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05/2007

Issue 102

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All the drama that we have had in the international markets in late February seems to have come to nothing after all, and all the apprehensions of doomsayers seem to have gone for a toss. The fundamentals have not changed though. The weakness of the US subprime market remains and the heat in the emerging markets just looks a bit uncomfortable.

In the GCC, apart from Bahrain and Saudi stock markets, all the other indices are up. The Tadawul is down over 400 points as I sit writing this, and it looks like there could be further losses on counters that continue to have their valuations stretched.

The Dubai Financial Market had a brisk run during April, as first quarter results came in and there were some strong performances. But the biggest event in the UAE during the month was the unveiling of the UAE government strategy by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai. The core message in the strategy focuses on ensuring sustainable development and a high quality of life for all UAE nationals. The announcement of this new strategy comes at a time when the UAE and the whole GCC region is witnessing unprecedented and fast-paced development not only in the growth of economies, but also in the adoption of global best practices in various aspects of businesses and in the way civil societies are run. The emphasis of the regional governments and the rulers on education, health and quality of life in the region is something that is very tangible. Change is discernible, as locally developed skill-sets are increasingly playing a more active role in conducting sophisticated business transactions.

In Dubai, the launch of the Dubai Mercantile Exchange (DME) has been postponed for a month to the 1<sup>st</sup> of June now. But internationally, the announcement from IntercontinentalExchange of its plans to introduce a new sour crude futures contract in London this month, just days before the DME launch, has come as a bit of a surprise. For the industry, it just makes it much better now that they will be able to trade sour crude contracts on two global platforms.

Before I sign off, I should mention the announcement that Barclays has agreed to a deal to acquire ABN AMRO Bank. If the deal goes through without any hitches or glitches, it will have significant impact in the emerging markets, where the British high street bank has big ambitions.

And lastly, we have updated the financial terms glossary this month. It's free with every issue of **MONEYworks**, so you can now replace the earlier one on your shelves with this latest edition.



Utpal Bhattacharya  
Editor

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## 30 Lead story - Making contact

Abu Dhabi Commercial Bank (ADCB) will become the first bank in the GCC to launch PayPass contactless cards this month. Supported by card processing company Network International LLC, the bank is doing a pilot issuing 4,000 cards in the first phase. A few more similar projects are also likely to come off the ground this year in the region, writes **Utpal Bhattacharya**.

## 35 Secure plastic: Saudi Arabia

One of the main reasons for Saudi Arabia remaining largely a cash-based society is said to be concerns over lack of credit card security. Credit card issuers are now laying more stress on security with the use of technology. A **MONEYworks** report from Riyadh.

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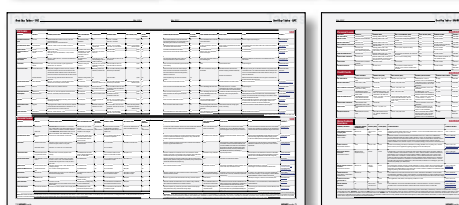
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Charles Bouloux

**“Currently AIG’s regional research is done from London, but we are slowly moving it to the DIFC so as to focus our research in an environment in the Middle East rather than doing it from outside.”** Charles Bouloux

## AIG to house asset management in DIFC

AIG plans to bring its asset management and research expertise into the Middle East at the Dubai International Financial Centre. The Takaful subsidiary of the Group is also gearing up to make its presence felt. A **MONEYworks** report.

**T**he US-based American International Group (AIG) is building up a strong presence in the region, especially now that its recently launched Takaful company, AIG Takaful-Enaya, has also begun to find its feet around the region.

Speaking to **MONEYworks**, Charles Bouloux, president for the Middle East, Mediterranean and South Asia of the DIFC-based AIG MEMSA Insurance Company Limited, said that the Group is also in talks with concerned authorities in Saudi Arabia to set up a branch of the Pan American company in the Kingdom. He said while AIG continues to operate in Saudi Arabia under the “existing regime”, there are ongoing talks to look at a new structure whereby the US-based group is better represented in the Kingdom.

“This is classified information and I cannot speak about the structure that we would want in the Kingdom,” he added when asked to clarify.

Since the launch of its non-life insurance company, AIG MEMSA, at the DIFC last June, there has been consolidation going on within the regional company, which also saw its underwriting income rise to just less than US\$600 million in 2006. Bouloux said that 2007 will be even better, as AIG MEMSA focuses on areas like small businesses with packaged insurance products.

“We are targeting small enterprises like shops and small industries that have been hitherto hardly insured. We feel this segment has tremendous potential for us in the future and you will see strong results in 2008-2009,” he added.

The various arms and legs of AIG are also coming to establish themselves in the region along with its life and non-life companies, something that is going to give a boost to the insurance operations of the group. Bouloux disclosed that the group’s investment arm AIG Global Investment Group (AIGGIG) is also in the process of taking a licence from the DIFC to manage assets in the region.

“AIGGIG is represented by a marketing arm right now at the DIFC, but they are in the process of building up the team to manage regional investing and asset management from the DIFC as part of our strategic plan,” he said.

AIGGIG manages approximately US\$670 billion in assets and employs more than 1,900 personnel in 44 offices around the world.

Bouloux said that some of the research capabilities of the company are also being shifted from London to the Dubai office.

“Currently AIG’s regional research is done from London, but we are slowly moving it to the DIFC so as to focus our research in an environment in the Middle East rather than doing it from outside,” he explained.

Speaking about the Takaful operations of the Group, Abdallah Kubursi, vice president for the Middle East, Mediterranean and South Asia of the DIFC-based AIG MEMSA Insurance Company Limited, said that the company has begun working with institutions in Bahrain. However, it is still at a phase where systems and infrastructure are being continually developed and perfected.

Enaya, which operates in the non-life business segment, currently offers insurance products and services in personal lines, financial lines, management liability, professional liability, fidelity, accident and health, crisis management, small business solutions, property, energy, casualty and marine.

“We are trying to make sure that our infrastructure is in place. We also want to make sure that our systems are working properly before we begin to apply for licenses in different countries,” Kubursi said.

Enaya, which is headquartered in Bahrain, has yet to apply for licences in any other country, including the UAE. But there are plans to do so in the near future.

Asked if there are plans to enter the life or the family segment, Kubursi said: “There is a possibility to look at family Takaful business, but we are yet to put pen to paper.”



Abdallah Kubursi.



Amin Habib

## Barclays to enter UAE with full retail range

Barclays Bank plans to unleash its entire range of retail products and services in the UAE sometime later this year. Amin Habib, managing director of Barclays for the UAE and the GCC, told **MONEYworks** that the bank is currently doing up its retail branches in Abu Dhabi and Dubai.

**T**he UK's Barclays Bank is getting ready to enter the UAE's retail banking market with its entire range of retail products and services, including credit cards and teller services, sometime later this year. The bank has received approvals from the UAE's central bank to open its branches in Dubai and Abu Dhabi, as well as a number of service centres or electronic banking units.

Habib said that the bank will have branches and service centres across the UAE over a period of time. He also said that Barclays has received a number of approvals from the UAE Central Bank, but will be making many more applications for branches and electronic banking units in the future. However, Habib refused to specify the number of approvals received by the bank so far.

"The UAE Central Bank allows a maximum of eight branches for foreign banks in the UAE. But let me put it this way, that to begin with, we will have two flagship branches, one in Dubai and the other one in Abu Dhabi. We will also have a number of service centres," he disclosed.

Habib also added that distribution will be only one facet of the bank's strategy to reach out to its prospective customers. He said that the bank plans to move away from its earlier strategy of restricting itself to a particular niche. The approach will be more broad-based.

"We will target both the affluent customer base and the mass market. Whilst traditionally our proposition in the UAE has been restricted to one segment, we will now come out and cover the entire spectrum. We will provide standard, vanilla services, as that's what every customer would require. But also, since we are a new player in the game in this market, we would need to be creative and innovative, which is what you will see when we launch our retail

banking operations," he said.

Habib said that Barclays will move its UAE headquarters to a new location in Burj Dubai, while its Dubai branch will open at the Emaar Business Park on Sheikh Zayed Road. In Abu Dhabi, a new location has been identified for the branch, he added.

Speaking about regional plans, Habib said that the UAE will continue to remain as the bank's flagship operation and headquarters for the GCC.

"We will benchmark ourselves in the UAE and use it as a launching pad for wherever we want to launch our banking operations in the region. The first one is Qatar, as we have received a licence from the Qatar Financial Centre (QFC). Barclays Capital has entered that market, and our business will follow," he added.

He also explained that the QFC licence allows the bank to be mostly an offshore entity.

"The QFC licence will allow us to do large elements of offshore banking business, working capital, some element of liability taking beyond a certain limit. The presence there, as of now, is very much offshore. Our strategy is to get it right first in the UAE and then Qatar, and then use that as a launch pad for the rest of the GCC," he said.

On Saudi Arabia, Habib said that it is an important market, but the bank will go through stages of development, and a presence in the Kingdom is not part of the bank's immediate plans.

Barclays has structured its business into three groupings, the first being Europe, where it has a strong presence in Spain, Portugal, Italy and France outside the UK. In the second grouping, its focus is on Sub-Saharan Africa, where the bank has been present for over 100 years, while the third grouping includes the Middle East and North Africa, India and the Caribbean.

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**"We will benchmark ourselves in the UAE and use it as a launching pad for wherever we want to launch our banking operations in the region. The first one is Qatar, as we have received a licence from the Qatar Financial Centre (QFC). Barclays Capital has entered that market, and our business will follow."** Amin Habib

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At the time of going to press, Barclays bank had agreed to merge with Dutch bank ABN AMRO in a deal worth GBP45 billion (66 billion euro; US\$90 billion). The merger will create one of the world's largest banks, with a total value of GBP94 billion, headquartered in the Netherlands. The enlarged group would have 47 million customers, including 27 million credit card holders. The proposed deal, which must be approved by regulators and shareholders of both firms, would see Barclays shareholders owning 52 per cent of the enlarged Barclays Group and ABN AMRO investors owning the remainder.



Faisal bin Juma Belhoul

**Ithmar Fund 2 is also in an advanced stage of negotiations for buying majority stake along with 3i in an architecture company in Britain. This company is considered to be one of the top 100 companies in the UK.** Faisal bin Juma Belhoul

## Ithmar Fund 1 transforming to company, to IPO

Ithmar Capital is converting its Ithmar Fund 1 to a Shari'ah compliant company, while Ithmar Fund 2 is actively pursuing buyout deals.

**Ehab Heyassat** finds out near term plans of the Dubai-based private equity company.

Ithmar Capital is in the process of incorporating a Shari'ah compliant business development holding company in Dubai that will own and operate all seven companies held as portfolio companies by Ithmar Fund 1.

Ithmar Fund 1 had its first closing in October 2003 with assets of US\$70 million. The objective of this fund was to manage, merge, acquire and develop the businesses for seven companies owned by the Belhoul Group within the fund. The seven portfolio companies of the fund are Belhoul Lifecare, Gulf & World Construction, Dubai International School, Emirates Industries, Pharma World, Gulf & World Traders and Gourmet Catering & Hospitality Services.

Faisal bin Juma Belhoul, founder and managing partner of Ithmar Capital, said that Ithmar intends to take this new business development company to the primary market by 2009 on one of the stock exchanges in the UAE. He also said that the company will dilute between 25 and 40 per cent of its equity through the initial public offering, while the rest will be subscribed by the Belhoul Group, although the final structure will depend on the regulatory approvals.

### Capital increase

Belhoul added that in 2009, he expects the Shari'ah compliant development company's capital to increase to AED1 billion from the current AED500 million.

In related developments, Ithmar Capital's Ithmar Fund 2, which closed with US\$250 million late last year, is in the final process of making its second acquisition. The announcements are likely to be made by the end of this quarter. Although he refused to give specific details, Belhoul disclosed that the fund is negotiating a 50 per cent strategic stake in a regional construction company that operates in three GCC countries. The fund, along with its investors, will invest US\$100 million in the construction company for the 50 per cent stake, he added.

Ithmar Fund 2 will invest US\$25 million in the company, while the rest will come from investors that have invested in the Ithmar fund, he explained.

The investments of US\$100 million through the deal will help the construction major to raise its capital to US\$200 million. It will provide the resources for the company to expand its operations to a fourth market in the region. And, according to Belhoul, this will also give the company the much needed boost to emerge as one of the top three players in the construction space in the GCC and increase the value of its portfolio of projects from its current AED3 billion to AED10 billion in three years.

### Buyout deals

"Ithmar Fund 2 has the mandate to invest up to 20 per cent of the fund in any one deal, but the fund managers have decided to invest only 10 per cent, while generating the remain investments from co-investors. We intend to invest in 10 buyout deals with this fund," said Belhoul.

Ithmar Fund 2 is also in the advanced stage of negotiations for buying majority stake along with 3i in an architecture company in Britain. According to Belhoul, this company is considered to be one of the top 100 companies in the UK.

However, Belhoul declined to name the company, but said that 3i will own 55 per cent of the architecture company once the deal goes through, while Ithmar Fund 2 will own 20 per cent for an investment of US\$30 million. The rest, or 25 per cent, will go to the management of the company.

Ithmar Fund 2 targets an internal rate of return of 25 per cent. The fund has a hurdle rate of eight per cent and aims to spread its investments to not less than three years, but not more than four years. The fund also aims to conclude two to three deals a year. The fund has already invested in the oil and gas sector and targets, among others, companies in the healthcare, education and logistics sectors.

### Dubai Financial Market (DFM) reports

Q1 07 net profit of AED563 million, including AED468 million generated by IPO profits and AED95 million from activities. **In other news**, the DFM website [www2.dfm.ae](http://www2.dfm.ae) was awarded the Golden Award in the banks and financial institutions category at the Pan Arab Web Awards 2007.

### DIFC has launched DIFC Lighthouse Tower, a

400-metre luxury office tower to be constructed in the heart of the DIFC District, adjacent to "the Gate". The Lighthouse will apparently be characterised by special external lighting features that will distinguish it from all other high-rise buildings in Dubai. And, in these carbon aware times, the approved environmentally sensitive design of the tower will include provisions for various applications for renewable energy, reduced carbon emissions and energy saving techniques.

### MasterCard Worldwide is to be a founding

corporate sponsor of the Hawkamah Institute for Corporate Governance, the association of corporate governance practitioners, regulators and institutions that aims to develop corporate governance best practices in the Middle East region.

### SHUAA Capital has received the approval

of the Capital Market Authority of Saudi Arabia, to undertake the full spectrum of investment banking activities in the Kingdom. Under its licence, SHUAA Capital (Saudi Arabia) will be able to act as principle, agent, underwriter and custodian, manage investment funds and client portfolios, undertake financial and corporate advisory services and act as investment advisor.

### Tamweel's EGM assembly approved the

amendment of Tamweel's articles of association to allow foreign ownership of up to 40 per cent of the firm's share capital. The assembly also approved the issuance of AED1.1 billion (US\$300 million) of convertible sukuk and AED1.83 billion (US\$500 million) of non-convertible sukuk.

## Islamic finance could have its limitations

There is a likelihood that some areas of finance will never achieve acceptable fatwa from Islamic scholars, a possibility that merits a closer look by all providers, according to Niall S K Booker, deputy chairman and chief executive officer of HSBC Bank Middle East Limited.

Booker said this while addressing top notch financial industry professionals at **MONEYworks'** Centennial Lunch held in Dubai on April 5.

He said that while Islamic finance has truly come of age, growing 15-40 per cent a year and generating a great deal of excitement, new entrants and international interest, there is a need to exercise caution, as some areas of finance may not meet the requirements of the Islamic principles.

"It may sound odd coming from a British banker, but we must not lose sight of the principles of Shari'ah. It is HSBC's position that we will never market or sell a product as Islamic without a recognised fatwa. There is a possibility that some areas of finance will never achieve an acceptable fatwa. I do not see, for example, how a derivative product based on forward interest rates can ever be Shari'ah-compliant, and this caution should inform all providers," he said.

But he also added that until a few years ago, no-one would have predicted an Islamic card, and yet these are now commonplace.

Speaking on "Changing dynamics of banking in the Middle East", he also emphasised the need for growing and improving human capital in the region. He spoke about the need for consolidation of the banking industry, credit and risk management.

Khuram Chaudhry, chief European quantitative strategist with Merrill Lynch, who also addressed the Centennial Lunch, talked about investment strategy themes for the coming months. He outlined rising global interest rates, contraction of liquidity growth, slower growth in profits and a global economic slowdown as the most important themes in the near future. He urged non-US investors to consider hedging their US dollar exposure and predicted that non-US Asian currencies, especially Korea, Singapore, Taiwan and China, would do well.

The luncheon was also attended by Saud Al Amiri, chairman of Rasalmaal Financial Publishing, the publishers of **MONEYworks**, who welcomed the guests at the event. Al Amiri said that the **MONEYworks** Group of publications is committed to providing regional research and credible and objective financial information to its readers.

He said: "We at the **MONEYworks** Group look forward to a strong future for the financial services industry in the region. With new international financial markets coming up along with sophistication matching global standards, we are excited about the prospects of financial publishing as well. We are very confident that we will match the requirements of the industry in the years to come in the region."

The **MONEYworks** Centennial lunch was augmented by event partners, including Tameer, National Bank of Dubai, BMW, Emirates Holidays, Palazzo Versace Hotels and Gold Coast Tourism.



(L to R) Khuram Chaudhry, chief European quantitative strategist with Merrill Lynch, Saud Al Amiri, chairman of Rasalmaal Financial Publishing and Niall S K Booker, deputy chairman and chief executive officer of HSBC Bank Middle East Limited



**Ahli United Bank has announced a net profit** of US\$68.9 million for the quarter ended March 31, 2007, an increase of 13.9 per cent over the same period in 2006 (US\$60.5 million).

**Deyaar has approval from the UAE's ministry** of economy to launch its IPO. The issue is slated to open on May 6, 2007 and will close on May 16. The total offering is AED 3.178 billion allocated over 3.178 billion shares, 55 per cent of the company's capital. The shares cost AED1.00 each with 0.02 fils as offering costs. Subscription will be open to UAE and GCC nationals. Deyaar has also signed an AED600 million Mudaraba facility – its largest Mudaraba transaction to date - with Dubai Islamic Bank for part funding its growth plans. The facility assumes significance as it also marks Deyaar's first step towards obtaining non-project finance.

**Independent credit bureau Emcredit is** providing industry know-how to a technical advisory committee tasked with creating a federal regulatory framework that regulates credit information. The information law will be implemented by a proposed data privacy commission, typically an independent supervisory authority that regulates the usage and sharing of personal information.

**Abu Dhabi Securities Market has become an** affiliate member of the "International Organisation of Securities Commissions", enabling ADSM to access and view the international financial standards and practices applicable in global stock markets.

## DFSA obtains interim injunctions to stop internet fraud

The Dubai Financial Services Authority (DFSA) obtained injunctions in the Dubai International Financial Centre (DIFC) Court against the operators of the Euro-America Index.

The DFSA was alerted to the operations of Euro-America Index, which purported to offer returns of between 100 to 230 per cent on 100 day index investment products. On their website, Euro-America Index claimed to have three global trading centres including Chicago and Zurich, as well as one based in Dubai, and referred to the DIFC. The DFSA investigation has revealed that Euro-America Index was never authorised to trade in any of these financial centres, including the DIFC.

The DFSA was assisted in the investigation by the US Securities and Exchange Commission and the Swiss Federal Banking Commission. The orders, which prohibited the operation of the website and stopped the conduct of Euro-America Index, were made by the deputy chief justice of the DIFC Court, the Honourable Michael Hwang, after a court appearance in Dubai via a video link with the judge in Singapore. Cooperation was received by the website domain owner, Domains by Proxy Inc. and GoDaddy.com based in Arizona, USA.



David Proctor, head of the Al Khaliji executive team

**Al Khaliji, the new Doha based bank, opened its IPO on April 15** to Qatari nationals only. The offer period ran until April 29. The bank offered 17 per cent of its capital, or 120 million ordinary shares, with a par value of QAR10 per share. Investors paid 50 per cent of the par value at the time of application, plus 2.5 per cent of the par value as establishment expenses. Applicants were able to apply for a maximum of 5,000 shares per person. Given the part paid structure, Al Khaliji will initially raise up to QAR600 million in capital from the IPO. Al Khaliji will start full banking operations in Qatar by Q4, 2007.

