision and have the sustainability of the planet at the core of what they do.

In a recent study among recruiters, it was found that most discussions of Gen Z jobseekers rotate around the environmental and social aspects of the employer. They are drawn towards purpose-driven organizations, who

promote wellbeing as well as Diversity and Equity within the workplace, follow high ethical and quality standards, and reach out to the society. For them, these attributes have become non-negotiable.

The Pivotal role of HR in ESG Talent Acquisition and Retention

ESG conscious organizations understand how critical it is to attract and retain talent who is committed to sustainability. HR departments are instrumental in incorporating ESG values into the organization’s culture, ensuring that current and prospective employees align with the defined ESG goals. According to the recent Gen Z and Millennial Survey of Deloitte, majority of the respondents prefer an employer who offers proper work/life balance and has made steady progress in Diversity, Equity & Inclusion (DEI), societal impact, and environmental sustainability.

SHRM says, 86% of employees who work at organizations that have ESG related initiatives stated that the ESG goals make them feel proud to work for their employers, bring in a meaningful dimension to their jobs and encourage them to stay with their organization.

Employee Engagement and Societal Impact

The Human Resources department plays a vital role in fostering an ESG oriented mindset among employees. Through training programs and communication strategies, HR ensures that employees understand the significance of ESG initiatives and how they can contribute to the company’s sustainability goals. Beyond mere announcements, HR should initiate the ‘walk the talk’, by formulating employee engagement activities like wellness programs, volunteering opportunities and participation in social causes.

At Kreston Menon we encourage our people to support societies and communities in a socially responsible, sustainable manner. We have forged partnerships with Dubai Cares, Al Jalila Foundation, Al Noor Training Centre

for Persons with Disabilities, Rashid Pediatric Therapy Center, Dubai Autism Center, Dubai Center for Special Needs, Dubai Foundation for Women and Children, Make a Wish Foundation and Red Crescent UAE where our people are offered opportunities to interact and contribute.

Diversity, Equity and Inclusion

HR is responsible for positioning the organization as an equal opportunity employer, by providing employment opportunities to the most competent and suitable candidate. This conscious effort should not stop with recruitments, where the organization should strive to provide every person with an equitable opportunity for growth beyond the differences of nationality, colour, religion, gender or abilities.

Green Initiatives

Progressive organizations are taking measures to reduce their carbon footprint by creating environmentally conscious workplaces. HR team will be the change agents by introducing sustainable practices at the workplaces through policies and programs that encourage "green" behaviours.

It is a fact that ESG friendly workplaces improve employee engagement and productivity. Employees who are proud of their company's ethical and social responsibility are likely to be more engaged and productive, thus contributing to overall business success.

ESG Initiatives at workplace

1. ESG Awareness Programs: Conduct ESG awareness program for employees.
2. Sustainable office practices: Implement recycling, and eco-friendly supplies and sustainable meetings.
3. Energy-Efficient Office: Implement measures to reduce energy consumption in the workplace by reducing the use of electric lights during day time and opting for sustainable products.
4. Reduce Paper Usage: By going digital, reduce the usage of paper.
5. Plastic-Free Challenge: Discourage single-use plastics at work. Introduce reusable mugs and stainless-steel water bottles.
6. Physical and Mental Wellness: Promote employee well-being by organizing sports activities and encouraging an active lifestyle. Ensure a healthy work environment and provide the needed support.
7. Eco-Friendly Transportation: Encourage carpooling and public transport.
8. Education Partnerships: Collaboration with schools and universities for internships and student training.
9. Employment Opportunities for people of determination: Bring people with disabilities to the mainstream by providing them employment opportunities and avenues to contribute and grow.
10. Ethical Supply Chain: Ensure suppliers follow ethical and sustainable practices.
11. Education and Skill Development: Enhance employee knowledge and expertise through training and development programs.
12. Involve Employees in CSR: Encourage employee participation in social causes like philanthropy, volunteering, blood donation and environmental initiatives.

United Nations Sustainable Development Goals (SDGs) adapted by Kreston Global



Let the World Know Communicate

The study by Marsh McLennan has found that by 2029, the Millennial and Gen Z generations will make up 72 percent of the world's workforce, compared to 52 percent in 2019. The younger generation place greater importance on ESG than their predecessors do – and will expect more from employers on environmental and social concerns.

