

DUBAI - JUNE 2020

Situation & measures against COVID-19 in the UAE & Saudi Arabia.



MIDDLE EAST COVID-19 CASES SUMMARY

AS OF JUNE 16, 2020

Country	Total	Active	Recovered	Death	Total population
Saudi Arabia	132 048	43 147	87 890	1 011	35 Mio
Qatar	80 876	22 119	56 681	76	3 Mio
United Arab Emirates	42 636	14 216	28 129	291	10 Mio
Egypt	46 289	32 288	12 329	1 672	102 Mio
Kuwait	36 431	8 602	27 531	298	4,5 Mio
Bahrain	19 013	5 700	13 267	46	2 Mio
Oman	24 524	14 883	9 533	108	5 Mio
Iraq	21 315	11 392	9 271	652	40 Mio
Lebanon	1 464	557	875	32	7 Mio
Jordan	979	278	692	9	10 Mio



01

SITUATION OVERVIEW IN THE UAE

LOCKDOWN EVOLUTION IN THE UAE : UPDATE POST-RAMADAN

UPDATE AS OF JUNE 16, 2020



The country is slowly going back to normal.

- Dubai private sector's offices can return to 100% capacity.
- On May 31, half of Dubai's public sector workforce were welcomed back to the office again. The rest followed within two weeks and is now back to 100% since June 14.
- Nationwide, 30% of federal ministry employees have returned, and Abu Dhabi government has said 35% of staff will once again be permitted to work from the office.
- Swimming pools, gyms, beaches and cinema are open again with limited capacity insuring respect of social distancing measures.
- Malls in Abu Dhabi increased the capacity limit to 40%. Capacity limits at malls in Dubai back to 100% but stores within the malls still have a limit on how many people can enter. The age rule still applies. No one over 60 or under 12 is allowed to access the malls; mask and gloves are still mandatory as well as temperature checking at the entrance.
- Capacity restriction for restaurants lifted in Dubai as long as social distancing can be insured. Capacity limit for restaurants in Abu Dhabi increased to 40%.
- It is impossible to leave / get in the Emirate of Abu Dhabi.
- Curfew in the country from 10PM to 6 AM but from 11PM to 6AM in Dubai.
- It is still mandatory to wear a mask outside home.

TRAVEL & TOURISM

UPDATE AS OF JUNE 16, 2020



- Residents located outside of the UAE can return in the country after ICA approval for entry permission.
- All stranded UAE residents will be knowing that they will have to quarantine themselves for 14 days at their home or in a hotel upon arrival, or could face severe legal action. They will also be tested for COVID-19 at Dubai airport upon arrival and will have to install the COVID-19 DXB App.
- Government announced both residents and nationals will be permitted to travel outside of the UAE from June 23 (to certain destinations under certain conditions and procedures, which will be announced later.)
- Since the country has eased many restrictions within the emirates with safety measures in place, plans to reopen its borders have been announced as well : On June 8, Dubai Tourism released a 1-minute video promising tourists that Dubai will **'see you soon'**.
- Tourist attractions including theme parks and arts and cultural centres such as Louvre Abu Dhabi, Global Village and Qasr Al Watan remain closed in Abu Dhabi. But some entertainment centres like Dubai Ice Rink have reopened in Dubai as well as local tour operators.

ABOUT EXPO 2020

MEASURES & IMPACT

- Major activities in **MICE** (Meetings, incentives, conferences and exhibitions) sector are put on hold or postponed including the most expected exhibition for this year : The EXPO 2020 in Dubai.
- According to some, the Expo 2020 Dubai can be seen a good way to prepare the post-covid world and re-dynamize the country's economy in the future.
- Postponed to **1 October 2021 to 31 March 2022**, this delay will let some times to participants to deal with the impact of COVID-19, and allow the World Expo to focus on a collective desire for new thinking to identify solutions to some of the greatest challenges of our time.