**Dubai Bank has increased its capital by AED1 billion to support its** growth plans. The increase has been injected into the business by the existing shareholders, Dubai Holding (70 per cent) and Emaar (30 per cent).

**Niall Booker, currently deputy chairman and chief executive officer of HSBC Bank** Middle East Limited, is to become chief operating officer of HSBC Finance Corporation.

Youssef Nasr will succeed Booker as chief executive officer of HSBC Bank Middle East Limited. Nasr retains responsibility for broadening HSBC's shareholder base as group managing director, strategic investments, and will continue to report to Michael Geoghegan, group chief executive officer of HSBC.

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**Fleming Gulf is hosting the upcoming second**

Annual Branding in Banking & Finance Forum in Dubai, UAE on June 18 and 19, 2007, gathering senior officials from various leading banks and financial institutions in the Middle East, India and Pakistan.

**Arabian Automobiles, exclusive**

dealer of Nissan in Dubai and the northern emirates, sponsored the launch of "They Saddle Dogs", a book by Greg Hunt, one of the directors of the company responsible for this very magazine. Greg started **MONEYworks** back in September 1998, and the new book is his first novel. The book illustrates Greg's travel experiences from East to West, from Abu Dhabi to London – in his Nissan Pathfinder. 'They Saddle Dogs' is "a quirky hybrid between a novel, a snapshot biography, a travelogue".

**The Dubai Mercantile Exchange Limited**

(DME) has revised the launch date of the DME to June 1, 2007, subject to regulatory approvals of its clearing arrangement.

**Sextant Strategic Opportunities Hedge**

Fund was up 19 per cent in March. The fund again turned out to be the top performing fund in Canada in 2007, up 25 per cent for the quarter.

**The Dubai International Financial Exchange**

has created a link with Clearstream, the international central securities depository that will facilitate more dual listings on the exchange.

**Abu Dhabi property developer ALDAR has**

signed an exclusive contract with Ferrari to construct the Ferrari Theme Park on ALDAR's YAS Island project.

**Emaar Properties PJSC has posted a net**

profit of AED1.721 billion (US\$0.469 billion) for Q1/07 recording an increase of 13 per cent over first quarter 2006 results of AED1.517 billion (US\$ 0.413 billion).

## Nexus and ALICO AIG Life collaboration

The Middle East is emerging as a highly dynamic insurance market, as attitudes towards the sector shift and consumers look for a wider variety of financial products to support their long-term interests in the region. A new report from Standard & Poor's

Ratings Services points out that, provided the world average insurance premium of US\$550 per capita is achieved, the GCC insurance market could be worth up to US\$20 billion.

Insurance penetration is low by global standards – European countries typically average around 10 per cent for life insurance, for example, while countries in the Middle East hover around the two per cent mark. And, in a move demonstrating the potential for growth, independent financial adviser Nexus has added a range of ALICO's life, critical illness and

accident insurance products to its panel.

"We're seeing both increased demand and increasing sophistication in markets throughout the region, and the collaboration with ALICO AIG Life has helped us to offer a wider portfolio of best-of-breed products," said Mahmoud Nodjoui, owner and CEO of Nexus.

**The first of Sotheby's 2007 biannual Arts of the Islamic World Sales (held last month) realised GBP4,461,760, a million pounds more than the pre-sale high estimate.**

The highest price paid was for a magnificent Ottoman silk, velvet and metal thread calligraphic band from the Holy Ka'ba – known as a hizam – when it sold to an anonymous buyer for GBP311,200, more than double its pre-sale high estimate. The band, which consists of grey-black velvet and pale green satin and shows ornate embroidered decoration in gold and silver thread, is of exceptional quality, and it is rare to see one that survives in such incredible condition and in such a complete and comprehensive state.

Other top lots in the sale included a brass astrolabe made by the leading astrolabist of medieval Morocco, which sold for GBP204,000 against an estimate of GBP80,000-120,000, an important copy of the Shahnama of Firdausi boasting 39 miniatures attributable to the great Persian artist Mu'in Musavvir, which sold for GBP192,000 against a pre-sale estimate of GBP100,000-150,000 and a superb example of a rare form of helmet from the late Mamluk/early Ottoman which brought GBP108,000 against an estimate GBP50,000-60,000.

## Chicago Mercantile Exchange exploring opportunities in the Middle East

After Eurex, it's now Chicago Mercantile Exchange (CME) that is exploring the possibilities of setting up a hub in the GCC. Aramn Falsafi, managing director of Europe, the Middle East and Africa, told **MONEYworks** that the exchange is also looking at creating Shari'ah compliant products for trading with the increasing demand for the Islamic way of investing in the world.

Falsafi said that CME is currently building up its presence and influence in the emerging markets and is also offering a package to new customers, including waiving all charges for trading of contracts up to US\$3 million over a two year period.

"This incentive programme is specifically targeted towards our new clients in the emerging markets. The incentives are also available for clients from the GCC," she said.

CME trades on average more than six million contracts a day. In fact, in February 27, 2006, it touched a record of 13.7 million contracts.

**Merrill Lynch has entered into a partnership** with the Arab International Women's Forum (AIWF). The partnership is intended to complement the firm's considerable Middle East experience and develop its regional operations.

Established in 2001 as the first not-for-profit organisation of its kind, AIWF has brought together Arab and international business and professional women from over 40 countries. The membership is drawn from women who are owners, directors, managers and consultants across all sectors and industries, as well as from fields such as politics, international diplomacy, government and economic, trade and social forums.

**Standard & Poor's is to open an office** in Dubai by the end of the year, its first in the Middle East.

**RAKBANK reports a net profit of AED86.1** million for the quarter ended March 31, 2007, a 55 per cent increase over the same period in 2006.

**Abu Dhabi-based First Gulf Bank has** reported record first quarter results with a net profit of AED406 million (US\$111 million) for the first three months of this year ending March 31, an eight per cent increase on the first three months of 2006.

**Al Qudra Holding has posted a profit of** AED637 million for the financial year ended December 31, 2006, a 202 per cent increase to the profits achieved in 2005.

**Bahrain Islamic Bank revealed first quarter** financial results of BHD5.2 million in net profits - an increase of 37 per cent over the BHD3.8 million for the same period of 2006.

**SHUAA Capital has upped its stake in** Amwal to 47 per cent, making it the largest single shareholder. The Qatar Central Bank approved the acquisition of the 26 per cent stake.

## Eighteen friends find a new way of saving with National Bonds

Prasanthan Kuniyil, a driver in Dubai, and his friends together won AED1 million in National Bonds' twelfth monthly draw.

The group of friends, who all hail from the same village in Kerala, saved AED13,000 in the Shari'ah compliant National Bond scheme in September 2006. The 18 friends work as drivers in Dubai Municipality, Dubai Taxi, hotels or as

personal drivers. They had set up a private fund earlier, which each used to contribute AED100 every month to help the needy among them.

The twelfth draw also marked the first anniversary of National Bonds. The savings scheme goes to its second year with over 300,000 subscribers saving over AED1 billion with National Bonds.



## Emirates Bank International reaches 30

Thirty years ago the late HH Sheikh Rashed bin Saeed Al Maktoum, the then ruler of Dubai, issued a decree establishing the Union Bank of the Middle East.

Later, when the Dubai government decided to consolidate its banking sector by merging Union Bank of the Middle East, the then Dubai Bank and Al Ahly Bank, Emirates Bank was born. In 1991, the takeover of Middle East Bank helped propel Emirates Bank to widen its scope.

According to Ahmed Humaid Al Tayer, the chairman of board of directors, "Over the last three decades, Emirates Bank has grown to become one of the top banks in the UAE and the largest bank in Dubai in terms of assets and profit. This is a great source of pride for us, especially as the bank expanded from a small local bank to a major regional player in the financial industry. We became a diverse financial conglomerate through acquiring an insurance company, two credit cards processing companies, establishing an Islamic Bank, a brokerage company and an investment arm, as well as a strategic alliance with the Bank of Beirut. Our overseas branch network now also includes a presence in Saudi Arabia, Singapore, London, India and Iran."

The bank now embarks on a new chapter in its history following the recent announcement of its merger with National Bank of Dubai, the second largest bank in the UAE and oldest national bank in Dubai. It's a new financial conglomerate that promises to be one of the largest banks in the Gulf, Middle East and North Africa.

The Joint Steering Committee of Emirates Bank Group and National Bank of Dubai have appointed Goldman Sachs International as its lead financial advisor.

**The booming property development, real estate and construction market in the** GCC presents sizeable potential for construction and engineering insurance. Royal & SunAlliance has begun an expansion of their insurance capabilities for the Middle East and Asia. Royal & Sun has recently appointed a leading construction and engineering expert based in Hong Kong, Dr.Zhou Hao Ming, who will spearhead regional development for the Middle East and also for Asia. He is currently hiring teams of expert underwriter and claims handlers and will be appointing people at a senior level across the Middle East.

**Arab Banking Corporation reports a group net profit for Q1 of US\$70 million,** up six per cent over the same period last year.

**The Bahrain Stock Exchange has signed up** with Mubasher to provide live trading quotes on a real-time basis.

**Tejoori has announced pre-tax profits of** US\$7.4 million for the second half of 2006. The Shari'ah compliant company, which listed on London's AIM in March 2006, had a net asset value of US\$44.5 million on December 31, 2006, representing US\$1.61 per share.

**SHUAA Capital is selling its 35 per cent** stake in Oman National Investment Corporation Holding SAOG. The sale will result in a gain of AED52.5 million, which will be reflected in SHUAA Capital's fourth quarter results for its financial year ending on March 31, 2007. The transaction entered into on March 30, 2007, is subject to the approval of the Capital Markets Authority in the Sultanate of Oman, which has been duly notified.

**Zabeel Investments and Nakheel have** partnered to create Bidaya, an educational and leadership programme, in a total investment of AED30 million.

Bidaya will support university students financially, as well as offer leadership development programmes to enhance students' leadership skills. Each year, 20 students will be selected through recommendations from public schools across the UAE.

**The Dubai Mercantile Exchange Limited** (DME) has received no objections from the Sultanate of Oman's Capital Market Authority, the Financial Services Regulatory Authority of Ireland and the New Zealand Securities Commission, and a regulatory authorisation from the Swiss Federal Banking Commission.

The regulatory approvals include the DME's first from Middle Eastern and European jurisdictions and further approval from the Asia-Pacific region. They follow last month's 'no objection' letter from International Enterprise Singapore and 'no restriction to provide direct access' from Japan's ministry of international trade and industry.

## NBD's real estate team outperforms growth predictions

National Bank of Dubai's European Real Estate Fund (NBD EREF), has performed well, exceeding the projected total return of 15 per cent per annum internal rate of return. It's also expected that the income component distributed through a quarterly coupon will rise noticeably as rental income from purchases feeds through.

To date, NBD EREF has invested Euro40 million into four mixed-used real estate assets in Germany and a further Euro10 million is earmarked for investments into the Netherlands. The triple net initial yields for the purchased assets are in a range of 5.00 - 6.32 per cent, with some uplift potential over the holding period. The average interest rate on borrowing provides a comfortable gap between the net cash flow generated by the assets and the costs of borrowing.

### Union Properties PJSC (UP) organised an open day last month to mark

the company's 20th anniversary. The ceremony was inaugurated by Anis Al Jallaf, chairman, Union Properties PJSC, Simon E. Azzam, chief executive officer, Union Properties PJSC and the company's board members. Held in conjunction with the company AGM, the one-day event showcased UP's tribute to the past and its focus for the future by highlighting the shared visions of development adopted by the company and the emirate of Dubai.



Union Properties PJSC marks 20 years of property development in Dubai

## Forbes 2007 billionaire list shows Arab billionaire increase

Thirty billionaires from the Arab world with a collective net worth approaching US\$125.3 billion feature in Forbes' 2007 list of the world's richest people. There are now 946 billionaires on the planet, with a collective net worth of US\$3.5 trillion - a significant increase from the 2006 figures of 793 billionaires with a collective net worth of US\$2.6 trillion.

Arab billionaires increased 25 per cent in a single year, compared to a 19.3 per cent increase of billionaires worldwide. However, the collective net worth of Arab billionaires only increased by 15.4 per cent, compared to a worldwide increase of 35 per cent.

Although the Arab world's richest list preserved its usual flavour, with Saudi Arabia offering 13 out of the 30 total billionaires, Forbes also reported the debut of seven newcomers. Of the seven newcomers, three are from Saudi Arabia, two are from Egypt and two are from Lebanon.

**BankMuscat recently announced the opening of its first branch in Saudi Arabia**, the only bank in Oman to have opened a branch in the Kingdom. BankMuscat will provide Shari'ah compliant services to customers in the Kingdom including current, savings and investment accounts, consumer finance, corporate finance, trade finance and ATM services. The bank also has a full-fledged ladies branch on its premises.

**The financial results for Tamweel PJSC for the year ending December 31, 2006**, were approved at the company's recent AGM. The assembly approved the distribution of a cash dividend of 20 per cent of the company's share capital, amounting to AED200 million. The assembly also reviewed and discussed the director's report, auditor's report and the report of the Fatwa and Shari'ah supervisory board.

### The northern emirate of Ras Al Khaimah is

becoming a top investment hotspot in the UAE, according to an in-depth study by the Oxford Business Group (OBG). With a renewed drive for development over the last few years, RAK is now focused on becoming a serious investment destination.

"The emirate has plenty to offer investors, as investment costs are still less than those in the neighbouring emirates of the UAE, it has plenty of space, a clean environment, liberal atmosphere, straightforward regulations, flexible free zone policy, plenty of housing and a strong legal environment. There seems to be nothing standing in the way of RAK's ambitions to become the newest major development story in the Gulf," said Bebhinn Kelly, OGB director for the northern emirates.

RAK has concentrated on free zones to attract a major number of investors. In 2005, 687 new companies registered in the RAK Free Trade Zone (RAKFTZ), while the first half of 2006 welcomed a further 598 companies, putting RAKFTZ on course to meet its target of 1200 companies for the year.

RAK has also seen its GDP grow from just AED6.3 billion in 2001 to AED9.2 billion in 2005, with mining, manufacturing and real estate all showing strong growth.

### The Bank of New York has expanded its

private equity servicing capability to further strengthen the Bank's leadership position in supporting alternative investments.

The Bank has been appointed by Global Capital Partners, a 100 per cent subsidiary of Global Investment House, to service their Global Buyout Fund, which will target buyout opportunities in the Middle East and North Africa, Turkey, China India and Pakistan.



A delegation from China Construction Bank led by its chairman Guo Shu Qing met with Stuart Pearce, CEO and director general of the Qatar Financial Centre regulatory authority at the new QFC Tower on April 19 to discuss opportunities in Qatar and the region. From left to right: Stuart Pearce, Guo Shu Qing and Phillip Thorpe, chairman and CEO of the QFC regulatory authority

## DIFX cements leading position as the world's largest exchange for sukuk

Dubai Islamic Bank has listed a US\$750 million Sukuk on the Dubai International Financial Exchange (DIFX), after selling the Islamic securities to investors in Europe, Asia and the Middle East. The Sukuk is the first ever issued by the bank, which specialises exclusively in Islamic instruments.

Forty-five per cent of the Sukuk issue was placed with investors in the Middle East, 30 per cent in Europe and the balance was placed in Asia.

The Sukuk was issued by DIB Sukuk Company Limited, a company incorporated in accordance with the laws formed and registered in the Cayman Islands. The Sukuk issue is rated A1 by Moody's and A by Standard and Poor's. The lead managers and bookrunners for the issue were Barclays Capital, Citigroup and Standard Chartered Bank.

Hamed Ali, executive officer of the DIFX, said: "The DIFX intends to strengthen its focus on Sukuk. The total value of Sukuk issued globally in 2006 was US\$27.1 billion, more than twice as much as in 2005, as issuers turn increasingly to this Islamic asset class as an effective way to raise capital."

### Abraaj Capital has acquired a strategic stake in low cost airline carrier Air

Arabia. Abraaj Capital became a co-founder shareholder ahead of Air Arabia's AED2.5 billion IPO, which opened on March 18, 2007, and will closed on March 27, 2007. The IPO is the largest offering in UAE history to date.

Having served more than 3.4 million customers since it began operations and currently serving 35 destinations, Air Arabia has been profitable since its second year of operations. The investment made by Abraaj will support the airline's regional expansion plans and aircraft acquisition strategy, as well as provide capital for infrastructure development at Sharjah Airport, where passenger traffic increased more than 36 per cent last year and the facility received more than three million passengers.

### Dubai Financial Market announced last month that the value of shares bought

by foreign investors during the second week of April 2007 reached AED2.2 billion, comprising 40 per cent of the total value of shares bought during the period.

The value of stocks sold by foreign investors in the second week of April 2007 reached AED1.6 billion, comprising 29.2 per cent of the total value of stocks traded during the period. Net foreign investment on the market increased to AED574 million during the second week of April 2007.

### A forum between ADSM & Muscat Brokers was held on Saturday, March 31, 2007

at the Sheraton Hotel, Abu Dhabi. It was organised by the Abu Dhabi Securities Market. The forum activated the linkage agreement between the two securities markets (Abu Dhabi and Muscat) to encourage and facilitate trading, investment and settlement through the link.

The ADSM currently includes 54,000 Omani registered investors - seven per cent of the total registered investors. Emirati registered investors in Muscat Stock Exchange now number 13,706 investors - 55.6 per cent of the total registered investors, with a volume of 327,530 million shares.

### Emaar Properties has reiterated its commitment to initiatives that

empower UAE nationals by sponsoring a student team pavilion, named Elnafah, at the recent Young Entrepreneur Competition organised in association with the Sheikh Mohammed Bin Rashid Establishment for Young Business Leaders. Three students from Al Mawakeb School - Rashed Belselah, Hassan Kajoor and Abdulla Belselah - showcased a range of fashion accessories, Arabian perfumes and phone accessories as part of an innovative product packaging that appeals to women at the competition.



## Middle Eastern global real estate investment up 14 per cent in 2006

Middle East economies, specifically the GCC countries, currently fund almost 25 per cent of global real estate development activities, according to Jones Lang LaSalle's latest Global Real Estate Capital Report. This is primarily happening in home markets of the GCC as well as international investments such as real estate funds.

Investors from Gulf Cooperation Council countries were strong backers of global real estate markets throughout 2006, investing US\$13 billion, up by 14 per cent year-on-year. Over half of this investment was exported outside of the GCC into the US (US\$7 billion), followed by the UK (US\$4 billion), Germany (US\$1 billion) and South Africa (US\$1 billion).

**The DIFC Courts, the independent judicial system which will deal with matters** arising from and within the DIFC, were inaugurated last month. The DIFC Courts is equipped to conduct proceedings, with its own court room, rules of court and court facilities. The Courts will also include a small claims tribunal in order to hear lower value cases arising within the DIFC. The DIFC Courts has been operational since October 2005 and had over 10 sittings since then.

**The Dow Jones passed the 13,000 mark for the first time in history, powered** by strong corporate results. America's main share index was up 75 points to 13,029 in the first few minutes of trading on Wednesday April 25, 2007.

**Amlak held its annual general meeting at the DIFC and recorded a net profit of** AED130 million, after depositor's share, for the year ended December 31, 2006, a 23 per cent increase over the previous year.

**Better Homes' Commercial division has brought in a specialist team to drive** commercial sales, based at the Gold and Diamond Park. Niraj Massand has been appointed director of commercial advisory.

### SETTING UP

#### Joining the DIFC last month...

Lancashire Marketing Services (Middle East) Ltd; Daiwa Securities SMBC Europe Limited (Daiwa); Eurex Frankfurt AG; Moody's Investors Service has officially opened Moody's Middle East Limited; Geneva headquartered Banque de Commerce et de Placements and UTI Bank has opened a Financial Services Category 1 branch.

#### Joining DGCX last month...

JPMorgan has been approved as a Broker Clearing Member of DGCX.

#### Joining QFC last month...

The Royal Bank of Scotland plc; Crédit Agricole Suisse (Qatar) LLC; Citibank N.A.; Qatar Capital Partners LLC; Lehman Brothers International (Europe); ICICI Bank Limited and Badri & Salim El Meouchi Law Firm.