This brings in the need for businesses to have effective communication of their sustainability achievements through mailers, social media and career pages to their internal and external audience.

At Kreston Menon, we have opened an interface on our career page where we talk about 'Life at Kreston Menon' highlighting how we have created a workplace that is diverse, equitable and inclusive and how we are doing our bit to make this earth a better place for the generations to come.

Involve

Employees are your best brand ambassadors. The success of your ESG strategy depends on their involvement in your green initiatives. Stories shared voluntarily by the employees will have more credibility and impact than the well curated social media posts of the organization.

As people would love to work for organizations that are taking measures to make this planet a better place, integrating your EVP with your ESG strategy can bolster your efforts to attract and retain talent.



Single Family Office

Effective solution for managing affluent family wealth.



Pushpakaran Parambath

Senior Partner

pushpan@krestonmenon.com

Wealthy families are seeking advanced, more systematic, and secure ways to manage their wealth and investments. Family Office concept has emerged as a preferred solution providing structured financial services to affluent families, managing their assets, and protecting legacies for future generations. Family Offices facilitate to professionalize investment and management functions by creating investment committees, establishing governing boards, structuring family leadership succession plans, next generation education programs etc. There are manifold reasons to set up a Family Office and these dwell around the family's vision, objectives, and ambitions. The fundamental objective would be to protect and preserve family wealth through generations, and to ensure that this objective is given a structure that caters to that family and evolves when the family grows or changes. Family offices tend to provide broadly two types of services or a combination thereof: (i) those focused on financial planning and investments; and (ii) those aimed on the family and supporting, its day-to-day needs. The first category would typically include investment and asset management, asset monitoring, trust services, tax and legal services, and under the latter category, concierge services, travel planning and administrative functions may be included.

In UAE, there are three robust jurisdictions where Single Family Office may be set up:

- (1) Dubai International Financial Centre (DIFC)
- (2) Abu Dhabi Global Market (ADGM)
- (3) Dubai Multi Commodities Centre (DMCC)

DIFC & ADGM

DIFC and ADGM are the financial centers reputed for the presence of international financial service providers. They emerged as highly respected financial jurisdictions benchmarking globally recognized regulations and best practices. DIFC and ADGM comprise three independent authorities viz., Registration Authority, Financial Services Regulatory Authority and Court that directly apply common laws. They have created a governing framework that adheres to the highest international standards, creating a secure and stable operating environment that fosters confidence among investors and families alike. Financial Service Authorities of the respective jurisdiction ensure compliance with stringent regulations, providing a vigorous safeguard for investors' interests and preserving the integrity of the financial ecosystem.

Setting up a Family Office in DIFC

In DIFC, a Family Office can be established as a Private Company or a Limited Liability Partnership. SFO shall be established to either serve (i) a single Family; or (ii) multiple Families. Family Office serving multiple families requires approval by the DIFC Registrar of Companies after it satisfied the Registrar regarding the shared arrangements between the Families served and the reasons for serving multiple Families. A Family to be served by a Family Office must have a minimum net asset of USD 50 million. The net asset value for this purpose is established with reference to a fair market value assessment or, where this is not possible, as determined by way of a book value assessment. The SFO structure shall have a minimum of one shareholder and a minimum of one director.

DIFC SFO may engage the following services in general:

- (a) Services to one or more family members
- (b) Services to family fiduciary structure

- (c) Services to family entity
- (d) Services to family businesses.

Setting up a Family Office in ADGM

In ADGM there are no minimum investment requirements for setting up a family office. In spite of a benchmark figure is USD 10 million, the families can decide on their investment size based on their financial goals and aspirations. The accepted legal structure is Restricted Scope Companies (RSCs) and Foundations, each with distinct benefits catering to specific objectives. Eligibility to set up a SFO is based on the underlying principle that the family must have a closely related group of individuals united by blood, marriage, or adoption and share a common interest in wealth management and preservation. SFO may opt for a physical office or engage a service provider in ADGM.