02

MEASURES AND SUPPORT IN THE UAE

TESTING & COVID-19 TREATMENT

MEASURES & SUPPORT



- The country opened 13 drive-through test facilities and set-up COVID-19 detection lab in Abu Dhabi which conducts tens of thousands of RT-PCR tests per day.
- On May 13, Sheikh Mohamed bin Zayed Al Nahyan announced free testing for Emiratis, their domestic workers, and some expats (pregnant women, those aged above 50, and some who has come in direct contact infected individuals)
- On to May 28, the country has administered over 2 million tests, meaning that two in every 10 residents have been tested so far.
- On May 2, Abu Dhabi Stem Cell Centre's innovation shows promising initial results of a treatment for coronavirus. The treatment was administered in the UAE to 73 COVID-19 patients who have all been successfully treated and cured. Numerous vaccine trials for COVID-19 are also being conducted, but a safe and effective jab that can be used on a massive scale on healthy patients is at least a year away.

TRAVEL & TOURISM

MEASURES & SUPPORT

- Suspension of tourism and municipality fees for tourism & entertainment sectors for 2020.
- 20% rebate on rental values for the restaurants and tourism and entertainment sectors.
- Exemption of companies from fees charged for postponement and cancellation of tourism and sports events scheduled for the year 2020 and the freezing of fees required for the rating of hotels.
- Freeze on fees charged for the sale of tickets, issuance of permits and other government fees related to entertainment and business events.



SUPPORT TO THE UAE COMMUNITY & BUSINESSES

UAE GOVERNMENT IMPOSED DIFFERENT ECONOMIC STIMULUS PACKAGE TO MINIMIZE THE IMPACT OF COVID-19, INCLUDING THOSE :



- From April 2020 for a period of 3 months, 20 % reduction in water and electricity bills for residential, commercial and industrial sector + A six months payment deferral of water and electricity connection's installments.
- Refund of 1% of the customs duty imposed on imported goods sold locally in the UAE.
- Exemption of berthing fee for arrivals and departures for traditional wooden commercial vessels registered in the UAE at Dubai and Hamriyah Port.
- Companies will be exempt from permits for new sales and offers.
- Reduction of industrial land leasing fees by 25% on new contracts.
- A reduction of fees covering 94 services of The Ministry of Economy provided for companies and the business sector.
- Up to 98% reduction was applied to the Ministry of Economy services including commercial registration, commercial agencies, trademarks, origin, auditors and intellectual properties.
- Freeze on the 2.5% market fees levied on all facilities for the commercial and business sector.
- A 90% reduction of fees imposed on submission of customs documents.
- Cancellation of the 25% down payment required for installment-based payment of government fees for obtaining and renewing licenses.
- Permission to renew commercial licenses without mandatory renewal of lease contracts.

MINISTRY OF HUMAN RESSOURCES & EMIRATIZATION

As of may 13 In compliance to MOHRE Resolution Employees should not exceed 30% of the total workforce on site and for a maximum of 6 hours per day, only if necessary. Employees are still invited to work from home as often as they can.

Employers are also encouraged to consider alternative means of reducing staffing costs rather than lay off such as :

- Temporarily reducing salaries during a specific period of time.
- Implementing a remote work system
- Granting employees paid leave
- Granting employees unpaid leave



وزارة الموارد البشرية
والتوظيف

MEASURES BY BANKS

COMMERCIAL BANKS

3 initiatives for all business customers :

- A three-month payment holiday applies to new borrowing, with a 50 % reduction in charges.
- Reduction of interest charges on new borrowing.
- 50% reduction in charges for early settlement of existing loans.

4 initiatives business customers affected by the COVID-19 :

- A deferment of loan payments for up to three months applies to existing borrowing.
- 50% reduction in bank merchant's service fees for eligible SME customers with annual credit card transactions of less than 5 Million Dirhams.
- 50 % reduction in Bank fees and charges for "Zero Balance" accounts.
- The minimum balance for all SME accounts has been reduced to Dh10,000 per month.



CENTRAL BANK

On March 15, the Central Bank of the UAE announced a Dh100 billion stimulus package, which allowed banks to grant temporary relief on retail and business clients' for loans payment of up to six months.