**Also**, risk and insurance services firm Marsh is to apply for a licence from the Qatar Financial Centre Regulatory Authority.

The QFC Authority has issued its first annual review, covering the period from the launch of the QFC on May 1, 2005 to December 31, 2006. It's available on the QFC Authority website at <http://www.qfc.com.qa/publications/a-report.asp>.

**And**, Dubai Multi Commodities Centre has welcomed its 1,000th member company, Alcan Middle East, the regional representative of Alcan Inc.

### APPOINTMENTS May 2007



Alma Stokes

**Forsyth Partners** has appointed **Alma Stokes** as global head of compliance, based in Forsyth Partners' Dubai office.



Majeed Hujair

**Visa International** has appointed **Majeed Hujair** as general manager of Visa International in Bahrain, in addition to his current responsibility as general manager for Kuwait.



Deepak Sharma

**Citi Global Wealth Management** has appointed Singapore-based **Deepak Sharma** as chief executive officer of Global Wealth Management International to oversee all its non-U.S. business, namely Europe, Latin America, Asia Pacific and the Middle East.



Henry Azzam

**Deutsche Bank** has appointed **Henry Azzam** as the group's regional chief executive officer for the Middle East and North Africa, based in Dubai, reporting to Juergen Fitschen, group executive committee member and global head of regional management.



Sulaiman Al-Mazroui

Emirates Bank's **Sulaiman Al-Mazroui** has been selected as the new member of the board of directors of the **Union of Arab Banks**. He will serve for three years from May 1, 2007 until April 30, 2010.

**Tejooori** has appointed **Yaqub Yousuf** as chairman of the executive committee to oversee the company's operations. **Ilike Toklu** has also been appointed general manager.

**EFG-Hermes** has appointed **Declan Ball** as the firm's head of corporate human resources.



Adel Lootah

**Adel Lootah** has been appointed CEO of **National Properties**.

**Deutsche Bank** has appointed **Tim Nicolle** as MD, with responsibility for Central and Eastern Europe, Middle East and Africa Securitisation.

**Moody's Investors Service** has appointed **Philipp Lotter** as VP – senior credit officer and **Peter Carvalho** as VP – senior analyst, serving as lead analysts for corporate issuers and financial institutions in the GCC region.

**Standard Chartered** has appointed **Sultan Al Suwaidi** as chief advisor to the bank, focusing on assistance with high-level strategy and government liaison.

**Tony Wilcox** has been appointed as managing director of **Bank of Scotland International**.

### ABN AMRO launched its latest Islamic

Commodity Basket Capital Protected Note. Investors in the GCC can trade the Islamic Note on a secondary market operated by ABN AMRO, which provides intra-day liquidity subject to a bid-offer spread. The Islamic Note is designed to provide Shar'ah compliant exposure to a basket comprising nickel, zinc and oil, with full capital protection on the maturity date, fixed after two years. The product offers the possibility to trade daily in the commodity market with a minimum trade size of US\$100.

### National Bank of Dubai has launched NBD

Twin Invest, a combined fixed deposit and long term investment. Customers get a return of eight per cent per annum on a one-year fixed deposit and the growth potential of long-term mutual funds from leading international fund houses. One half of the investment is placed in a one-year deposit with the bank, earning eight per cent for the first year. The other half is invested in the Universal Investment Plan from Old Mutual (Bermuda) Limited, which offers access to a wide range of international mutual funds. Minimum subscription is US\$100,000.

### Mashreqbank has launched an unsecured

overdraft facility for merchants against their Point of Sale receivables, a first of its kind in the market. It's the first ever standalone unsecured business overdraft offering in the market and is offered in combination with a value-added and business current account.

### Emirates Bank has launched the Dubai

Police home loan. The loan offers UAE nationals working for Dubai Police a home financing option, with loan amounts of up to AED10 million. UAE nationals working for Dubai Police are eligible to take loans to build homes on owned land or on gifted land. Downpayments start from five per cent, for up to 25 years. Minimum salary is AED12,000 and officers should be between 21 and 60 years (loan completion before the age of 65).

### Dubai Bank has opened five new branches

in the UAE. The openings bring its total number of branches to ten. Of the five new branches, three are in Dubai, one each in Ras Al Khaimah and Al Ain.

## World's first Indian rupee futures contract

Dubai Gold and Commodities Exchange (DGCX) is to list a futures contract on the Indian rupee by mid June - the first time that an Indian rupee currency contract will be traded on an organised exchange.

Colin Griffith, DGCX chairman and executive director of the DMCC (the 51 per cent owner of the exchange) says, "The DGCX Rupee contract can be viewed as a natural extension of the non-deliverable forward (NDF) inter-bank market that already exists in various financial centres. The DGCX futures market does, however, have advantages over the NDF market, such as transparency of price discovery and the benefits of centrally cleared market positions."

Each DGCX Indian rupee contract represents two million rupees. Prices will be quoted in US cents per 100 Indian rupees, with a minimum price fluctuation of 0.000001 US dollars per rupee (US\$2 per contract). At any point in time DGCX will list the current and next two calendar months, plus the next calendar quarterly month. Further delivery months will be added as market liquidity grows.

The DGCX currently lists gold, silver, fuel oil and three currency pairs: Euro/US dollar, GB pound sterling/US dollar and Japanese yen/US dollar.

## 'Dubai First' launches for consumers

Dubai First, the first integrated consumer finance company from Dubai Holding, was launched as a subsidiary of Dubai Financial and a company under Dubai Group, the global financial investor of Dubai Holding. Dubai First is established with an authorised capital of AED1 billion and paid up capital of AED350 million. The company will initially launch credit cards and then extend its offering to include mortgages and other financial services.

Sayanta Basu, chief executive officer of Dubai Financial and board member of Dubai First, said: "There is a strong need for an integrated consumer finance company in the UAE and the region. Market research shows the UAE's retail loans are valued at approximately 16 per cent of the GDP. Other GCC countries including Kuwait and Bahrain stand at 25 per cent. This is very low as compared to more developed

countries such as the US, where total retail lending is 105 per cent of GDP. This indicates the immense potential of our business."

Earlier this year Dubai First acquired Dubai Bank's credit card portfolio of 80,000 cards and an asset book of AED180 million.

Ibrahim Al Ansari, country corporate officer of Dubai First, said: "Dubai First aims to be a truly customer-centric organisation. The Dubai First credit card is the only credit

card to offer free life insurance, free household insurance, free 365 days purchase protection, privileged discounts on the e-gate card and much more," he noted. The card launch also marked the launch of a corporate card programme for employees of Dubai Holding.

### Standard Chartered Bank has launched its new Emaar Business Park branch,

featuring the bank's first ever mortgage centre in the region. Open from 8:00am to 8:00pm on all working days, the mortgage centre will allow customers to apply for home finance as well as the range of Standard Chartered services. With the closure of the smaller Dubai Internet City branch, it's the 10<sup>th</sup> Standard Chartered outlet in the UAE. The bank's ATM network has now also increased to 50 ATMs, up from 22 in 2006, with significant and strategic additions to follow within the next 12 months.



## EIB launches the “classiest” card ever

Emirates Islamic Bank has launched a new Shari'ah compliant credit card, Visa Infinite. Aimed at high net worth individuals, the new card features a higher credit limit, worldwide priority access to VIP airport lounges, complimentary concierge services across the globe, special global travel, dining and retail offers, complimentary travel insurance, complimentary purchase protection and a free online access facility. It's the UAE's first Infinite card, and EIB hopes it will set a new benchmark in top notch customer experience and privileges, as well as setting a precedent for the rest of the industry.



Emirates Islamic Bank's Faisal Aqil and Aashish Bhargava at the launch of the Infinite Card

**Standard & Poor's has launched a fully investable GCC Shari'ah Index** for Muslim investors in the Gulf and around the world. The S&P GCC Shari'ah Series, which has been designed to capture the largest and most liquid stocks across the GCC, will pave the way for the creation of mutual funds, ETFs and structured products that will enhance liquidity and improve risk management across the Gulf's highly concentrated equity markets.

The S&P Shari'ah indices have been screened by Ratings Intelligence Partners, a Kuwait-based consulting company specialising in the Islamic investment market.

## New forex broker in the GCC region

TADAWUL FX SA. has started foreign exchange brokerage operations. Based and regulated in Switzerland, TADAWUL FX SA. is focused on the wealthy Middle Eastern business person looking for a real alternative in investment portfolio diversification. TADAWUL FX SA. offers flexibility in account types including Musharaka conditions, where profits and losses are shared between the contracting partners – a first for any retail FX aggregator on the market today.

“Our mission statement is: HONESTY – CLARITY – DURABILITY,” says founder and CFO, Marc Spaelti, “and is founded on years of professional trading experience, coupled with the ease of accessibility and instant execution through the use of modern technology. Investing in top after-sales services are key elements in building a prosperous and enduring business relationship.”

More than 60 currency and commodity crosses are offered at competitive prices, trade gold, silver or Saudi siyals against US dollars or other currencies such as pounds sterling, euros, Japanese yen and Swiss francs. Keeping cash deposits in guaranteed bank accounts is another option available to TADAWUL FX SA. clients who also get live news coverage, trade and chart analysis and 24/7 assistance.

**Dubai Bank has launched a new Islamic Covered Card, a Shari'ah compliant card** with a multi-option rewards programme called “Choice”. Profit rates are 1.5 per cent per month and there's a special introductory launch offer. Customers enrolling for the card during the next three months get their card free for life, zero per cent profit and no payment for the first three months.

**A Lebanese bank is offering loans for cosmetic procedures. First National Bank's** website dubs the “plastic surgery loans” as a way to “have the life you've always wanted”. According to BBC online, customers can borrow US\$1,000-5,000 (AED3,680-18,400) for surgery for two years, as long as they're employed and under 64 years of age. The bank says it has received more than 200 calls a day about the loan since it was launched with a TV and poster campaign - in just the first week.

Apparently, the most popular procedures are nose jobs - which cost a fraction of what most people pay in Europe or the US - followed by liposuction and botox. And demand for surgery is on the up. There's a joke in this story somewhere...at the very least there's a Beatles song.

**Emirates Bank has introduced another round of its 'Transfer Your Salary and Win Twice Your Salary Back'** between March 18 to May 17, 2007. meSELECT GOLD or SILVER customers who transfer their salaries direct to Emirates Bank automatically get a chance to win back twice their monthly salary.

**CBI, Commercial Bank International, has tied up** with Al Majid Motors Co., the sole distributor for Kia vehicles in the UAE, offering 0.99 per cent finance. Until August 30, CBI customers financing Kia cars get 72 months for 100 per cent financing. Interest rates will be based on repayment tenure chosen by the customer, who can also top up their loan amount to cover insurance and get a pre-approved, free for life credit card.

**As part of its ten year global partnership with Disney**, Visa International is running a six-week promotion to cardholders in the Gulf coinciding with the launch of 'Pirates of the Caribbean 3, At World's End'. The Disney partnership allows for Visa to be the exclusive host of the UAE premier on Monday, May 23, 2007 and partake in branded merchandise and promotional activities.

The promotion is set to take place from May 1 to June 15, 2007 and is open to Visa and Visa Electron cardholders in the UAE, Kuwait, Bahrain, Qatar and Oman. Cardholders making purchases anywhere in the world will be automatically entered to win one of twelve grand prize six-night cruises for two around the Greek Islands and daily instant giveaways. Additional grand prizes will be given away by select Visa retail partners Showtime, Carrefour and Toys R Us.

**National Bonds Corporation has launched** National Properties, a full-service real estate subsidiary. National Properties will be a Shari'ah-compliant entity and will “identify, develop and maintain unique opportunities in the property market”.

### American Express Middle East has enhanced

its Green and Gold charge cards. Benefits include travel accident insurance of up to US\$350,000 for the Gold charge card and US\$100,000 for the Green charge card. Travel inconveniences have been taken care of with the addition of a free of charge insurance for missed or cancelled flights and lost or delayed luggage. Additionally, charge cardmembers get online offers through the Selects programme from American Express via [www.americanexpress.com.bh/selects](http://www.americanexpress.com.bh/selects).

Other benefits include exclusive complimentary access to airport lounges, assured reservations at hotels, companion tickets and upgrades through the International Airline Programme, travel services from 2,200 locations around the world, free emergency card replacement, 24-hour customer care, global emergency assistance and an express cash facility.

### Friends Provident International has announced

a three-month special offer on two of its regular premium savings plans. The offer, which is available between April 2 and June 30, provides an increased allocation rate of up to 137.5 per cent on new applications for a premier plan, with premier ultra plans receiving up to 162.5 per cent allocation. The increased allocation rates apply to the full 18-month initial unit period. The special offer coincides with the recent launch of 19 new property and fixed interest funds, as well as introducing a new mirror fund link to the Martin Currie Asia-Pacific SICAV.

**CBI, Commercial Bank International** has announced the launch of their new 24/7 contact centre, CBI Link.

### Regional investment bank EFG-Hermes

has extended its offering to retail investors to include shares on the Dubai International Financial Exchange (DIFX) by becoming a custodian on the exchange. The company can now offer retail investors a 'one stop shop' experience, with direct trading on the DIFX through its local brokerage entity EFG-Hermes Brokerage UAE which, in turn, places trades through its DIFC brokerage company, EFG-Hermes UAE Limited.

## DMCC launches souvenir gold coins

The Dubai Multi Commodities Centre is to launch Dubai's first souvenir gold coin, the first in a series of valuable collectible coins representing the emirate. The first coin in the "Visions of Dubai" series features the image of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai. The Burj Al Arab, Dubai's iconic landmark, will be engraved on the other side of the Visions of Dubai coin.

Other coins in the series will feature images of Dubai reflecting the spirit and identity of the emirate. The first, locally made 22-carat gold coins, will be available in the market by September 2007, sold exclusively by DMCC-licensed agents. The coins will be produced in four different units: 1oz (34 g), ½ oz (17 g), ¼ oz (8.5 g) and 1/10 oz (3.4 g).

### International Financial Advisors (IFA) has begun preparations for offering

asset management in the European market, in addition to several other firms related to various projects including one of the biggest projects in the tourism domain for The International Resort Firm, a project for Kuwait Real Estate and Kuwait Invest.

Dr. Rassem Zok, IFA CEO, says IFA is submitting three international funds with capital between US\$300 and US\$500 million during this year. The first fund will be in one of the developing markets with an assured capital for the shareholder."

IFA is also working toward strengthening its share in the brokerage sector both directly and indirectly. The company is initiating negotiations with three brokerage firms in the Far East, in addition to establishing a brokerage firm in Syria (a process that is in its final stages) and two other firms in Dubai and Egypt.



### National Bank of Dubai has launched its new

24/7 call centre with a specialised new team. The bank has doubled the number of call centre agents over the last year to deal with the increase in its retail banking operations. The bank is also promising 80 per cent of all calls received to be answered within 20 seconds of the customer's wait for an agent, and can be answered in three languages: Arabic, English and Urdu. 800-NBD or [customercare@nbd.com](mailto:customercare@nbd.com) has more.

### Financial Technologies Middle East has set up the 'Financial Technologies Centre

for Straight Through Processing Services' (FT-CSS). FT-CSS is a high-end technology platform for brokers of stocks and commodities exchanges to outsource their complete trading and back-office transaction processing activities.

Brokers of multiple exchanges will now be able to centralise their operations on a single platform. By subscribing to FT-CSS, brokers will be able to offer their clients online trading via browser, applications and mobile-based front-ends for multiple exchanges. Their dealers and brokers will be able to trade on multiple exchanges using dealer terminals.

### Dubai Islamic Bank is launching of its four-year Principal Protected Water Note,

which offers participation in a basket of 10 stocks linked to the water industry. The Shari'ah compliant note, structured in partnership with ABN AMRO, requires a minimum investment of US\$10,000 and offers capital protection upon maturity. The note offers a minimum guaranteed annual return of two per cent and maximum potential annual return of 11 per cent. The Fatwa and Shari'ah supervisory board of DIB will oversee Shari'ah compliance.

### Emirates Islamic Bank and Juma Al Majid Establishment, the Hyundai distributor

for the UAE, are running a Hyundai car promotion. Until the end of May, EIB is offering a 72 month loan tenure with the first installment after 120 days, with a zero down payment.





# Making Contact

Abu Dhabi Commercial Bank (ADCB) will become the first bank in the GCC to launch PayPass contactless cards this month. Supported by card processing company Network International LLC, the bank is doing a pilot issuing 4,000 cards in the first phase. A few more similar projects are also likely to come off the ground this year in the region, writes **Utpal Bhattacharya**.

**P**ayments are about to become a much less time consuming affair for credit card users in the GCC as new technologies come into play in the region. With the inevitable launch of both MasterCard PayPass contactless cards and Visa's payWave contactless cards, it will reduce the transaction time for users at least by half compared to paying by traditional cards. Although projects are still in the pilot stages, and one will have to find out more about them as they are rolled out, it almost looks certain that

contactless cards will find a large number of takers across all the segments of users, especially for offline small ticket transactions.

Abu Dhabi Commercial Bank (ADCB) in the UAE, which has clearly emerged as the front runner in the GCC to launch the first PayPass contactless card, plans to step up the hype and the noise around the new proposition in stages. The pilot launch slated for this month will begin in a rather low key fashion with the distribution of just 4,000 PayPass contactless cards to a

select customer base that already uses ADCB cards. Depending on data collected during the pilot stage, the next big launch is likely to happen.

Specifics on dates and time for the launch of the next phase is immaterial at this time, as issuers and all stakeholders in the industry will want to first gauge user interest and their uptake of the ADCB card. However, Ram Chari, general manager of Network International, feels that with convenience and comfort being among the most

important driver of card usage, contactless payments will become popular for certain payments sooner rather than later.

He says: "One of the major drivers of the usage of payments products today is convenience and flexibility. And this is mostly driven by the wait time for customers when they are trying to do a transaction. In a contactless environment, because there are no manual interventions, transactions go through much faster compared to traditional methods. And that is why I am confident that there will be a lot of uptake for this kind of payment over a period of time."

According to research, a normal cash transaction takes on average 33.7 seconds to complete, while for a traditional card, the transaction process could take about 26.7 seconds compared to just about 12.5 seconds for a contactless card. It has also been seen that the use of contactless cards reduces waiting times by up to 40 per cent for drive-through locations. Some of the other benefits include an increase of up to 35 per cent in card usage for everyday purchases, while the average ticket sales at merchants are also likely to go up by 40 per cent, clearly making it a win-win proposition for all stakeholders.

### Contactless technology

Typically, a contactless card works or talks to a merchant terminal

using radio frequency, which means that the card needs to carry a radio frequency antenna. MasterCard PayPass contactless cards and devices feature an embedded chip and radio frequency antenna within the plastic. Cardholders need to either wave or tap their PayPass cards on POS terminals, instead of having to insert the card into a slot, and the transaction will be processed. The way the technology works is that once the terminal recognises and activates a PayPass card and exchanges payment details through radio frequency, it generates transaction data in one fifth of a second. The transaction data is transmitted to an issuer along with payment account details via an acquirer. The issuer receives data, checks the unique transaction code and authorises the transaction. After the transaction is complete, the POS system stores transaction information and, later, records are transmitted to acquirer for batch submission to the MasterCard network for clearing and settlement.

From a cardholder's point of view, he has to wait only a few seconds while the transaction is being authorised. With authorisation, the terminal provides a second visual and audible cue. When required, a customer can sign a paper receipt or enter a PIN to authorise transactions. But, in case of small ticket transactions, he is not even required to sign. In the US and Canada, for example, transactions under US\$25 do not require a signature.

In our region, Lebanon's Fransabank was the first to launch the PayPass card in February 2006 and was, in fact, the first such launch for the whole of South Asia, the Middle East and the Africa region. The Fransabank card works as a traditional credit card, but also offers a contactless payment feature to cardholders to use it as a convenient alternative to cash for everyday smaller purchases. Denzil Lawson, MasterCard's general manager for Middle East & Levant, says that PayPass will continue to gain momentum worldwide and that opportunities are being created to launch a number of projects in the GCC region.

"MasterCard is looking at contactless technology as the major opportunity to deliver a more convenient, customised and value-added card-based solution. Contactless technology is poised to revolutionise the payment process for financial institutions, retailers and consumers," he adds.