ADGM SFO may engage the services in general:

- (a) Creation of a family office structure can engage in devising investment strategies and business plans.
- (b) Develop appropriate remuneration packages and strategies to attract key staff members.
- (c) Developing governance structures from a corporate and family perspective.
- (d) Design and develop appropriate succession planning.
- (e) Strategize acquisitions, re-organization and exits from investments and businesses.
- (f) Creation of philanthropic strategy and designing a structure that meets social responsibility and commitments.

Setting up a Family Office in DMCC

In DMCC, Single Family Offices are incorporated as per DMCC Company Regulations and as per the Guidelines for

Single Family Office License. SFO may accept the legal structure of a free zone limited liability company which may be owned either by individuals or a corporate entity or a registered trust (in each case wholly owned by the same family and UBOs).

It is desirable that the family has a minimum of USD 1 Million investible/liquid assets to be accepted as a SFO in DMCC. The SFO is permitted only to manage the assets of one family group and not permitted to act as trustee but might act solely as protector or as conduit with offshore regulated trustees operating the trusts or foundations. May supervise and coordinate activities amongst foreign fiduciary service providers.

The beneficiaries shall not sell shares of the SFO entity to any party, except in the case of transfer within family members. Only a family member may be a member of the board of directors; except for a consultant to the SFO who may be appointed as a director. In such a case also at least one family member must be appointed as a board member or legal representative.

DMCC SFO may engage the services in general:

- (a) Wealth management
- (b) Asset management
- (c) Concierge work
- (d) Day to day accounting
- (e) Management of legal affairs
- (f) Corporate governance issues
- (g) Administrative and office affairs





Your PARTNER to the FUTURE

How we help?

- 1 ☒ Identify your business activity & jurisdictions
- 2 ☒ Selection of appropriate legal structure
- 3 ☒ Documents processing
- 4 ☒ Obtain external approvals
- 5 ☒ Drafting MOA & notarization
- 6 ☒ Obtain tenancy contract & bank account opening
- 7 ☒ Approval process and obtain trade license

BUSINESS SETUP	POST INCORPORATION
UAE Mainland	Retainership Services
Freezones	Re-Structuring
Offshore	Re-Domiciliation
Foreign Jurisdictions	Trademark Registration

 info@krestonmenon.com

 +971 4 276-2233

 krestoncorporate.com

KRESTON MENON'S ROADMAP TO SUSTAINABLE FUTURE

SETTING THE VISION

RAJU MENON
Chairman and
Managing Partner



Kreston Menon is committed to following an ESG framework that represents our commitment to sustainability and ethical leadership. Integrating ESG standards into our overall business strategy fosters consistency and keeps the long-term impact firmly in focus. We are sure that achieving our ESG goals will increase our business resilience, employee engagement and impact in the communities we serve.

ENVIRONMENTAL INITIATIVES

SUDHIR KUMAR
Senior Partner and Head-
Corporate Communications



Kreston Menon has initiated a decarbonization strategy by creating a transformation plan and establishing collaborations across enablers. We have adopted sustainable office practices which focuses on reducing carbon emissions, effective resource management, digitalization to reduce paper consumption, avoiding single-use plastics, promoting carpooling and encouraging the use of public transport.

GOVERNANCE ENHANCEMENTS

SAJU AUGUSTINE
Senior Partner



ESG metrics are underpinned by ethical principles such as honesty, fairness, objectivity, and responsibility. Kreston Menon has developed corporate governance practices to ensure the quality standards are maintained in every assignment. Policies are in place on disclosure control, independence, anti-corruption and sustainable business conduct to ensure ethical practices within our organization.

SOCIAL RESPONSIBILITY & PEOPLE FOCUS

SHIBU ABRAHAM
HR Director



As attracting, developing, and retaining a diverse and inclusive workforce is crucial for sustainable growth, our HR policies foster diversity, equity and inclusion within the organization. Our employee engagements and benefit programs are centered around the "S" in ESG, that emphasizes the importance of social factors, including employee safety, health and well-being. Employee performances are periodically assessed, and they are provided with avenues for continuous learning and growth.

**KRESTON
WORLD & EMEA
CONFERENCE
2023**

Dubai

4-7 DECEMBER 2023

JW MARRIOTT MARQUIS HOTEL DUBAI