20 days after, The Central Bank doubled the size of its stimulus package to Dh256 billion and allowed banks and finance companies in the country to extend deferrals of principal and interest payments to their customers until December 31, 2020.

VAT SUBMISSION

Businesses experiencing severe coronavirus-related difficulties will have a delay of 31 March 2020 returns and Value Added Tax remittances permitted. This new deadline will be 28 May. The original deadline was 28 April. This will apply for Q1 returns, and monthly filings reporting transactions for March.

VAT Registrants must fulfill the following obligations:

- Ensure that the FTA has received the tax payable for the monthly / quarterly return for the period ending 31 March 2020, by Thursday, May 28, 2020.
- If they are subject to monthly filings, file their tax returns and settle their payable tax for the period from 1 to 31 March 2020, no later than Thursday, May 28, 2020.
- If they are subject to quarterly filings, file their tax returns and settle their payable tax for the period from 1 January 2020 to 31 March 2020, no later than Thursday, May 28, 2020.



NB : This exceptional directive only concerns VAT Returns for the tax periods that ended on 31 March 2020 and do not apply to any other tax periods where the normal deadline for filing tax returns and settling of payable taxes does not fall in April 2020.

IMMIGRATION & RESIDENCE VISA

Government decided that all UAE residency visas will remain valid to the end of the year 2020, offering a boost to those stuck overseas with lockdowns affecting the world.

As a consequence, according to the Federal Authority for Identity and Citizenship:

- Residents whose residence visas expired in early March 2020 or are due to expire later will receive an extension of their visas until the end of December 2020. This measure applies to both residents inside and outside the UAE.
- Foreign visitors to the UAE who couldn't leave the UAE and whose visas expired in early March 2020 or are due to expire later, will also have their visit visas extended until the end of December 2020.
- In addition, residents whose Emirates ID cards expired in early March 2020 or later will also have their validity extended until the end of the current year.



HUMANITARIAN ASSISTANCE

These contractual changes are to be made in mutual agreement through gradual procedures.

While the UAE is working to support UAE nationals and residents abroad, it is also providing humanitarian assistance to other countries to help contain the spread of COVID-19. More As a consequence the country assisted in the following:

- Critical medical supplies to foreign countries
- Made UAE-owned facilities located abroad available to local governments
- Supplied donations to local initiatives
- Assisted in the repatriation of foreign nationals
- In partnership with the United Nations World Food Programme (WFP), the country has launched an international 'air bridge' operation that will provide a lifeline of essential health and humanitarian supplies to nations around the world grappling with the impact of COVID-19.



To date, the UAE has responded to the COVID-19 crisis by providing over 442 metric tons of aid to more than 39 countries in need, supporting nearly 442,000 medical professionals in the process.

03

SITUATION OVERVIEW IN SAUDI ARABIA

LOCKDOWN EVOLUTION IN SAUDI ARABIA

AS OF JUNE 26, 2020



- Lifting of the total curfew in all regions except Mecca from May 28 on several phases:
 - ✓ Traffic authorization from May 28 to 30 between 6 am and 3 pm;
 - ✓ From May 31 to June 20, outings are authorized between 8 a.m. and 8 p.m.
- Non-food shops and shopping centers respecting certain conditions are allowed to reopen under certain conditions : reduced hours, 30% -70% of capacity, no fitting and no product return, wearing a mask and gloves, taking a temperature, no children under 12 or senior over 60, etc.
- Restaurants and cafes reopen under certain conditions with restricted capacity.
- maintaining the shut down of activities, during which social distancing cannot be achieved, such as in beauty salons, barber shops, sports clubs, health clubs, entertainment centers, and cinemas.
- School to remain closed.
- Reopening of the whole public sector from May 31. The non-priority private sector remains, at this stage, subject to telework.



Return to normal expected from June 20 in the whole kingdom except Mecca.

GENERAL SITUATION

AS OF JUNE 16, 2020



Borders closed since March 15, 2020 :

- Internal flights and all public transport within the kingdom will be restored step by step by June 20.
- International flights suspended until further notice.
- Saudi Arabia's tourism industry could take a hit of up to 45% this year as a result of the coronavirus pandemic, just months after the kingdom flung open its doors to the world in launching a new visa scheme for 49 countries in September last year.