He also further emphasises that PayPass is ideal for quick payment environments where speed is essential, such as quick serve restaurants, petrol stations, drug stores, vending machines, movie theatres and sports arenas.

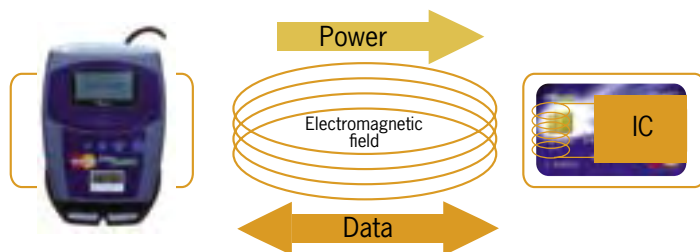
### ADCB's contactless card

Although MasterCard has some 13 million PayPass cards and devices in circulation globally today leading the rest of the industry, ADCB's contactless cards will be the first ones in the GCC. There is a tremendous interest in how the project takes shape for the bank, as it will not only test the consumer behaviour, but also the robustness of the infrastructure.

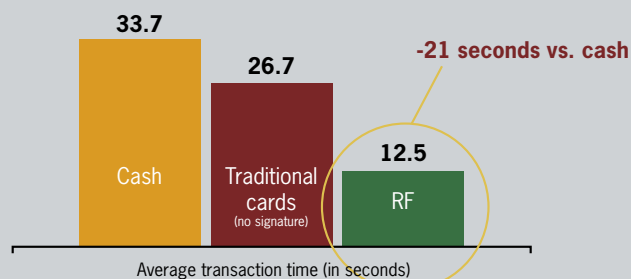
Rizwan Afzal Sheikh, vice president and head of cards at ADCB, says it was around the middle of 2006 that the bank started to explore possible new products in the card segment and zeroed in on the contactless



## How MasterCard Paypass works

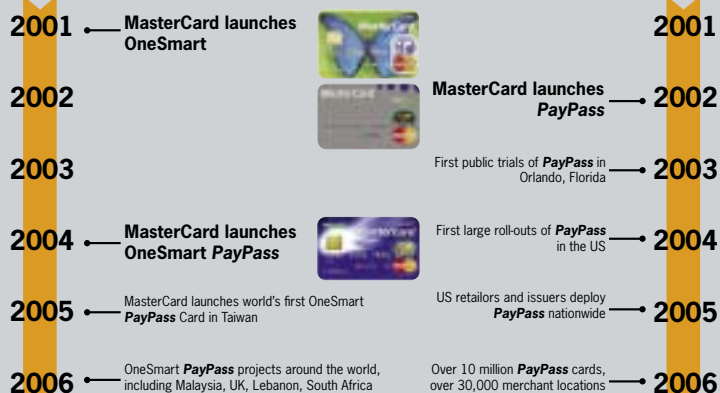


## Fast forward at the checkout



Source: SmartCard Alliance 2005 annual meeting: RF Payments at CVS/Pharmacy

## A history of leading the industry



solution. Since then, everything has come about quickly. With Network International as the third party processing company for ADCB cards, the bank will issue the cards free to 4,000 of its existing customers. ADCB has also tied up with a number of merchants who have shown willingness to use the technology. These merchants are primarily in the food category, including fast food. It has also tied up with grocery stores, fast lanes that transact up to 10 items or less and petrol stations where people can get in and out quickly. Sheikh disclosed that a total of eight different categories of merchants have been tied up with.

ADCB PayPass contactless cards offer the flexibility of doing transactions by going both on and offline as well. For big ticket transactions, the merchant can go online and get the issuer's approval, but for small ticket transactions - with a limit set on the card by the issuer - the transaction can be completed offline.

Explains Sheikh: "When you are doing contactless transactions as an issuer, you can take a risk of how much of a limit you can set for offline transactions, and for any transaction above that limit, you have to get online. We have set up those limits on our card where, up to a certain amount, the card can be used offline. In that case, the card will just go through and the authorisation will come through within two to three seconds. If the card reaches its highest limits of spending, then the transaction has to go online."

The ADCB PayPass card will not have chip and magstripe payment options. Sheikh said that in the first phase, the bank would prefer cardholders using the PayPass card only for contactless transactions.

"In the first phase, we are not integrating loyalty with contactless transactions. We will do it in the second phase when we will have both the chip and the radio antenna on the same card. If our contactless cardholders want to do a chip loyalty transaction in the first phase, they will have to pull out their regular ADCB cards, which have chips embedded in them," he said.

## Security aspects

With the ADCB card, there is hardly any risk with the issuer, as there are only 4,000 customers who are hand picked for the card. The bank is privy to the spending and payment patterns of these cardholders. However, there are other issues to consider when using these cards that use radio frequency to transmit and exchange data, unlike the traditional method.

One good thing, notes Chari, is that unlike traditional cards, contactless cards do not leave the cardholders' hands, as they do not need a third party manual intervention for transactions. So, from the usage point, contactless cards reduce that risk, he adds. However, since these cards use radio frequency, there is always the risk of somebody tapping around the environment

Continues on page 34

# Amex extending its reach to everyday spend outlets

American Express is increasingly targeting everyday spend outlets across the region. It is also using the acquiring network of regional banks to sign up merchants on its behalf. **Kara Sensoli** reports.

**A**merican Express Middle East has been working hard to extend its reach to a greater number of merchants throughout the region, encouraging them to accept the American Express card within their outlets. This objective follows a growing demand from customers wanting to use their cards for the more frequent purchases they make on a daily basis.

According to Peter Fawn, head of establishment services for the Middle East and North Africa, American Express has placed increasing emphasis on targeting everyday spend outlets throughout the region, including supermarkets, department stores, local restaurants and smaller retail shops.

"We have to react positively to our card members, so if they're saying that they want to use their cards within these particular establishments, then we will do everything in our power to ensure that they actually have the flexibility to use the card whenever they want to," said Fawn.

Fawn also said his team has put more sales effort into building up the local merchant base by working closely with merchant acquiring banks in the region. American Express is not only teaming up with these banks to deploy electronic point of sale machines into merchants, but is also getting the banks to sign merchants on its behalf to accept the American Express card.

While most acquisition before was done by the American Express proprietary staff, Fawn said that working with banks hand-in-hand has allowed scores more salespeople to go into the marketplace and identify those merchants who have previously not been accepting the card.

Partnering with banks has also allowed

American Express to grow its network more quickly and reach a more expansive merchant base. Over the last few years, the merchant base has doubled across the region, leading to a significant increase in the number of transactions being made.

"We're constantly surprised just how fast this business is growing, because it exceeds our expectations every year. In particular, the UAE is the real growth area, but across the region, we're seeing better than expected numbers coming in every month," Fawn said.

Although American Express is building up its everyday spend merchant base, Fawn emphasised that it is not placing any less importance on its corporate and consumer charge card business. Card acceptance in the traditional travel and entertainment industries has always been strong across the region and will continue to be a high priority for American Express.

In other advancements, American Express has recently sought to improve the authorisation system it has within the region, looking closely at the reliability and response times of the Point of Sale network.

"We were not entirely satisfied that we were providing the best service to our merchants, and so we've invested huge amounts of money in a state of the art system that now enables transactions to be processed literally within two to three seconds back to the terminal," Fawn disclosed.

Since the majority of transactions in the region are carried out electronically, this new technology is seen as a big improvement and has, according to Fawn, sparked positive reactions from both merchants and card members.



Peter Fawn

Fawn also said that American Express will continue to expand the portfolio of card products it has in the region. Last year, American Express introduced its Gold credit card, while its Dubai Duty Free card was re-launched at the beginning of this year. Both cards, Fawn said, have done well across the region.

When asked about competitor cards, Fawn stressed that the competitor for American Express is not Visa or MasterCard, but rather the high volume of cash that is still being used across the region. An enlarged merchant base will likely encourage more customers to use their cards instead of cash in local establishments.

"The more people are used to carrying and utilising plastic for all their purchases, no matter how small they are, then that can only benefit all of the acquirers, and it's better for the consumer as well," said Fawn.



Continues from page 32

in which the transaction takes place, triggering some sort of communication within the closed loop. But there are ways of fending off such attacks as well, he adds.

"The way to create a protection against any such attempt is to create encryption. And this is what we are doing. We will encrypt some static data that will also ensure that the card is genuine and the holder of the card is the true owner," Chari says.

Interestingly for merchants, they will be able to accept payments from contactless cards using just an additional device to their existing POS terminals, meaning they will not have to make a complete new investment. Chari says that these contactless card readers will have the capability to accept both Visa and MasterCard contactless payment cards. This will also mean that merchants will not have to make additional investments when Visa's payWave contactless cards are introduced later in the regional markets.

"The acceptors being deployed are neutral, whether it is Visa or MasterCard. What that means is that with the ADCB programme, the terminals will be deployed with the merchants, and they, in turn, will not have to make additional investments when Visa comes out with its contactless proposition in the future," points out Chari.

Although Visa has refused to give a timeframe as to when it is going

to launch its contactless payWave cards, as these cards will be called, officials of the payment association have said that pilots are taking place in the region and should be rolled out in the not too distant future. Chari also disclosed that Network International is closely working with Visa for similar programmes that the payment association is looking to run in the region. And this is besides another PayPass programme that Network is involved in with another UAE bank.

### Contactless opportunities

Sameer Govil, area manager, Visa International, Middle East, confirmed to **MONEYworks** that Visa is closely working with UAE-based member banks to roll out their contactless card programme in the near future. According to him, the GCC provides a tremendous opportunity for contactless solutions, especially with the region not having to deal with legacy systems and infrastructure. There is also substantial interest at the governmental levels to introduce efficient systems of transactions and best practices while large investments are being made, he adds.

Visa already has 4.5 million contactless cards in circulation globally and is active in markets in Asia Pacific, while its experience in

Europe and the UK will, according to Govil, be very useful in providing value addition to contactless card products in the GCC.

Govil points to the London transport Oyster card that is being now combined with a Barclays' Visa standard chip-and-pin credit card for payments alongside that of the Oyster card and says that this card will allow customers to pay for low-cost items in shops without the card having to touch a reader or the user having to enter a pin number. For larger ticket transactions, the cardholder does have to enter his pin. But this is exactly what Visa would like to do in the region, he adds.

"Although the first pilot that we are doing in the UAE will be a basic contactless proposition, the roadmap is to take it to the next level of functionality and create similar contactless propositions that we have in other places like the UK and Singapore," he says.



Ram Chari



Rizwan Afzal Sheikh



Denzil Lawson



Sameer Govil

# Secure plastic

One of the main reasons for Saudi Arabia remaining largely a cash-based society is said to be concerns over lack of credit card security. But with the government's decision to launch e-portals and with the growing focus on e-commerce, credit card issuers are laying more stress on security with the use of technology. A **MONEYworks** report from Riyadh.



**S**audi Arabia's credit card market, which has been growing annually at the rate of 40 per cent, is expected to touch SAR323 billion, while the number of cards is projected to cross 20 million in 2009. The market is expected to be further bolstered with the government's decision to launch e-portals for all ministries and facilitate credit card transactions for the use of government services. Last year itself, the number of cards in circulation exceeded 12 million, while the total value of transactions reached SAR230 billion.

However, a major stumbling block in the growth of the market is said to be the lack of a secure environment, particularly for e-commerce. But with the government's decision to promote e-environment at all levels, several card issuers have started to introduce tech-based security safeguards in their products.

Amex (Saudi Arabia) Ltd., for instance, recently launched the first ever chip-based transparent card with inbuilt 'ID Keeper' technology for secure payments. The new Amex card will ensure added protection from theft, online fraud and accidental damage.

Amex CEO Priyan L. Attygalle said at the time of the launch: "The new card, which combines the best form and function, is a stylish card with state of the art technology, making it easy, secure and efficient for everyday shopping, travel or online

use. The new card, an industry-first product, has unmatched original features, lifestyle benefits and services."

The new card targets the Saudi youth, since 70 per cent of the population is under the age of 30. The card, as the Amex chief explained, is not just a payment tool, but also a lifestyle statement and accessory, keeping in mind the constantly evolving lifestyles. "Consumers are making choices based on what distinguishes them, such as the cars they drive and the clothes they buy," he said.

A distinctive feature of this Amex card is that the chip of the card, together with the ID keeper, stores information securely, making online shopping safe and convenient. Using the optional smart card reader, IDs, passwords, addresses, online forms and payment card details can be filled in securely at the click of the mouse.

## Defining security

The security features on cards are primarily defined by the payment associations, e.g. hologram, CVC/CVV, tamper-proof signature panel, etc. Marcus Cleverton, head of consumer finance, SABB, told **MONEYworks** that the bank monitors fraudulent transactions by using a neutral-based, fraud monitoring system, and the transactions are monitored on a 24/7 basis. When the system detects unusual activity on a card,

the customer is then contacted to ensure that the transactions are genuine. The bank also uses tools to identify fraudulent applications, including forged documents, etc.

For debit cards, Cleverton said, the bank issues Maestro, a PIN-based debit card from MasterCard. To combat fraud by counterfeiting of magnetic stripe, SABB, as well as other banks in the Kingdom, are preparing themselves for EMV – a set of rules proposed by Europay, MasterCard and Visa for performing payment transactions using a microprocessor chip. The Saudi Arabian Monetary Agency is spearheading the migration process and, by the end of the year, most banks are expected to be issuing EMV cards.

SABB has been offering credit card products since 1992 and has been running a successful portfolio. Currently, the bank offers credit card products in partnership with MasterCard and Visa. Through the creation of a market-leading direct salesforce, SABB is reportedly the leading provider of credit cards in the Kingdom. "With our SABB loyalty program, ICSABB, we reward customers with vouchers for using SABB cards that can be redeemed at leading retailers," Cleverton said.

According to MasterCard vice president and country manager Shaun K. Rashid, built-in security systems are proving to be useful in checking credit card frauds. As

fraudulent use of cards is a global phenomenon, "we, on our part, work proactively to protect our cardholders, prevent fraud and safeguard financial information."

The company, he said, has built-in security systems to address the concern of card holders. Efforts are also being made to check frauds with the help of local authorities. In fact, frauds are not limited to a country or a region. Identity thefts, fraudulent use of cards, use of lost or stolen ones, and unauthorised use of cards are among the frauds that have been committed and continue to be detected.

"Preventing fraud is the shared responsibility of everyone involved in this industry. The reality is that it has never been safer for consumers to use their MasterCard cards," he said.

"We take the lead in fostering collaboration among merchants, banks, law enforcement professionals and counterpart organisations throughout the world to help facilitate investigations and prosecution of those involved in card fraud," Rashid said.

MasterCard provides a set of transaction processing and other payment solutions, and with the emergence of "smart" cards, the number of frauds could go down further. "Our cardholders should have the peace of mind knowing that if their card was ever compromised, they would ultimately have the protection of our zero-liability policy, as with all MasterCard payment

programs in South Asia, the Middle East and Africa," Rashid said.

The Al-Rajhi Bank is using two monitoring systems called FraudGuard. The FraudGuard Issuer monitors transactions made on the bank's credit/electron cards in real-time, and FraudGuard Acquirer monitors the transactions made on the bank's merchants in real-time.

Speaking to **MONEYworks** on the Al-Rajhi security mechanisms, Abdullah Al-Kahtani, head of marketing and client relations, said that with FraudGuard, the bank seeks to reduce fraud exposure, implement a cost-effective fraud detection and alert management solution for the cards business and comply with payment association risk monitoring requirements and recommended best practices.

The FraudGuard solution will allow the bank to "detect, alert, manage and recover" activity on suspicious transactions on the bank's card portfolio that resides on the prime and online systems. All credit card transactions received for the authorisation system will be monitored in real-time by FraudGuard.

Al-Rajhi also issues internet credit cards "carefully designed to give complete security while shopping on the internet". Al-Kahtani said the online guarantee on the user's internet card ensures that if his account is ever compromised during his internet purchase, he will never be held responsible for charges made by persons who are not authorised users.

The internet card is printed and not embossed, which means that it cannot be used at any outlets or ATM machines

With security associated with the use of credit cards, plastic as a mode of secure payment is being considerably realised in the



Kingdom. So much so that even utility service providers are now promoting bill payments through credit cards. The Saudi Telecom Company (STC), for instance, has introduced a new electronic service to pay the STC bills using credit cards. Subscribers can also obtain a copy of the first page of the STC bill online and pay it at Al-Jazirah, Saudi Hollandi, Samba, Al-Rajhi, Saudi Fransi, National Commercial Bank and Arab National Bank.

The Kingdom's ministry of finance is also exploring the possibility of using credit cards for paying electronic government services. The minister of finance, Dr. Ibrahim Al-Assaf, said that the possibility cannot be ruled out and that credit cards will be widely used in the future.

Another important mission for the ministry of finance is to collect dues from the various departments such as labour offices, passport departments, municipalities and others. "All of this will be done electronically and it will ease things on citizens and residents," he noted.

Of course, without inbuilt security mechanisms, credit cards could have remained a choice mainly for travellers. But with card issuers having given the security aspect due priority – not only in introducing new security features, but also ensuring that they are well publicised in order to reassure the otherwise vulnerable card user—the 20 million credit cardholders projected for 2009 looks a very achievable reality in Saudi Arabia.



Abdullah Al-Kahtani, head of marketing and client relations, Al-Rajhi Bank



Priyan Attygalle, chief executive, Amex, Saudi Arabia





# Dubai's homeowners fight for their rights

Owning a home in Dubai now brings with it responsibilities that investors had no way of planning for when they originally lined up to buy. **Martin Saldamando** finds that there have been some indignant homebuyers who didn't bargain for the steep increase in the cost of maintenance and other service charges for their newly owned properties in Dubai.

**T**he lack of a legal framework in Dubai defining how service charges are calculated and how they are divided by residents in a multi-storey building or a community means that property developers must remain firmly in charge of managing the community areas until the passing of relevant new laws. The need for property developers to be in control is further underscored by the uncertainty whether or not owners themselves are going to be permitted to manage these matters.

Perhaps unexpected by the authorities are the conflicts that have erupted between developers and disgruntled owners, in some cases involving threats of legal action. The recent stand-off between residents of Green Community in Dubai and Properties Investment LLC (PI) is one such example. PI came under criticism from tenants for seeking to levy

substantially higher service charges for the current year. And this after two years of subsidising the management expenses at Green Community by the developer, as in 2005 and 2006 PI collected from its tenants only 38 per cent and 39 per cent respectively of the actual costs that it incurred in maintaining and managing Green Community. The problem began when PI sought to collect 76 per cent of anticipated cost for 2007, still 24 percentage points lower than what it is contractually entitled to demand.

## What are service charges?

Before we proceed any further, we need to understand why service charges are levied by property developers in the first place. They do it because it is they who provide essential services such as road maintenance and cleaning, street lighting, sewerage maintenance and landscaping of

the common areas. The collection from the services charges levied help the developer to fund the maintenance costs.

Service charges levied have to cover the general maintenance of the common areas of the community at large. Common areas consist of courtyards, lobbies, parks, lakes, footpaths, bicycle paths, swimming pools, playgrounds, etc. In some communities, common areas fall between neighbourhoods, and both share the facilities. Sometimes the common areas include retail outlets serving the communities. Some common areas border adjacent properties by other developers.

## The status of law

While the occurrences of disagreements or dissatisfaction in the developer and homeowner relationship may not be an unexpected development in an environment



where law still has many grey areas, the standoff between PI and the residents of Green Community typify the scenario when there is lack of trust between the buy and the sell sides of the industry. In this particular case, the face-off became messy following demands from residents for PI to come up with audited annual service and maintenance expenses at the end of each year and a detailed budget for next year's expenses.

According to residents, both these items were guaranteed or promised in the lease agreement between the two parties, but not fulfilled in the last three years by PI.

Significantly, PI has countered these demands by refusing to recognise a committee established by the majority of residents called the "Democratically Elected Green Community Residents Committee", and even described it as an illegal gathering warranting possible arrests.

Leading property lawyer in Dubai, Shahram Safai, who is a partner at Afridi & Angell Legal Consultants, however, argues that the UAE Civil Code expressly allows for associations to be formed by home owners.

He says: "We have not had a law yet on leasehold (commonhold) in Dubai, but in the Civil Code Article 1197, it says that 'wherever there is co-ownership of real property..., the owners may form an association between them for the management thereof and to ensure proper enjoyment thereof.'"

"Property in Green Community is sold to investors on a long lease (90-year) basis, and so, the question is – does the Civil Code provision apply to leaseholders? It is unclear if leaseholders can form an association, but all signs are in favour of that. In my opinion – a 90-year leasehold ownership is equivalent to owning a freehold," added Safai.

He also suggested that owners of very long leases have far more rights than ordinary lease holders, and so developers should recognise that this type (90-year lease) is not just an ordinary lease. But then, there is no official recognition of this and so, although regrettable, it is but inevitable, he believes, that conflicts

will start and there will be more unless regulations to clarify these matters are quickly drafted.

## The complexities buyers face

As it stands today, it is not as clear-cut as a buyer might think it would be when venturing to buy an apartment. There are agreements to be signed that involve various parties. Ziad Touma, Legal Consultant at Habib Al Mulla & Co. in Dubai, says that first, there is the master developer, who retains the right to manage the common areas for up to 10 years in some developments. Then, there are secondary agreements with other developers that purchase plots to develop buildings. Then there are other sales agreements between buyers and the secondary developer. The end purchaser is simply the final party in the contracting process.

"In order to determine the ownership of the common areas of a community, one needs to see all the contracts in the process. In some cases, the developer selling the property to the buyer is not the owner of the common areas," says Touma.

After the community is built up, the process of managing common areas begins by determining ownership and responsibility for maintenance. It is expected by legal experts that this would be clarified once the new Strata Law is passed. At present, the developers themselves manage the maintenance of their built-up communities, and in some but not all cases, will continue to do so.

For example, take the Jumeirah Lakes Towers community that will have 79 towers when the development is completed, arranged in 26 clusters of three towers and situated among a number of lakes.

According to the master community agreement, there will be four lakes. The Dubai Multi Commodities Centre (DMCC) is the master developer and also the owner of the Jumeirah Lakes Towers community, the infrastructure (including the sewage and drainage systems) and the roads, lakes, waterfronts and landscaping features.

Nakheel, which is a sister company within the Dubai World group, has provided support to DMCC in the development, sale and management of the project. DMCC will continue to manage the community after

## Need for transparency

It is hoped that the new law will provide a mechanism for investors to inspect the records (upon payment of the necessary fees) at the Dubai Land Department, or at least a rule that the home owners' association must make the following records available to potential buyers:

- The strata roll (shows: who owns each unit, mortgagees and others who have an interest in lots, general information about the strata scheme, the name of the managing agent, insurance details, the by-laws and the unit entitlements for the scheme and each lot)
- General records, such as notices served about disputes or required by legislation, orders, minutes of meetings, accounting records, financial statements, correspondence received and sent, notices of meetings, details of proxies, voting papers
- Plans, specifications, certificates, diagrams and other documents if supplied by the original builder at the first annual general meeting
- The certificate of title for the common property
- The last financial statements
- Current insurance policies and the receipt for the last premium paid
- Other records held by the owners corporation
- Records or books of account kept by a strata managing agent (if an agent has been appointed)

all of the units are sold to end-users, as the community is a part of the Dubai Multi Commodities Centre Free Zone.

Thereafter, secondary developers have contracted with DMCC to develop towers within the community. These developers purchase plots of land from DMCC by signing MOUs, purchase agreements and then construct towers. DMCC does not permit these developers to on-sell their plot to other developers. Developers who purchase plots must construct towers on the plot themselves.

Thereafter, the sales contracts are signed between the secondary developers and end-users.

The difficulty with this type of agreement is that homebuyers sign the sales agreements with a secondary developer to purchase



units in a tower, but their purchase of apartments does not seem to provide them any stake of ownership in the lake next to their tower because the lake doesn't belong to the developer who sold the apartments to them. Hopefully, this intricacy in determination of ownership of the common areas will be cleared up by the issuance of new regulations that are on the way.

### Interim solutions

Despite the laws still not being there to take care of these issues, there are mechanisms in the interim that can provide working solutions to conflicts like the one between PI and the Green Community residents. Lawyers also assume that if the conflict were to escalate between the two parties, since the Green Community is a long lease property development, the Dubai Rent Committee would hear the case and adjudicate between the company and the residents.

Safai says: "Dubai Rent Committee has been taking an active role in defending and upholding the rights of tenants over landlords. It is not appropriate or acceptable in our part of the world to force people out of their homes. It would take a long time to evict tenants from their homes if anybody resorts to those tactics.

"I fully understand PI's position as well. What we need to see come about is a negotiated settlement. The developer should not continue to subsidise the maintenance of the community."

"A reasonable solution would be a phased rise in the service charges over a number of years, and not all at once. Also, both the developer and the residents need to sit down together and look at ways to control rising expenditure and cut costs to manageable and mutually acceptable levels."

Another lawyer who consults on property investment, Carol Alderson, a senior partner at Al Midfa & Associates, strongly feels that a forensic accounting exercise is needed to assess how service charges are managed, to see if they are justified and also what developers are spending the funds on.

She also argues in favour of mediation between the two parties to solve the Green Community issue. She suggests the appointment of an independent arbitrator that would have the power to appoint an expert or an auditor to check the accounts.

"A private arrangement may also be undertaken at a law firm, which may be helpful for both parties in this dispute," she says.

Bachir Nawar, a lawyer at Habib Al Mulla & Co. in Dubai agrees with Al Midfa and says that mediation is a process to achieve an amicable settlement. It derives from the parties' desire to have an amicable settlement. The purpose is to give each party what they want – to find a compromise that is acceptable. Besides, in any negotiation, both parties have a default that they are willing to accept.

"In real estate, where people have a long-term stake and will be living with their decisions for a long time, it is in everyone's interests to work towards an amicable settlement in a neutrally charged environment," notes Nawar.

### Forthcoming regulations

Most of the confusion, or more correctly the grey areas with regard to the issue of association of residents, should be clarified by the forthcoming new laws, assures Touma. "As in other jurisdictions, the forthcoming new laws are most likely going to allow for a civil entity to be formed called an 'association of the residents', which will be allowed to elect their own committees and sub-committees as they see fit to manage their affairs."

"The law should also provide a mechanism for how elections are to take place and

how the committees will function. Residents might be required to pay their service charges directly to the association, which will manage the maintenance of the common areas," explains Touma.

Officials at the Dubai Land Department report that promulgation of the new Strata (Condominium) Law is imminent. This law will clarify for home-owners exactly what their responsibilities are with regard to the common-hold areas of their buildings and communities, and it is also reported that a by-law is to be signed which will establish the right of residents to set-up and run owners' associations.

It is expected that the law will pave the way for the common areas to be owned by the co-owners collectively with such reflected in the ownership title they receive from the Dubai Land Department. Alternatively, the common property could be owned and managed by a company known as the Owner's Corporation.

The imminent passing of Dubai's Strata Law has attracted 'Strata-Management' companies to Dubai eager to get the business of managing these common-hold areas of multi-storey buildings and those within communities. The lucrative prospects have attracted some of the biggest market participants from countries like Australia.

Strata-management companies have also advised the local authority that in order to function, they would also need to have by-laws in place to facilitate the collection of service charges and arrears, in addition to mechanisms to take legal action against defaulting owners and residents who refuse to follow the rules.

According to Mohammad Sultan Thani, director of development and marketing administration at the Dubai Land Department, the new law will provide for an owners' association to be registered with the Dubai Land Department. Whenever there is a new election or a change of ownership, those changes will have to be updated on the registry at the Department. The owners' associations will have many powers, and those will be enumerated in the upcoming law, he added.

"The first registration is done by the master developer, whereby the property ownership is transferred to the purchaser. Even if the buyer is the only purchaser in

the building at that time, if they have paid the purchase price, they can have the registration for ownership title. They will also have the right to set up an owners' association along with the developer representing the other unsold units.

"As other purchasers buy in and become owners in the building, they would replace the developer on the association incrementally, until a future time when the owners' association is made up entirely of the owners who are residents of the building or community," explains Thani.

In future, and once the Strata Law is passed, legal consultants say that investors who are interested in buying a strata unit should be allowed to look at the owners' association records and learn as much as they can about the maintenance of the building or community and, of course, what the costs have been. Prospective buyers should see how the money has been spent. They also recommend taking professional advice about the complexities involved in buying strata property.

### The Australian model

It is also expected that the forthcoming law will be enacted to clarify how the common areas belong to the residents upon purchase of the property. Legal experts expect that the law will be based closely on the Australian "Strata Law" model.

In Australia, The Strata Schemes (Freehold Development) Act provides a system of title which gives exclusive ownership over part of a building known as a 'lot' and supporting rights over other parts of the building known as 'common property'. Common property is all the areas of the land and building not included in any lot.

In most strata schemes, the lot owner owns the inside of the unit but not the main structure of the building. Usually the four main walls, the ceiling, roof and the floor are common property. The corridors, elevators, entryway, courtyard, walkways, sidewalks, green areas, etc. are all common property.

The internal walls within the lot (e.g. the wall between the kitchen and sitting-room), floor coverings such as carpet and fixtures such as baths, toilet bowls and counter tops, are all the property of the lot owner.

While it is sometimes a hard concept

to envisage, a lot owner effectively owns the airspace (and anything included in the airspace) inside the boundary walls, floor and ceiling of the lot. Airspace can also extend to balconies and courtyards.

Safai advises buyers that they must look at the registered strata scheme in order to find out the boundaries between common property and lots in a strata scheme. In the case of an apartment sale in Dubai, the sales agreement should stipulate this, usually in the form of an architectural drawing, he adds.

"It is anticipated that the new law will state that in a high-rise apartment development in Dubai, the common areas are owned by all of the residents of the building jointly.

"In this case, the law may provide the framework for the residents of a high-rise building to assemble and manage the maintenance of their common areas. If the residents choose to manage these matters themselves by electing an owners' association, they will also have to provide mediation when residents have issues to resolve amongst themselves, and also to give and refuse permission to residents constructing anything on the common areas," Safai says.

Under the Australian Strata Schemes (Freehold Development) Act, the owners' association has the authority to do the following or to allow a lot owner in the scheme to:

- add to the common property
- alter the common property
- erect a new structure on the common property.

### Imminent changes for better

It is not easy to determine responsibility for future maintenance, especially when communities are just established and are in a state of flux as in Dubai. However, if service charges are determined as accurately as possible during the planning stages of a new development, the end purchasers would have more certainty as to the actual costs of owning a home before they buy.

When the new regulations come, home owners in Dubai who already live in their

new homes are certain to see changes to their service charges, as it becomes clearer how the common areas are going to be managed and maintained.

In some of Dubai's new communities, residents have already formed their own committees to get involved in the way their service charges are going to be spent. These are interim committees at present, because they await the passage of the Owner's Association Law, which they expect will legitimise their actions.

According to Safai, one of the problems today is that a lot of the master community declarations have not kept up to date with the changing needs and dynamics of the newly developed communities for which they were written. There is a need for further by-laws and regulations on an ongoing basis to provide clarifications. There are many other issues typical of a nascent industry - for



example, one community has playgrounds with lakes and another does not have playgrounds, but the developer for both of the communities is the same and charges the same fees, obviously making some feel extremely anguished.

Add these issues to the diversity of nationalities, religions, lifestyles and timings of people coming and going, and you have scope for lots of difficult compromises. There will be a need for an institutionalised forum to set the rules and regulations for how common areas are maintained and paid for, and to resolve the eventual conflicts that are already mounting within Dubai's newest communities.



# Shari'ah compliant trusts in the offshore domain

In the offshore domain, trusts have their origin in the common law of England and have, for many years, been used by wealthy families in the Middle East to create long-term structures to address tax and succession planning. **Russell Clark** explains how these trusts can be structured within the ambit of Shari'ah.

**T**rusts can be crafted so as to comply with the specific family requirements of Islamic law. Indeed, the concept of *Waqf* is the nearest equivalent to a trust in Islamic law and its components can, with careful drafting, be reflected in the terms of an English common law trust. Often trustees are chosen from one of the convenient offshore trust centres, such as one of the Channel Islands, but equally there are a number of Islamic states that recognise and enforce the principles underlying trusts. British Commonwealth countries such as Malaysia and Pakistan have had trust laws in place for years. However, the introduction of reforms to the law of *Waqf* and new legislation in jurisdictions such as Bahrain and Dubai, which do not have Anglo-Saxon roots to their laws, demonstrate that the trust

concept, which is recognised in the offshore domain, is gaining in popularity.

With no single unified code of Islamic law, we must look to the two primary sources of Islamic legal principle being the Qu'ran and the Sunna (the sayings of the Prophet Mohammed PBUH). Shari'ah laws are no different from laws around the world and have developed over the years through academic study of the legal system and principles, resulting in five principal schools of Islamic law; four for Sunni Muslims and one for Shi'a Muslims (amongst others).

The reach of the Islamic law stretches beyond the Middle East into Pakistan, Malaysia and Central and South East Asia, as well as parts of North Africa, and encompasses more than 1.3 billion people.

Given the varied legal histories of these many jurisdictions, it is inevitable that the core principles of the Shari'ah law vary from region to region, therefore making it necessary for jurisdictions, such as those in the Channel Islands, to offer tailor-made trusts, due to a wealth of expertise developed over years of experience to reflect the specific requirements of each client's family and domicile.

In recent years, jurisdictions with a non-Anglo-Saxon legal heritage have introduced trusts legislation and trust cases that are now heard in their courts on a regular basis. Trust cases in jurisdictions such as Guernsey are now frequently cited as persuasive authority before courts in other jurisdictions,



and whilst it remains the duty of a court to apply the “local” law, if that is the law which governs the trust under consideration, it will, of course, frequently be useful, if not essential, for that court to take into account relevant principles considered elsewhere and to decide whether they are of assistance.

## Islamic compliant trusts

Given that there is no unified code of Islamic law and its role will differ from one jurisdiction to another, there is no simple answer to the question “What is Shari’ah compliant?” There cannot be one single Shari’ah trust “product” covering all circumstances and jurisdictions, and for the draftsman of Shari’ah compliant trusts, as indeed with the draftsman of any other trust, the challenge will be to produce a trust document that meets the settlor’s expectations whilst according with the laws of the jurisdiction that will govern it.

A Muslim settlor living in one jurisdiction may be more concerned than another settlor in another jurisdiction to ensure that his trustees’ investment powers are restricted to exclude investments that he considers repugnant to his religion; for example, businesses with links to pornography and alcohol, or in interest-bearing securities. He may not be so concerned to specify at the outset the share of the trust fund that each beneficiary will receive, or the language in which the trust document will be written. On the other hand, a settlor resident in another jurisdiction may wish to establish a trust under a “local” trust law, in his own language, with a registered professional trust company and close involvement on a regular basis of an Islamic scholar or board of scholars to advise on applicable Islamic law principles.

An issue of key concern to many Muslim settlors is the separation of ownership of family wealth. Upon settling any assets into a trust, the settlor is no longer classed as a legal owner of those assets. Indeed, this concept underlies the legal theory of the *Waqf*, where the settlor gives the ownership of the property to God, but is administered by the *wali* or *mutawali*. In the offshore domain, the legal title to the assets is placed in trust and is clearly separated from that of the settlor and transferred to a third party, who is sometimes unknown to the settlor and his family. The beneficiaries of the trust,

as selected by the settlor, will become the beneficial, but not legal, owners of the trust assets. These actions remove the assets from the settlor’s personal estate which, as a result, can combine the benefits of asset protection and wealth preparation for future generations. These benefits can be of significant comfort to the settlor and his family, especially in the case of a family business.

In addition to these issues, there is the question of inheritance on the settlor’s death. In certain jurisdictions, a trust may be challenged in the local courts if it continues beyond the settlor’s death and does not comply with the local Shari’ah law regarding the distribution of the deceased’s assets. It is therefore important to have the family of the settlor on side. Alternatively, if the trust complies with Shari’ah law on gifts during the settlor’s lifetime and is made in circumstances where the transfer of assets in the trust cannot be challenged on the grounds of “deathbed sickness”, the trust can form an acceptable means of distribution, which is not restricted by rules on inheritance.

All this is not to say that a settlor would be giving up all control of the family’s wealth. Under the laws of Guernsey, it is possible to have a family member, business partner or even a committee of the same to act as protector of a trust. The protector’s powers and duties depend upon the drafting of the trust; however, their consent may be required prior to certain actions of the trustees, such as making distributions or disposing of key assets. In addition to this, the settlor may draft a letter of wishes. Such a letter is not binding upon the trustees; however, it is a strong guiding influence in the exercise of their discretions. Further, the settlor may, in an appropriate case, reserve certain powers to himself.

## Language and interpretation

Most trusts are written in English and, for historical reasons, the vast bulk of trusts jurisprudence, statutes, reported case law and academic articles are to be found in the English language. One can immediately see challenges for practitioners who are asked to prepare a trust in a language other than English and indeed for a court that is asked to interpret trust legislation

and documentation in another language. Individual words and phrases, such as “fraud”, “wilful misconduct” and “utmost good faith”, amongst others, have been the subject of judicial consideration in many English-speaking trust jurisdictions, and one can foresee difficulties for courts in “new” trust jurisdictions when called on to apply this judicial learning in circumstances where the corresponding words or phrases in the local language may have a different meaning or emphasis.

In any jurisdiction, evidence will need to be adduced from experts in Islamic Shari’ah law regarding which school of law will apply. Trustees must deal with trust assets in accordance with the terms of their trust deed and applicable law and, accordingly, the draftsman must ensure that their draft assists the trustees by setting out their powers and duties in some detail. They should also assist the court, which may one day be called upon to interpret the trust instrument by clarifying the principles of Islamic law that it is intended should apply.

## Choice of jurisdiction

Any settlor creating a trust should choose with care the jurisdiction that will govern the trust, which will usually, but not necessarily, be the law of the place where the trustees are located. Most settlors will be well advised to select jurisdictions that have established trust regimes, clear and up-to-date legislation, courts and professional advisers that are familiar with the relevant laws and principles, and for added security, the settlor may also wish to select a jurisdiction where professional trustees are regulated and subject to codes of practice requiring them to abide by principles of “best practice”.

These arguments may go against the so-called “new” Islamic trusts jurisdictions that inevitably cannot start with “track records”. Nevertheless, where such jurisdictions have based their laws on those of other jurisdictions with significant trust industries, one can expect expertise and experience to be acquired rapidly, and settlors based locally may prefer to establish trusts in languages with which they are familiar and where locally-based courts are on hand to deal with disputes.

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# The magical medical tour

Dr.B.R.Shetty, managing director and CEO of Abu Dhabi-based NMC Group, earned AED500 per month as his salary in 1973. Today, he owns businesses with profits running into hundreds of millions of dirhams. Here he tells **Utpal Bhattacharya** the story of his rise.

## **When did you first come to the UAE?**

I came to Abu Dhabi in 1973. It was the third of May, and the summer was very hot. I landed without my bag, which was lost during travel with Air India. I just had one pair of trousers and one shirt, and with that I had to search for a job wherever I could.

## **What brought you here?**

In India I was quite well entrenched in politics. I was the municipal vice chairman in my town, Udupi, in Karnataka. I won the 1968 elections, and then won a second term as well. But by that time I was broke, as I had been spending significant personal resources in social service and charity. My business had heavy loans that had to be repaid. I had no means of doing that, and these circumstances prompted me to come here. Those were the days of the oil boom, and I thought I would be able to earn enough to clear my liabilities and then go back.

## **What was your first job in the UAE?**

I am a pharmacist by training, and so there was no job available for me. In those days, pharmacists only worked for the government. All those positions were already filled up. Frustrated, I was about to go back; but then a friend of mine asked me to stay. He said that it was not easy to come to the UAE in the first place and suggested that I continue to stay here somehow.

## **So what did you do?**

I started my career in one of the pharmacies. As there was no job that was suitable for my qualification, I created a job for myself. I became the first outdoor salesman in this country.

## **Which was this company that you began working for?**

I would rather not talk about it. They are closed today.

## **What salary did you start with?**

I joined them on a salary of AED500. But when I left them, my salary was AED1,600 and I was the general manager of the company.

## **Why did you leave them?**

Well, I was the general manager of the company, but I was not provided accommodation. I wanted to get married and I requested them for accommodation. They replied in the negative. So, I left them and started on my own.