KEY MEASURES :



- Certain calls for tenders to be postponed.
- VAT going from 5% to 15% from July 2020.
- End of the universal basic income (UBI as part of the Citizen's Account Program) due to financial crisis following the COVID-19)
- Saudi Arabia announced a stimulus package, including SAR 50 billion (USD 13.3 billion) for SMEs
- The Saudi Customs Authorities has announced the postponement of the payment of customs duties for the most affected activities from the businesses-importers for a period of 30 days. This relief is available during three months from 22 March to 30 June 2020.



02

SUPPORT IN SAUDI ARABIA

TAX DEVELOPMENTS

The General Authority for Zakat and Tax (GAZT) introduced a general extension of three months for filing tax returns and payment of the related taxes for registered taxpayers.

- **Tax/Zakat:** Return filing dates postponed until 31 July for taxpayers with a December year-end, certificates issued without restrictions for the year 2019.
- **VAT:** Return filing dates for VAT postponed until 30 June, 31 July, 31 August, 30 September for the February, March, April, May and June periods.
- **Excise tax:** Payments due on goods imported during the postponement period can be delayed, but the importer must submit monthly temporary returns to GAZT.
- **Withholding tax:** Filing dates for submission of returns are now due on the 10th of July, August, and September for the March, April and May periods.
- **Delay penalties:** Taxpayers are exempted from late penalties for the submission of returns and the associated payments for all taxes (listed above) that fall due within the period starting from 18 March to 30 June 2020.
- **Payments suspended:** Penalties will not apply for payments of tax that are suspended.
- **Refund payments:** Refunds due to taxpayers are to be expedited.

NB : From June 1st, VAT to increase from 5% to 15%. This increase is a response to the economic crisis due to the impact of the COVID-19.



LABOUR RELATED

MEASURES & SUPPORT

- Saudi Government has announced to **pay 60% of the salaries** of Saudi employees working in the Private sector for a period of three months with a ceiling of USD 2.39 billion.
- **Residency permits** expiring between March and June will be renewed by The Directorate General of Passports for all **expatriate employees** free of charge, for a period of 3 months. It will also enable employers to refund fees of unused work visas.
- Allowing the **employer and employee to agree** within 6 months on either reducing the employee's wage to adjust with the actual work hours (up to 40%), or granting the employee a local leave to be deducted from his/her deserved annual vacation, or granting him/her an exceptional leave.
- Employers can **facilitate the return of their expatriate employees** to their homelands, by submitting an application to the Ministry of Human Resources and Social Development an application (one application is allowed every 14 days and can include multiple names)
- Human Resource Development Fund has allocated **SAR 5.3bn** to support private sector enterprises to **hire and train nationals**.



ECONOMIC MEASURES

TO SUPPORT LOCAL COMPANIES

- Postponing the payment of **commercial registration fees** to more than 116,000 commercial records
- **25% reduction** of expat levy for operational factories until end of year.
- Approved a **30% discount** for two months on utility bills for the commercial, industrial and agricultural sector.
- Postponing and restructuring the **payment of loans installments** for large and small factories projects (and medical projects) due in 2020.
- Announced a **SAR 50 billion (\$13.3 billion) allocation** to ensure that government dues to the private sector are paid in a timely manner.
- Social Development Bank has issued a **SAR 13 bn initiative** to support citizens, families and small establishments to cope with COVID-19 economical impact.



Our Local Presence

AN INTEGRATED INTERNATIONAL NETWORK POSITIONED IN THE WORLD'S 20 LARGEST MARKETS





ALTIOS Middle-East

📍 Jumeirah Bay Tower X2, Office 308-33,
Jumeirah Lake Towers
PO BOX 126732 Dubai, UAE

Flavie PAQUAY
Managing Director

✉️ f.paquay@altios.com
☎️ +971 52 765 3272

🌐 /company/altios-international
🐦 @ALTIOS_Group

🌐 www.altios.com