## **Which year was that?**

That was in 1975. However, my stint with them was quite eventful, as in just two years I grew from a medical representative to sales manager and then general manager. I also have full satisfaction having worked with them, and I fulfilled my entire obligation towards them. Also, when the company found itself in trouble,

all the agencies that I had acquired for the company, including Nivea, came to me.

With my own company, I worked very hard, including carrying cartons on my shoulders. It was a question of my own survival.

### **And obviously you cleared all your debts?**

Yes, I was able to declare myself a debt-free man. I felt very contented and rich when I had cleared all the debts.

### **Why did you feel rich?**

What is richness after all? It is very relative. Your tie could be better than mine, or you may not know poverty. It is only when you know what poverty is that you begin to enjoy wealth.

### **When did you finally get married?**

Yes, I went to India after setting up my independent business and got married. My wife is a lady doctor, and once she was here, she helped me look after the business. I started the medical centre with a diagnostic centre that had x-ray facilities, laboratory and doctors and a general clinic. It is a story of building up the business day by day. But I also had opportunities that catalysed the growth prospects. For example, at that time GASCO was just operational in Ruwais, and so Americans and Europeans came for treatment to us, as they wanted the highest quality of service and capabilities available. We developed ourselves to cater for that type of clientele.

### **Where did you get the money to start your business?**

I can proudly tell you that I started my business here without any real money, but only my goodwill in the market. I did go through very difficult times. I was sharing my accommodation with someone else. The accommodation itself was pathetic, water seeping through the floor and so on.

I always say that you don't really need money for business. If you have your own intellectual capabilities, integrity, loyalty and commitment to the profession, you can start your business without any real money.



**I joined them on a salary of AED500. But when I left them, my salary was AED1,600 and I was the general manager of the company.**

### **Surely there must be a catch.**

How did my business succeed? All these pharmacies like City Pharmacy and Modern Pharmacy supported me and gave me credit. I opened a pharmacy first. Of course, I had an initial investment of AED10,000. In that pharmacy I sold goods that I got on credit and paid later. I accumulated my profits and I did not withdraw any money from my company.

I must also tell you this story of how I first got the first x-ray machine in our medical centre. My mother needed a barium x-ray. But the hospital here could only give us a date three months later. So, I decided to get my own x-ray machine. City Pharmacy, which was the agent for these machines, gave me a discount of 40 per cent because they liked me. They made it as an introductory offer. That was the first x-ray installed in a private environment in Abu Dhabi. We also installed the first CT scanner in the capital. Everybody, including my partner, auditors, and accountants, objected to installing the CT scanner. They said we needed 15 cases per day to have a return on investment on the equipment.

But I went against their objections and had it installed.

Within a week a 15 year old boy, who was studying at the American school, came to us with much deteriorated eyesight. Everybody was recommending only thicker glasses to him. When we did a CT scan on him, we found a large tumour on his optic nerve. The child was flown to the US and operated on. He recovered. I told my people, my money has been recovered. That boy could become the US president one day, I said. I do not know his future. Nonetheless, we got a boost and some great feedback, while the number of patients at our centre increased by 250 patients per day because of that news.

In my case, every accident that I have had turned out to be good for me. One day, I was playing tennis when I twisted my ankle. I was sitting and relaxing when I heard that one case of meningitis had been detected in our hospital. Now meningitis spreads like wildfire. So, I ordered for 800,000 doses of medicine from France. I asked the ministry of health to take 400,000 doses at least. They didn't take at first. But when I got the goods, the government said they wanted 400,000-500,000 doses. I was, of course, rewarded, and everybody came to us.

New Medical Centre grew from one room to the next. Today, I can afford to buy 10 buildings here. At that time, I could not afford an extra apartment.

### **When did you begin to diversify?**

The UAE Exchange was not doing well in 1980. So we took it over that year. With proper governance it is doing very well. Today we have a 65 per cent market share of the UAE money remittance business. Per day our collection is on an average of US\$14-15 million. India alone is INR400-450 million per day.

Today UAE exchange has 350 branches in the world. We have 210 branches in India, 32 branches in Australia and a number of branches spread across Fiji, Sudan, Uganda, the US, the UK, Singapore, Hong Kong, Malaysia, etc.

### **From medicine to currency. Was it an opportunity or part of a plan?**

It was an opportunity.



### Where are you in terms of your business today?

There are so many hospitals coming up in this country today. I have my own reservations of how many of these will be successful, as hospitals are not just about buildings; they are about services and doctors. It is not an easy business.

In our case, what we have done is that, hospitals apart, we have created family clinics and industrial area clinics. We have hospitals in Abu Dhabi, Al Ain, Dubai and Sharjah. We are building one in Fujairah now, and then we will go to Ras Al Khaimah. We want to create an entire network of clinics and hospitals in the UAE.

### Are you doing anything in the Dubai Healthcare City?

Yes, we are setting up a rehabilitation centre there. We have bought the land for it.

### Do you plan to expand your hospitals outside the UAE?

After completing the network in the UAE, I have plans to expand to Qatar, Egypt, Turkey, Syria and then Saudi Arabia and Oman.

### What about India?

We do have very big plans for India as well. We want to set up a number of 100-bed hospitals in two-tier cities, allowing local expertise to come and operate them. I am also in the process of investing in health resorts in India. I have bought a 7,500 acre tea estate for that purpose.

### How are you funding all these developments?

Money was never an issue for me. I like working under pressure.

### Tell us something about NeoPharma.

This is another story of how to overcome obstacles. When I approached bankers with the project, they said that Shetty was crazy. Nobody lent me money. Finally, my contemporary and classmate, also chairman of Bank of Baroda, P.S. Shenoy, came to my rescue. He heard about the project and told his manager here to give



**You know how much profit the exchange makes? It makes profits of AED98 million on a capital of just AED100 million.**

me money to do it. So they gave me the complete project finance, working capital and another AED10 million.

The company is in profit today. We are now going into biotechnology - we have a joint venture with Kiran Mazumdar-Shaw's Biocon. We are also getting into nanotechnology and we will patent a product here.

### Have you valued your healthcare business that you started without any capital?

Yes. Ernst & Young has valued the business at AED500 million. I had an offer to sell 50 per cent equity in NMC to a Czech investor, but I refused to do so since I didn't think they would add any value to the business. We are in the market to look for partners to add value to our healthcare business.

### You are open to sale?

Yes, open to those who can add value. A number of banks and investment banks are in talks with us as we speak. We are the only hospital group that has been enjoying profits for 30 years.

### Why are you not doing an IPO?

We will. But the first phase is the pre-IPO stage, where we are doing a private placement for NMC's hospitals and the retail pharmacies.

### What about the exchange?

You know how much profit the exchange makes? It makes profits of AED98 million on a capital of just AED100 million.

### You have plans for an IPO of the exchange business as well?

Yes.

### Apart from healthcare and money remittance, do you also have other business interests?

Yes, we are into hospitality. In Dubai we have four hotels. These are four star hotels.

### You must be a very busy man with all your businesses and plans.

Yet I have time for everybody. I keep on telling my secretary that I want to see everybody coming to complain about my services. Then I want to see everybody who wants a job. I can employ some and there are those that I can recommend to others. And don't say I have no time.

### Do people work for you for a long time? If so, how do you retain them?

I have got doctors working for us for 31 years. They stay on because of the loyalty they have for me and the sense of belonging that I have been able to create. But there can also be people who can have a negative impact on others. I get rid of them. I have my Pakistani driver working for me for 31 years. He is still with me.

### Do these achievements excite you?

I am enjoying the benevolence of the rulers and their goodwill in the UAE. What more do you want?

### Do you have plans to go back home any time soon?

I will continue to stay here in the UAE, as this country has given me so much. From an indebted man to what I am today.





# A modern retreat

## What did offshore banking ever do for you?

There are many reasons to consider offshore solutions. **Wendy Jackson** investigates the benefits of banking offshore.

**Y**ou might be surprised to hear that despite there being numerous offshore jurisdictions offering a wide variety of banking and financial service, many GCC residents are lethargic when it comes to investing offshore. The thing is that many Gulf expatriates consider the region itself to be offshore, with its lack of direct taxation.

Unfortunately (or fortunately), depending on which way you look at it, 'going' offshore is so much more than just a tax issue. Which is why, says David Prince, regional manager of wealth services for Standard Bank in Dubai, "it's worth giving some serious thought to opening a bank account offshore".

### Considering and benefiting

The question is, why exactly do people need to consider an offshore financial solution? What are the real benefits of locating your financial wealth outside of your country of origin (domicile)?

Prince states, "The benefits of banking offshore basically fall into the following five categories: potential tax benefits; security, confidentiality and peace of mind; country risk; convenience and expertise and, finally, the avoidance of any potential complications that could arise due to Shari'ah Law."

"The reasons for considering an offshore bank account," says Chris Balfour, head of

personal banking, Lloyds TSB Middle East, "are pragmatic and very simple. It can help you manage liabilities you may have back home, manage risks associated with the countries you reside or work in, offer you a sophisticated banking solution and allow you to make inheritance provisions you are comfortable with."

Let's look at this in more detail.

### Potential tax benefits

According to Prince, "Depending on the country you live in, there can be advantages to holding your wealth outside of that country, thus not exposing it to unnecessary (or unforeseen) taxes. For example, persons classed as resident but non-domiciled in the UK will only face an income tax bill where interest income is remitted into the UK. Interest kept offshore is not subject to this tax."

"The attraction of offshore financial centres like the Isle of Man is that they are said to be 'tax neutral' in that they generally do not subject non-residents to any local taxation, provided the client is not resident within the European Union. That said, tax is a complex area and individuals need to ensure they take appropriate professional advice," Prince further adds.

When it comes to security, confidentiality

and peace of mind, Balfour explains, a decision to go offshore can be influenced by people's experience of the different banking systems around the world. "Not all banks and banking systems are as advanced, as those people have grown used to in their home country. A respected offshore centre, such as the Isle of Man, has a long-established reputation for hosting secure and modern banking systems, which may be seen as an advantage by many investors."

Country risk, says Prince, "is often an excellent reason to consider an offshore financial centre, as most are renowned for political stability, whereas a number of countries experience turmoil from time to time, increasing the risk of punitive government actions, exchange control restrictions, etc. While the UAE is not overly at risk from such turbulence by banking offshore, it means you can avoid anything that might happen, or if your job takes you to a more risky environment, your banking may stay safely in one place."

Product choice (convenience and expertise), says William Borland, senior relationship manager, Barclays, is one of the most important considerations. "For example, due to, say, Barclays' experience in international finance gained over many decades, our offshore capabilities have

become an important way to manage people's finances and especially for those who have multi-currency needs."

For example, says Prince, "it is relatively easy for an offshore bank to open accounts for you in, say, pound sterling or US dollars, whereas within any given country it is quite difficult to open and operate an account in a local bank branch in anything other than the native currency. Also, let's say you want to send money back home; an offshore bank will be able to manage that whole process quickly and efficiently for you."

"Your chosen bank will also need access to a wide range of international products and services, as well as the capabilities of bespoke solutions. The point being that your offshore bank works for you and your money. Barclays, for example, has access to a large number of Geneva based funds as well as to some of the industry's leading trust managers and offshore solution specialists. Couple this with comprehensive basic banking services, such as mortgages, cards and checking facilities, then you are set to start your offshore adventure," Borland points out.

Finally, and perhaps the most important reason for considering an offshore bank account if you are a resident here in the region, is the avoidance of any potential complications that could arise due to Shari'ah Law - the avoidance of forced heirship provisions.

"Although," points out Balfour, "this is not just a Middle Eastern issue. Inheritance rules differ in most countries and I think it's more to do with working within a set of rules you feel comfortable with. With the complexities of Inheritance Tax to think of too in many countries, offshore solutions can provide someone with a plan that fully realises their intentions."

After all, it is good to know that in the event of an untimely death, your wealth is accessible.

Rumours have been fuelled by incidents stating that wives, in the event of their husbands' deaths, have not been able to access any of the family's assets, cash or otherwise. At times like this cash is often needed, especially if there are children involved. An offshore structure devised by your offshore account can take away any questions one may have on accessing spouse's assets. That's not to say that

eventually a wife would not receive her husband's wealth, but it would be a hassle and take a lot longer. "Having this provision in place is becoming essential if children are involved," says Balfour.

## The Choice

So you're now convinced you need an offshore solution, which means the next consideration is how to go about finding a good offshore bank to use.

According to Prince, "The first thing and probably the most important thing to do is to choose an offshore bank located in a high quality, well regarded jurisdiction, such as the Isle of Man. The island has a long history of stability, security and confidentiality, all of which should instil a sense of confidence and peace of mind to the expatriate client."

Balfour agrees: "The location of your offshore bank can be key to any future gains. There would be no point setting things up in a jurisdiction that isn't stable, or doesn't have the right regulations in place. An inadequate regulatory framework defeats the object of placing your wealth offshore. So, yes, the number one consideration has to be the choice of jurisdiction."

And what kind of things should you consider when thinking about choosing a specific offshore bank?

"It is important," says Prince, "to assess how you intend using your new account – will you be receiving a salary or regular credit into the account and, if so, in which currency? Clearly, if you need to conduct your finances in more than one currency, it is essential to choose a bank that offers a range of accounts in the currencies you require. This is one of the reasons why using offshore banks is advantageous; their staff should be extremely well versed in currency matters and will be able to handle requests to transfer funds around the globe, as a matter of routine."

According to Prince, you also need to consider internet access capabilities. "In addition, and depending on how convenient it is for you to contact your offshore bank, you might well require internet access to your accounts. Should that be the case, check out the bank's internet service demonstration to ensure that the system can cope with how you intend to use your account. Practically all offshore banks will

allow you to access balance and statement details, but not all of them are equipped to allow you to send through payment requests in various currencies or send secure e-mail messages. Also be aware of whether there are restrictions on the hours during which you can access your details, as these may not be compatible with the new time zone where you will be located."

Leaving aside the technical capabilities of the banks for just a moment, the other major determining factor in choosing your new bank should be quality of service.

"This might be hard to judge if you have no direct experience of the bank itself," says Prince, "but you can always ask a friend, colleague or financial adviser about their experiences with a particular bank. A good idea is to also call the bank up to find out more about their services and products, and judge for yourself how they are likely to treat you as a client."

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**The textbook definition of offshore banking goes something like this: "To the depositor, an offshore bank is any bank outside the country in which the depositor lives. Any time you have money deposited in or invested with a bank in a country outside the country in which you live and work, you are, in fact, banking offshore even if that bank is just across the borderline. Any bank in the country in which you live and work is known as a domestic bank," writes John Blowers, Interactive Investor International.**

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Are they knowledgeable and interested in your query? Have they followed up on your enquiry with information by post or e-mail? Have they even answered the phone at all?

"For most clients," says Balfour, "who need full access to their assets, full internet banking capabilities should be on offer along with an optional debit card or credit cards, which can be used to withdraw cash around the world as well as to pay for goods and services is essential."

In addition, he adds, "A comprehensive product range from funds to offshore trust services and competitive saving options should be made available."

"This should be backed up with a level of personalised service, which is increasingly hard to find amongst the major banking

## Characteristics of an Offshore Centre

**TAX:** Most OFCs charge little or no tax. Most professional practitioners in offshore jurisdictions refer to themselves as being "tax neutral", referring to the fact that whatever tax burdens the proposed transaction or structure will have in its primary operating jurisdiction or market, having the structure based in an offshore jurisdiction will not create any additional tax burdens.

**REGULATION:** Most OFCs now promote themselves on the basis of "light but effective" regulation and generally only seek to regulate high-risk financial business such as banking, insurance and mutual funds.

**CONFIDENTIALITY:** In most jurisdictions, banks will preserve the confidentiality of their customers, and all of the major offshore jurisdictions have appropriate procedures for law enforcement agencies to obtain information regarding suspicious bank accounts.

**OFFSHORE STRUCTURES:** The bedrock of most offshore financial centres is the formation of offshore structures. Offshore structures characteristically involve the formation of an offshore company, an offshore partnership and an offshore trust. Illegitimate purposes include market manipulation, money laundering, tax evasion and terrorist financing.

groups," says Prince. "At Standard Bank, for example, each client is allocated a named, dedicated account manager, who will be available in person to deal with any requirements in a knowledgeable, friendly manner."

The other big decider when it comes to choosing a bank can depend on brand. As Balfour explains, "A bank with a brand synonymous with stability, good service and product choice, in a well-respected jurisdiction, can provide an attractive option when it comes to choosing a bank account."

## Lethargy

With many banking customers not considering the benefits or the consequences of 'going' offshore, I beg the question - how are institutions combating lethargy?

Borland says, "It's all about educating the client so that he/she knows exactly what is available as well as having somebody with key knowledge to advise on what's best for their situation. Having a trusting relationship is key to convincing people that what, say, Barclays has to offer is vital for their future and their families."

Balfour, Lloyds TSB, says that the Gulf expatriate market Lloyds deals with is pretty 'switched on' to the advantages of offshore banking. About 50 per cent of its local banking clients also have an offshore bank account.

"It can be viewed in a similar way to some insurances," he adds. "People sometimes 'put off' getting around to sorting out their arrangements, but eventually are provoked by seeing something happen to a friend or colleague that could have been better managed if an offshore bank account was in place. So, whilst a 50 per cent figure is by no means low, it is our intention to raise this further. We know that there are large numbers of banking clients out there who would benefit from an offshore solution."

"You also have to have a competitive offering, which once in place can make offshore attractive as opposed to something that is often ignored as the right thing to do," adds Borland.

## GCC nationals

Bearing in mind that GCC nationals are more in tune with the structures of Shari'ah law, that they live in a tax free environment and, due to most economies, show signs of considerable growth in fortune, you have to ask why GCC nationals consider offshore jurisdictions outside of their own country.

It is clear that while oil prices are high, the property market continues to boom and money can still be made on the local stock markets. You have to wonder why any GCC national would hold his/her assets outside of the region.

But it would seem offshore solutions are becoming popular with people other than expatriates, but also with GCC nationals keen on diversification and buying property outside of the GCC.

"It's quite interesting," says Balfour, "that many GCC nationals buy property in other parts of the world. One of our fastest growing product lines is the mortgage we offer on properties overseas. We can finance property purchase in 11 different countries. This means that many GCC nationals are looking for an offshore solution, whereby they can

service an account in the currency of their mortgage loan as well as holding cash and investments in a jurisdiction outside of their own geo political environment."

"Plus, of course," says Borland, "the local markets haven't actually done very well over the past year or so, making international funds a very attractive alternative. After September 11, many funds were repatriated back to the region, and these funds have seen gains of massive proportions. Will this last? Maybe, but having made the gains, many local investors are seeing the need to diversify out of the region back into international investments. Which is where an institution like Barclays can help."

At the end of the day, if we can get the benefits of offshore solutions across to expatriates, then they are likely to apply to GCC nationals as well. After all, as we have said here, offshore solutions can provide stability, product choice, convenience, currency options and, of course, the means to allow you to make inheritance plans for your future that suit both you and your

## The International Monetary Fund considers the following to be characteristics of an Offshore Financial Centre:

**Jurisdictions that have relatively large numbers of financial institutions engaged primarily in business with non-residents; financial systems with external assets and liabilities out of proportion to domestic financial intermediation designed to finance domestic economies and centres which provide some or all of the following services: low or zero taxation, moderate or light financial regulation, banking secrecy and anonymity.**

family. Local banking solutions have their place. We all need access to local banking facilities and local banks do this very well. The point is that most of us need more and, as of today, the only way to get this is through an offshore institution; or, if you happen to have US\$1,000,000 or above, then I hear that the DIFC is the place to check out.

Until I see you there, I may see you in the Isle of Man.

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# Tax tips for US citizens investing in offshore funds

Prior to investing in offshore funds, US citizens need to read up or be advised properly on their tax obligation or rue their fate later, cautions **Virginia La Torre Jeker, J.D.**

**P**henomenal expansion of financial activities has taken place within the DIFC. Its most recent addition to financial services is the funds industry as permitted by the enactment of the Collective Investment Law 2006. This law provides the framework for regulating funds and permits the operation of various types and categories of collective investment funds in the DIFC including property funds, Islamic funds, hedge funds, fund of funds and private equity funds. There will be a strong temptation to jump right into the market and hope for a good return. Americans, however, are cautioned to obtain qualified US tax advice before making investments in any offshore funds due to the complexity and harsh tax consequences involved under US tax laws.

Generally, with a fund approach, investing becomes both simpler and more cost efficient. The fund acts as a financial intermediary and permits a group of

investors to pool their money together with a predetermined investment objective. The fund manager will be responsible for investing the pooled money into specific investment opportunities (e.g. stocks, bonds, securities, currencies). By pooling money together, trading costs are lowered significantly and the ability to diversify is greatly enhanced. Generally, when you invest in a fund, you are buying shares (or portions) of the fund and become a shareholder or investor of the fund.

## Taxation of the US investors

Confusion abounds when Americans invest in foreign investment companies, mutual funds, unit investment trusts and similar fund arrangements as compared to when they invest in US based funds. Understanding the basic tax treatment of an American shareholder of a US based fund will help put this in perspective.

Generally, with a US fund, virtually all of the income and the gains earned by the fund are distributed annually to its shareholders. The shareholders report these amounts directly on their US tax returns. The fund must send a report to the US tax authorities (IRS) on a form 1099 detailing each particular shareholder's income earned in the fund. A copy is also sent to the shareholder and the information is used by him to prepare his tax return.

Foreign investment companies or funds are not subject to this kind of reporting and disclosure. The tax laws place the onus on the shareholder to determine his share of the income of the investment company or fund. As will be seen in this article, the US tax laws are clearly designed to deter US persons from investing in offshore funds. The US tax laws work to prevent the income or gains from offshore funds from escaping US taxation and, further, impose



harsh sanctions on the US investor in such funds, eliminating any possible tax deferral.

Many American investors are confused by sales pitches of offshore investment advisors who are unfamiliar with US tax laws. While it is true that no tax may be payable in the fund's jurisdiction (e.g. the UAE), significant US taxes are payable by the American owner. This is the case if the owner of the fund is a US citizen or resident, a foreign corporation (e.g. a BVI company or a Dubai LLC etc.) that is owned by a US citizen or resident, a foreign trust established by a US citizen or resident, or, generally speaking, any other structure whose underlying owner is a US citizen or resident.

Generally, the US tax laws treat any kind of non-US corporate fund (or other foreign investment vehicle that is treated for US tax purposes as a "corporation") as a so-called "passive foreign investment company" or a "PFIC". A PFIC is any foreign corporation if (i) 75 per cent or more of its gross income for the year consists of "passive income", or (ii) 50 per cent or more of the average value of its assets consists of assets that produce, or are held for, the production of passive income. Passive income for these purposes generally includes dividends, interest, rents, royalties, most foreign currency and commodity gains, and capital gains from assets that produce such income. Just about all of the income of a fund will usually qualify as passive income, and thus nearly all foreign funds will qualify as PFICs.

Once a corporation qualifies as a PFIC, very harsh tax consequences can result to its US shareholders upon either of two events: when they dispose of their stock in the PFIC (e.g. upon sale, redemption, possibly upon gifting, death and other occurrences) or when they receive an "excess distribution" from the PFIC. In the absence of making a special election, to be discussed below, the onerous tax consequences are imposition of a special tax and compounded interest charges upon any of these two events. Just how "onerous" is onerous? See below!

## Methods of taxation

**Default Method:** In the absence of making a special election, taxation will occur when either an "excess distribution" is made to the shareholder or when he

disposes of his PFIC shares (thus, the shareholder's pro rata share of the PFIC's income is not reported by him on a current basis, meaning he does not report the income without either a distribution from the PFIC or disposition of his shares). When taxation occurs, it will be in accordance with the "Default Method". The amounts will be taxed at the highest ordinary income tax rate for the investor without regard to other income or expenses (currently the highest rate is 35 per cent for individual taxpayers). Long-term capital gains treatment does not apply. Further, the amounts are treated as if they were earned 'pro rata' over the investor's holding period for his fund shares. This is very punitive because compounded interest charges are computed on the 'deferred tax' owed. Compounded interest at high rates can quickly eat up the benefits of an offshore fund investment by removing the benefit of any tax deferral.

**QEF Election:** If the PFIC meets certain accounting and reporting requirements, a shareholder can elect to treat the PFIC as a so-called "qualified electing fund" (QEF). With this election, the shareholder must currently report as income his proportionate share of the income and net capital gains of the QEF for the taxable year (thus, the investor pays tax on the QEF's undistributed earnings – i.e. he pays tax even though no actual distribution has been made). He will not be taxed again upon later actual distributions from the fund and basis adjustments to the shares are undertaken to prevent any re-taxation on later share dispositions. Making the QEF election eliminates the harsh taxation results of the Default Method, such as the compounded interest charges. It is permitted, however, only if the PFIC complies with specific tax information/disclosure requirements enabling the IRS to determine the PFIC's earnings and capital gains. Few investors are able to make QEF elections for foreign fund shares because such funds do not generally keep books and records in accordance with US tax principles, nor do they provide annual US tax information to their shareholders, as required for a US investor to make the QEF election. The author has never seen a foreign fund eligible for QEF treatment.

**Mark-to-Market Election:** If elected, this allows an owner of PFIC shares to

"mark gains to market" at the end of each year. Generally, the investor pays tax on the difference between the fair market value (FMV) of the shares and the adjusted basis of the shares at the end of each year the stock is held. If the FMV of the stock at year-end is greater than the shareholder's basis in the stock, the excess is included in his income for that year. If the basis exceeds the FMV, the shareholder is entitled to a deduction for the year. Income recognised and deductions permitted under this election, as well as gains or losses on sale of the stock, are treated as ordinary, not capital. Choosing this method of tax results in a relatively simple taxation scheme that is less punitive than the "Default Method" outlined earlier, but losing capital gains treatment can be a very significant drawback. Furthermore, strict requirements must be met by the fund in order for a shareholder to make this election. One of the most important things is that fund stock must be "marketable". Generally, this means the shares must be "regularly traded" on a national securities exchange registered with the US Securities and Exchange Commission or on the national market system. A foreign exchange or market can also qualify, but must be one that US law recognises and has sufficient rules in place to ensure that the market price represents a legitimate and sound FMV.

## Returns and filings

Regardless of which taxation method is used by an investor in a PFIC, Form 8621 pertaining to PFIC/QEF shareholders must be filed. Failure to file the form when it is required can result in imposition of hefty fines. To avoid other possible penalties, the investor should examine whether additional filings are required (e.g. Form 5471 concerning ownership in a foreign corporation; Form 926 concerning transfers of property to foreign corporations).

With these significant tax complexities, Americans must be well advised before investing in the offshore fund market.

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# Time to bet on story stocks

The tremor set off by mortgage lending gone bad in the US will be felt in the international markets soon. **Matein Khalid** cautions investors that in these times, they should bet on story stocks with a high dividend anchor.

**G**oldilocks is Wall Street's affectionate term for an economy whose porridge is not too hot (inflationary) or not too cold (recessionary). In a Goldilocks economy, cheap credit from the central bank reigns supreme, the animal spirits of capitalism morph into wild bull markets on the stock exchange and plentiful, inexpensive debt facilitates a carnival of takeovers, mergers, recaps and leveraged buyouts.

Goldilocks has been the defining characteristic of the bull market on Wall Street, Europe, Japan and emerging markets from Mumbai to Sao Paulo, from Shanghai to Singapore and from Istanbul to Moscow in the first six years of this millennium. Goldilocks was born in October 2002 even as the Bush White House sleepwalked into its imperial adventure in Iraq, the Turkish Lira and the Argentine Peso were in deep meltdown as Buenos Aires had just declared the largest sovereign meltdown in history and the Enron/WorldCom scandals had slashed the world's confidence in the integrity of corporate America and its IPO flipping tainted research peddling, insider trading investment bankers. But all good things come to an end in real life, unlike fairy tales – and it does not take the investment insight of Warren Buffet or George Soros to conclude that Goldilocks is living on borrowed time. The summer of 2007 could well be the moment the history of global finance goes fast forward and Goldilocks meets her nemesis. Why?

## Liquidity contraction

The subprime meltdown in America is a financial neutron bomb dropped on Wall Street's mortgage backed securities market. There are already US\$300 billion of delinquent subprime mortgages outstanding on Wall Street.

Foreclosures could well drive 500,000 families out of their homes in 2007. This is

a political time bomb because a legislative witch hunt against mortgage brokers, who originated these loans, and Wall Street investment bankers, who packaged and sold them to pension funds, international banks, and government investment agencies in Europe, Asia and the Middle East, is inevitable, particularly since a Democratic Congress controls Washington and most of the victims of the subprime letdown are ethnic minorities who are the core constituency of the Democratic Party. The real danger comes when credit rating agencies downgrade the ratings of the Collateralised Debt Obligations (CDO), packaged assets of synthetic bonds whose subprime credit debt assets are now toxic waste. This means billions in losses by institutional investors in CDOs all over the world. In essence, asset securitisation ensures that the shock waves and pain of the subprime mortgage fiasco will be felt worldwide.

It is inevitable that subprime mortgages will be the final nail in the coffin of the American consumer, whose spending is two-thirds of the American economy and no less than 20 per cent of the global GDP. The only reason consumer spending did not fall last autumn, as Joe and Jane Condo Flipper could no longer use their home as a cash spewing ATM, was due to the worst fall in gasoline prices in 20 years. But gasoline prices have begun to rise again, home equity withdrawal has fallen off a cliff since last summer and both retail sales and consumer confidence are decelerating, pointing to the recession risk that Alan Greenspan predicted.

Sadly, the Bernanke Fed is in a state of denial about recession risk, even though Helicopter Ben was honest enough to admit that the outlook for the housing market was "uncertain". (Right. Understatement of the decade!) The real dilemma is that capex can no longer ensure that the economy

remains immune from recession risk as consumer spending decelerates. Capital goods orders have plunged 14 per cent in the first three months of 2007. The existential irony in American finance is that stock options meant to reward CEOs to maximise shareholders value act as a deterrent against capital expansion, as the capital markets punish any long payback projects while rewarding any strategy that returns cash to investors via share buybacks or dividend increases. It is an ominous sign for the American economy that share buybacks exceeded capital expansion once again in 2007 while corporate cash to total asset ratio stays historically high at 8.5 per cent, at least three per cent above what is normal in the midpoint stage of an expansionary economic cycle.

The real problem for the Federal Reserve is that it cannot cut the overnight borrowing rate as long as inflation remains a threat, since the rise in meat, corn, steel, cement, natural gas and crude oil prices means the CPI and PCE will not come down even as the economy softens. This is dangerous because the inverted yield curve in US Treasury securities adds a restrictive dimension to monetary policy even as data accumulates that distress in subprime mortgages has hit American property, consumer confidence and retail sales.

This is the stagflation scenario, worst of all possible worlds, so reminiscent of the Wall Street bear markets in the inflationary 1970s. But sometime late summer or early fall, the Fed will have no choice but to cut the Fed Funds rate in a panic. History vindicates my view. In the November 2000 FOMC, after tightening all summer, the Greenspan Fed abandoned its tightening bias. On January 4, 2001, the Fed slashed the Funds Rate by 50 basis points. By summer 2001, the Funds Rate had fallen from 6.5 per cent to four per cent and

continued falling until it bottomed in June 2004 at one per cent. But the Fed was unable to prevent a recession and a stock market crash in 2001 – and it will be as impotent to do so in the summer/autumn of 2007.

Liquidity contraction is now unmistakable in the financial markets. Note that high beta financials are now limping even as the global markets regained their risk appetite after the late February sell off. However, I am extremely nervous that the emerging markets ETF hit new highs while volatility indices (e.g. the Chicago VIX barometer of greed and fear!) continue to rise inexorably on Wall Street. This, ipso facto, is not a precursor to a market crash, but does point to a dissonance in capital market signals that usually ends in tears. Moreover, I believe the capital markets have simply not priced in the fallout of the subprime mortgage meltdown in the US, which could rival the Silicon Valley dotcom implosion in its economic and market impact. After all, home ownership is far more important to the American economy than NASDAQ day traders ever were. The collapse of a London closed-end fund last month is an omen of future bankruptcies in subprime loans – with 20 listed US mortgage lenders already wiped out.

### Next unlisted CDOs

I believe the next wave of defaults will hit the unlisted CDOs so widely represented in GCC bank portfolios. Credit rating agencies are invariably a lagging, not leading, indicator of financial stress, as they proved so heroically with Enron, Worldcom, and Thailand sovereign debt. Moreover, with a Democratic Congress, a regulatory and legislative witchhunt against Wall Street financiers is inevitable. This will all happen at a time when the Fed worries about inflation, the euro and gold soars against the dollar, corporate profits slow, oil prices stay high, the Iraq war becomes even more violent and unwinnable and the Bush White House ratings hit post-Watergate lows, T-bond yield price course. This macro backdrop does not exactly seem like the classic formula for a bull market this summer.

Deflation driven growth scares are a disaster for the stock market, as Japan and the Asian meltdown proves. Of course, there is no hint of deflation in America – not yet. But a growth slowdown is inevitable. If Wall Street believed that Fed easing could not arrest the consumer's deleverage cycle in the debt choked US economy, all the ingredients of a stock market crash would be in place. The distress in housing will inevitably spill over from Wall Street to Main Street and lead to a systematic unwinding of credit trades leveraged in the financial markets.

This is probably the real reason why the yield curve is still inverted, even though Wall Street still concerned over recession risk and financial shares have singularly failed to participate in the stealth rally on the NYSE since mid-March.

This is not the time to chase beta, but to bet on story stocks with a high dividend anchor. For example, Citigroup plans to layoff 17,000 staff and reduce costs by US\$4.6 billion in the next three years. CEO Chuck Prince has lost the patience of his shareholders, including that other prince in Riyadh who was the bank's white knight in 1991. This time Prince must deliver or else Citi offers a dividend yield of 4.25 per cent. If the Fed cuts rates, Citi shares will fly as restructuring tends to be front loaded.

I would also short emerging markets dependent on hot money with inflated values where the macro economy exhibits rising inflation, higher current account deficits and a central bank credit squeeze. This argues that India's Sensex above 13,000 is dangerous if the Chicago VIX continues to rise to 14–15 per cent. Banking shares in Japan, a play on asset reflation, the BOJ and the strengthening Tokyo commercial real estate market will probably outperform their peers in New York and Europe. Watch out also for Moody's share, which is a short as its growth was driven by the secular boom in credit derivatives and structured finance ratings, a boom that is fast becoming a bust.

Moody's is a pure play on liquidity and irrational exuberance in financial markets, and its valuations will be crushed if the credit bubble pops, as I believe it will in 2007.



*Opinions expressed in this article are those of the author and do not necessarily represent those of the **MONEYworks** group of magazines. This article should not be misconstrued as financial advice. Don't forget that investments can go down as well as up and you may not get back the amount originally invested.*

# CBI targets six per cent share of UAE market

Commercial Bank International will be increasing their branch network by 18 new branches by the end of 2007. **Tara Asok** reports.

**C**ommercial Bank International (CBI) is the typical story of a low profile bank trying desperately to emerge from the shadows. A purely corporate entity until recently, this bank established in 1991 might well pull out a trump card very soon as it vies for a larger share of the market. The significant expansion of its capital base coupled with a massive revamping of its operations aided by state of the art technology has already laid the base for a new beginning.

The bank commenced operations with one branch in Ras Al Khaimah and another one in Dubai, with a paid up capital of AED44 million and an authorised capital of AED100 million. As part of concrete plans to get a toehold in a market inundated with multinational banks and their products, CBI raised its capital to AED1 billion in March 2007. This increase is a management strategy to bolster a five year plan involving retail banking market challenges and range of products and services. These changes are aimed at making substantial progress in the competitive sector on the one hand and enhancing the customer base on the other. The capital increase follows the unveiling of CBI's new corporate identity and is in line with the new strategy it is implementing with respect to retail banking and plans for growth.

"We have to cope with the changes taking place in the Emirates. Our five year plan has

now been upgraded up to 2011 with clear initiatives on retail, treasury, investment and financial institutions," says Mehdi Kilani, head of retail banking at the bank. "We are aiming to develop our current position in the market through our assets and our highly efficient team of 400 employees, of which 30 per cent are UAE nationals. We will have 18 new branches by the end of this year with five new branches by early June in Sharjah, Ajman, Fujairah, Umm Al Quwain and Abu Dhabi."

Visibility in every area of the UAE will play an important part in the bank's growth plans and, as such, the bank expects to raise

the number of ATMs across the country from 30 to 60. A range of retail products are expected in the near future, such as long term home finance products for UAE nationals as well as non-residents, with easy repayment schemes as well as savings mobilisation schemes. The bank's drive at capturing approximately six per cent of the banking market may well rest on the success of its retail portfolio, which it expects to enhance to 50 per cent of its corporate business within the next three years. Since the bank's five year plans were set into motion, the retail portfolio increased from AED200 million to AED1.1 billion

## Group consolidated income statement for the year ended 2006

	2006 AED000	2007 AED000
Interest income	405,918	243,445
Interest expense	(222,687)	(108,172)
Net interest income	183,231	135,273
Fees and commission income	94,794	154,083
Other operation income	19,054	45,702
Net interest and other operating income	297,079	335,058
General and administrative expenses	(121,803)	(75,370)
Unrealised loss or gain on revaluation of financial assets held through profit and loss	(164,473)	165,100
Impairment losses and provisions (net)	(2,147)	(185,120)
<b>Net profit for the year</b>	<b>8,656</b>	<b>239,668</b>
<b>Attributable to:</b>		
Equity holders of the bank	9,402	237,265
Minority interest	(746)	2,403
<b>Net profit of the year</b>	<b>8,656</b>	<b>239,668</b>
<b>Earnings per share</b>	<b>0.02</b>	<b>0.5</b>





**“We will have 18 new branches by the end of this year with five new branches by early June in Sharjah, Ajman, Fujairah, Umm Al Quwain and Abu Dhabi.”** *Mehdi Kilani*

in less than four months.

In recent times, the bank has also launched several banking products in competitive rates, which includes the launch of its credit card with interest rates as low as 1.25 per cent, a car loan product with an interest rate of 3.99 per cent and personal loans with a tenure of up to 200 months and with interest rates starting from 9.25 per cent.

Furthermore, CBI will soon be involved in larger sectors, including real estate, brokerage, and Islamic banking. It will have a greater presence in the securities and investment market through its affiliation with an investment company called Al Na'eem.

“TRE, Takamul Real Estate, which was set up by the bank in 2006, is functioning exceptionally well despite its small size and has already registered good profits for last year. This was a big boost for the bank and, considering the property market boom in the UAE, we have decided to play a bigger

role in the real estate scenario in the future as well,” says Kilani.

High on the bank's agenda is the establishment of an Islamic finance company during the third quarter of this year, in which the bank will have a 40 per cent stake. Other strategic partners will be predominantly from Bahrain and Malaysia. This apart, CBI will set up an “Islamic window” within the bank and full-fledged Islamic retail products will be offered soon in line with the bank's initiative at increasing Islamic deposits.

CBI recently implemented a full communications solution from Avaya, the leading global solutions provider of business communications applications, systems and services. CBI today has one of the best technologies in the banking industry in the UAE. And it's this technology that drives the bank's contact centre, which was set up recently with an investment of AED3 million.

“The new contact centre will ensure faster and more efficient dealing with customer issues, right from offering information about its products to ensuring up-to-date account information dissemination and more. As a customer-oriented bank, we are always looking to provide better service to those who use our products. This time, we have increased our capacity up to four times our existing status with Avaya, the latest in call centre technologies,” adds Kilani.

In addition to that, CBI is about to implement Silverlake technology within its branches and operations network. The bank is also the first in the region to employ the Silverlake model, which seamlessly integrates various aspects of the bank's divisions and systems including core banking, internet banking, trade finance, treasury, card management, CRM, data warehouse and MIS, Islamic banking, collection and anti-money laundering.

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# Saudi Arabian book building

With Saudi poised to introduce book building, it should increase IPO price efficiency, restrict speculative over-subscription, encourage fundamental buying and reduce non-recurring income for banks, writes **Fahd Iqbal**.

The sharp rally in the Saudi market from two months has almost entirely reversed since mid-March, with the Tadawul down 15.4 per cent over the month. The injection of mass funds into the market by Prince Al Waleed bin Talal was surely a strong catalyst for the initial rally itself, but with valuations stretched and losses from equity investments being flushed out of the corporate system, we believe there is still a downward leg to go for the Tadawul index. The only other market that has experienced weakness has been Dubai, which is down 2.9 per cent.

Historically, there has been a very high correlation between Dubai and Abu Dhabi, but this relationship has broken down since Emaar (rightly) announced a lower dividend and, more recently, since its land-for-equity deal last month. With no further information on the deal forthcoming, the divergence has been maintained.

It is also worth highlighting the positive performance from Oman and Kuwait, which are up 4.8 per cent and 3.8 per cent respectively. Both markets have displayed low volatility and have seen the strongest performance on a year-to-date basis, albeit at a low five per cent increase. Nevertheless, this compares

favourably with the -11.4 per cent in Qatar and -7.2 per cent in Dubai and Saudi, year-to-date.

An important piece of news that appears to have received less interest than it deserves is the recent announcement that the Saudi market will soon be initiating a book building process for IPOs. The current system is similar to other GCC countries and involves IPOs being priced in advance, often at book (for instance, AED1 per share in the UAE). By deliberately underpricing the stock, the system encourages investors to borrow large amounts of money in order to over-subscribe. As a result, stock prices see high levels of volatility and banks make disproportionate levels of exceptional income.

Going forward, book building should increase IPO price efficiency, restrict speculative over-subscription, encourage fundamental buying and reduce non-recurring income for banks — which, for some, has been a critical source of huge profit growth.

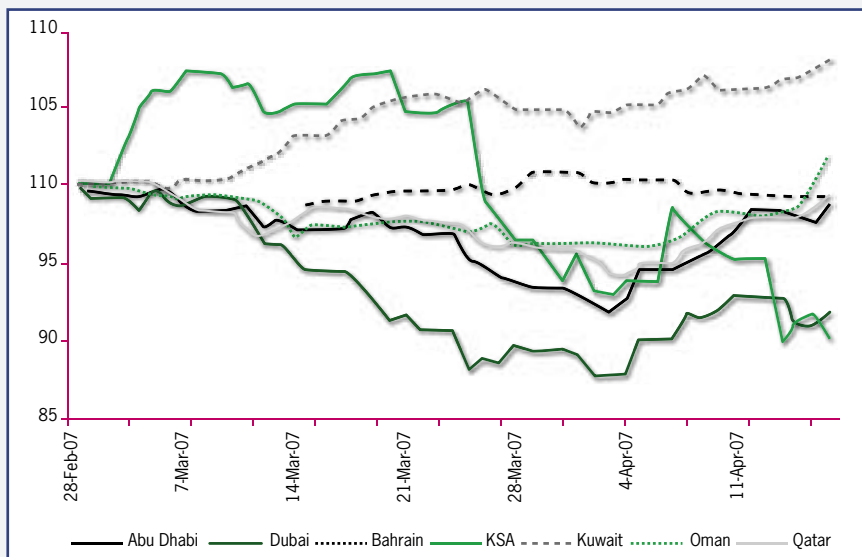
While this is so far only a Saudi initiative, it is only a matter of time before other GCC states begin to adopt the same process. Delaying the start-up of book building, we think, would only increase pressure

from domestic (and likely non-domestic) investors on the local regulatory bodies. Looking further ahead, there are more important ramifications to consider. For one thing, this would be a further step in aligning GCC markets with international ones and will help attract further foreign interest.

For listed stock exchanges, like the Dubai Financial Market, there would be an even greater benefit: an improvement in pricing efficiency should justify a higher valuation. The DFM is already commanding strong trading volumes and some regard it as an overall proxy on the Dubai stock market as a whole. In a sense this is correct; though, to be exact, it is a play on trading volumes, not the direction of stock prices. These two factors — book building and the listing of exchanges — will be instrumental in cementing the position of GCC stock markets in the international arena over the medium-term. In Europe and the US, the drive to reduce costs and meet globalised investors' needs has resulted in a substantial level of bidding activity over the past few years. Most stock exchanges in Asia have already floated and are looking to shadow the behaviour of their Western peers.

In the GCC, on the other hand, it is only the DFM that has so far floated (thanks to which it has accumulated a significant cash pile), but we would expect a similar trend to occur in this part of the world also. While foreign ownership limits in the GCC have historically been restrictive (or non-existent in the case of Saudi), this has also been changing with companies (for example, Aldar and Tamweel) increasing the maximum allowed level of non-GCC ownership. These and similar changes have taken place over a considerably short period of time, and let's be hopeful that the pace of improvements and liberalisation in the financial sector do not slow down.

The writer is a senior analyst and strategist at EFG-Hermes UAE Ltd.



# The key to global growth

The correction in equity markets at the end of February turned out to be even more of a non-event than the dips of the last three years, writes **Peter Hensman**.

**A**gainst the eleven weeks of volatility between May and July 2006, markets fell for just two weeks last quarter. Furthermore, overall the MSCI world equity index rose two per cent in Q1, despite the 6.8 per cent mid-quarter drop. The Shanghai A Share index that many saw as the pre-cursor to the wider equity market turmoil rose nearly 19 per cent over the quarter, even though it dropped 8.8 per cent on 27 February (Data from Bloomberg at April 17).

Perhaps the positive market performance is unsurprising given the 'private equity bid', as the huge sums raised by leveraged buy-out groups continue to spur merger and acquisition activity. With the Fed seemingly on hold, even though their 'predominant policy concern' remains the upside risk to inflation, government bonds are about the only asset class that dislikes this environment of abundant liquidity.

Yet, the economic news has not been entirely supportive of the consensus view that the world economy remains robust. This is reflected in the somewhat bipolar rhetoric from the US Federal Reserve. Despite the concern that inflation will not moderate as anticipated, the minutes from the latest Federal Open Market Committee meeting (March 20) show that the governors have been surprised by the extent of the downturn in activity. Moreover, they maintain their hawkish tone even though they only project a rebound in growth to 'a rate a little below that of the economy's long-run potential'.

As with the consensus view, the Fed expects the downturn in US housing and the sub-prime mortgage market to remain isolated. As of yet, there are few indications that the mortgage market turmoil is spreading into a broader set of difficulties, although a number of companies have highlighted issues with their 'Alt-A' loan portfolios (these are considered better quality credits than sub-prime borrowers, where the mortgagee would normally qualify for a prime rating, but does not receive this because of a lack of

disclosure on their creditworthiness or their application is for a large loan amount). The unexpected drop in the National Association of Home Builders survey for March back to near the trough levels from the end of last year suggests that the housing market weakness remains a risk to the Fed's view.

The Fed's acknowledgement that recent activity has been surprisingly weak against previous expectations was largely the result of an unanticipated drop in business investment. Nonetheless, industrial activity is forecast to recover in the second half of the year as robust corporate cash balances underpin business investment. Yet, unless the durable goods orders data show an improvement, the current readings that show a year-on-year decline in demand for the first time since 2003, the hoped for re-acceleration in industrial activity is unlikely to emerge. The slowdown in profit growth is further warning that business spending plans may remain subdued. Perhaps the most troubling pointer to wider economic weakness comes from the ISM surveys.

What of the perceived inflation threat? Certainly trends in most markets suggest upside risks remain – ten year bond yields in Europe that were below 3.7 per cent at the start of December are above 4.2 per cent as of mid April and the price of copper has risen 40 per cent from its turn of year lows, while the aggregate Goldman Sachs industrial metal index is more than 10 per cent above the May 2006 high. Yet, this is typically not reflected in economic data. In the US, core CPI (excluding food and energy) increased at just 1.9 per cent annualised rate in the last six months. Post-2000 downturn core inflation pressures did not ease to this extent until the second half of 2002, more than two years after the start of the recession. Equally, in Europe, the increase in headline CPI has been below two per cent for the last six months. This is something that the ECB has not achieved since May 2000. And while core inflation pressures are mounting, in part this is the consequence of the three per cent

VAT increase in Germany. As in the US, this acceleration reflects the lagged effects of past growth.

Arguably, it should not be unexpected that signs of fatigue are emerging in the global growth cycle. US monetary policy has been tightened since June 2004 and the yield curve is inverted. Even though yields are low against the average levels of the last thirty years, this is probably sufficient to slow the growth in demand. One demonstration of this is that the average of the Fed funds interest rates in the last ten years has been 3.8 per cent. Surely ten years is sufficient time for economic agents to adjust their behaviour to a new lower rate environment. If so, an interest rate that is 40 per cent above average (Fed funds at 5.25 per cent compared to the 3.8 per cent average) is likely to impinge on behaviour. (Source Datastream, Newton as of 170407)

Is the rest of the world immune to the US cycle? As argued in the past, we expect growth in the world outside the US to remain more resilient in the face of the tighter policy environment. The future growth driver for the world is likely to come from domestic demand growth in the developing world and in those economies where Anglo-Saxon type consumer lending practices have not (yet) taken hold.

A slowing growth environment does not mean that the equity markets do not offer significant opportunities. With financial markets having focussed on commodity price increases, rising bond yields and the unexpected duration of the economic upswing, it is perhaps unsurprising that it is the more economically sensitive areas of the market that have continued to show the strongest performance. Yet the increasing belief that the economic cycle is dead has left many stable growth sectors trading at very attractive valuations compared to their historic levels. Against a backdrop in which corporate earnings growth can be expected to become more difficult to generate, these areas of the market are likely to become increasingly attractive to investors.

MWM

# Investing in water (Part 1)

This month **Otto Spork** continues to focus on water and the opportunities of investing in the most valuable life commodity on the planet.

**T**he main message that is being sent to attendees at recent water conferences around the world is: "We are running dry and as soon as there is a shortage there are conflicts, which so far are ranging from legal squabbles over water rights in the US to armed conflicts in water-poor parts of Africa and Asia. The era of taking water for granted is over. The era of water scarcity and all the turmoil expected to come with it has started."

These conferences bring the best minds in the industry together to learn more about the latest advances in the field of treating and delivering water for farm fields, industrial sites and homes. New technology generally takes centre stage at these conferences. Companies show new products such as solar-powered water pumps and weather-sensitive sprinkler systems.



The reason for all this new technology is that about two-thirds of all water used by humans goes to agriculture. As people are forced to split finite supplies of water among more and more uses, agriculture will have to concede some of its utilisation to provide for our growing urban and

industrial needs. In other words, water will go to the highest bidder and where its economic costs will give the greatest return, that being industry and our growing urban needs. There will be areas where it simply will become too costly to produce crops.

Take high growth areas in affluent areas such as the southwest US and California. There the population is expected to more than double in the next 20 years. The development of new technologies will be critical for supplying new residents with clean water while maintaining the region's environment and agricultural base. However, to bring the best technology to the problem, consumers will have to pay more for the water they use. The average American family spends about US\$700 a year on soft drinks, but only US\$450 in taxes, fees and all other costs for water.

This is far less than the real costs involved in the treatment and delivery of clean drinking water.

Jim Hanlon, head of the Environmental Protection Agency's Office of Wastewater Management, stated that these disparities in what people pay and the true costs of water are vast. This will now become evident to all as the water shortages deepen. This trend, this awakening and the drive to address these needs is what will bring many more new entrepreneurial companies to the investment market place.

The US and global water markets are intertwined. There are about 400 companies globally whose bottom line is derived from water in one way or another. There is about US\$450 billion spent

globally on an annual basis in the building out of infrastructure. Investing in water is considered a defensive strategy; because of its price inelasticity, the demand for water will not change.

Everything we do or touch involves some use of water. From waking up in the morning to brush our teeth, flush the toilet, take a shower, cook or wash the utensils we use to eat - all of these involve the use of water. In the US, the average person utilises 500 litres per day, while bare subsistence use is 50 litres per day. Some African countries have only 15 litres per day available to them. North American water use is taken for granted; in other parts of the world, access to water can mean the difference between life and death. From an investment perspective, water has been the best performing of all sectors over the past 20 years, with the exception of the boom in the tech sector, which outperformed water between 1994 and 1999.

Last month we recommended you stay long. Since then, gold has risen to US\$695, up US\$35, silver is at US\$14.02 up US\$0.80, oil is at US\$62.95 up US\$0.90, GLD is at US\$68.40 up from US\$60 and OIH is now at 154, up from approximately 130 where we recommended it. I still like oil at these levels - stay long; gold and silver are due for an orchestrated correction based on the OI (Open Interest) figures. Further, we are again bullish on the US dollar and are short at 1.3600. Industrial metals are all up - copper is up 4.1 per cent, nickel is up 3.5 per cent and aluminium has gained 1.4 per cent, while zinc and lead have risen 4.7 per cent and 0.96 per cent respectively.

"Investing in Water Part 2" will be in next month's issue.



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# Chasing higher yields

The dollar continues its slide as investors flock to currencies whose yields are expected to rise further, writes **Rajesh Prabhurajan**.

**T**he recent meeting of G7 finance ministers and central bank governors yielded no major shift in policy on exchange rates. It repeated a call on currencies delivered in February at Essen, Germany, that rates should reflect fundamentals and countries with growing trade surpluses like China should increase the flexibility of their currencies.

Some traders had been nervous that G7 ministers might express concern about the perennial weakness of the yen, which is again trading around record lows and has been a popular financing currency for purchases of high yielders. But despite some grumbling by European officials on the sidelines of the G7 about the yen not reflecting Japan's solid economic recovery, the currency did not come up for official discussion.

This means investors are now set to return to their favorite game: selling yen for higher yielding currencies in carry trades. They are also dumping the dollar for euros and other currencies of regions where interest rates are on the rise.

The dollar, which has hit a 26-year low against sterling, is also at multi-year lows against a host of other high yielders including the euro, Kiwi and the Aussie. It has extended a broad slide after data showed a tepid rise in US core consumer prices in March.

Rising inflation around the world has stirred expectations for central banks from Australia to Britain to lift rates to fight price pressure, luring yield-hungry investors. In contrast, most economists expect the Fed to cut its benchmark rates some time this year.

The Australian dollar, with an eight per cent surge since early March, has been the biggest gainer recently. Analysts expect the bull-run to continue as investors bet on an interest rate rise in May. An increase would widen rate differentials over the US and Japan, adding to upward pressure fuelled by demand for commodities and gold along with renewed foreign interest in Australian companies. Australia's cash rate of 6.25 per cent is already one of the highest among industrialised countries.

However, one risk to the currency is a possible outflow after heavy redemptions of Australian dollar "uridashi" bonds held by Japanese investors. About AUD5.78 billion of such bonds mature in the three months to June, up from AUD4.17 billion in the first quarter. Against that, with the value of takeover deals in Australia doubling to US\$100 billion in 2006, the Aussie can expect continued support from takeover activity.

The pound breached the psychologically important level of US\$2 and is at its strongest since June 1981, after news of an unexpected surge in inflation fuelled speculation that the Bank of England would hike borrowing costs by at least 25 basis points to 5.5 per cent by May – which would top the US federal funds rate.

Performance against the Dollar: Past 30 days

	16 Mar 07	17 Apr 07	Change%
Euro	1.3311	1.3571	+1.95
British Pound	1.9411	2.0078	+3.44
Japanese Yen	116.68	118.91	-1.92
Swiss Franc	1.2069	1.2086	-0.14
Australian Dollar	0.7956	0.8364	+5.13
Canadian Dollar	1.1757	1.1300	+3.89
Indian Rupee	43.95	41.97	+4.51

The Dollar index: down by 1.70%



The pound's rise may squeeze British exporters a little, but it could also be just what the economy needs to calm inflation at a time when investors are ramping up their bets on higher interest rates. The resulting fall in imported raw materials would be welcome after many months of soaring overheads.

The euro's strength has come as analysts have upgraded forecasts for euro zone growth and how high the European Central Bank may lift interest rates. The ECB is poised to raise rates to four per cent in June from 3.75 per cent and may push them up even higher. Euro zone exports have boomed on the overall strength in the global economy supported by solid German growth, and there may be little reason to complain about the exchange rate.

Closer to home, a statement from the UAE central bank governor that the rulers of the six Gulf Arab oil producers have agreed not to change currency pegs to the US dollar should at last lay to rest the recent speculation on the GCC revaluation issue. At least for the time being, that is.

## OFFSHORE SAVERS SELECTION

Provider	Telephone Number	Account	Notice/Term	Deposit	% Gross	Interest Paid
<b>No Notice US Dollar Accounts</b>						
Bank of Scotland International Ltd	01534 613500	Halifax G'teed Saver	None	\$50,000	5.50%	Yly
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	None	\$5,000	5.25%	fYly
Alliance & Leicester Int Ltd	01624 663566	US Dollar Savings	None	\$5,000	5.00%	Yly
Nationwide International Ltd	01624 696000	US Dollar Savings	None	\$1,000	4.30%	Yly
Irish Permanent International	01624 641641	Instant Access	None	\$500	4.25%	Yly
<b>No Notice Euro Accounts</b>						
Northern Rock (Guernsey)	01481 728555	Euro Direct Saver	None	€5,000	4.05%	Yly
Bank of Scotland International Ltd.	01534 613500	Halifax G'teed Saver	None	€35,000	4.00%	Yly
Alliance & Leicester Int Ltd	01624 663566	Euro Savings	None	€5,000	3.61%	Yly
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	None	€5,000	3.60%	fYly
Irish Permanent International	01624 641641	Instant Access	None	€500	3.15%	Yly
<b>No Notice Accounts</b>						
Alliance & Leicester Int Ltd	01624 663566	Base Tracker III	None	£15,000	5.60%	Yly
Irish Nationwide (IOM)	01624 673373	Instant Quarterly	None	£25,000	5.60%	Yly
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	None	£5,000	5.55%	fYly
Zurich Bank International Ltd	01624 671666	Zurich Reward Account	None	£5,000	5.50%*	Yly
Alliance & Leicester Int Ltd	01624 663566	Island Easy Access	None	£10,000	5.50%	Yly
<b>Notice Accounts</b>						
Landsbanki Guernsey	01481 726885	International Tracker 90	90 Day	£10,000	5.71%	Yly
Anglo Irish Bank Isle of Man	01624 698000	Privilege 90	90 Day	£5,000	5.70%	Yly
Alliance & Leicester Int Ltd	01624 663566	Offshore 120 Plus	120 Day	£10,000	5.70%	Yly
Anglo Irish Bank Isle of Man	01624 698000	Privilege 30	30 Day	£5,000	5.65%	Yly
Landsbanki Guernsey	01481 726885	International 60	60 Day	£10,000	5.61%	Yly
<b>Monthly Interest</b>						
Landsbanki Guernsey	01481 726885	International 60	60 Day	£10,000	5.47%	Mly
Derbyshire Offshore	01624 663432	Income 60 Tracker	60 Day	£10,000	5.40%	
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Base Rate Tracker 180	180 Day (I)	£25,000	5.40%	Mly
Bradford & Bingley Int Ltd	01624 695000	Income 180	180 Day (P)	£25,000	5.40%	Mly
C&G Channel Islands Ltd	01481 715422	Guernsey 60	60 Day	£10,000	5.37%	Yly
<b>Fixed Rates</b>						
Alliance & Leicester Int Ltd	01624 663566	Fixed Rate Bond 35	30-04-08	£5,000	6.10% F	Yly
Bank of Scotland International Ltd	01534 613500	Halifax Int. G'teed Reserve	2 Yr Bond	£10,000	6.06% F	Mly
Bank of Scotland International Ltd	01534 613500	Halifax Int. G'teed Reserve	3 Yr Bond	£10,000	6.06% F	Mly
Derbyshire Offshore	01624 663432	Manx Bond Issue 52	30.04.11	£2,500	5.60% F	Yly
Derbyshire Offshore	01624 663432	Manx Bond Issue 52	30.04.12	£2,500	5.55% F	Yly
<b>Accounts with Cheque Book Facility</b>						
Bank of Scotland International Ltd	01534 613500	Current	None	£5,000	4.25%	Mly
Fairbairn Private Bank	01624 645000	Reserve	None	£5,000	3.00%	Qly
Abbey International	01534 885100	Offshore Gold	None	£10,000	2.50%	Qly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Money Market Currency	2 Day	£5,000	2.25%	Mly
Barclays Bank	01534 880550	International Cheque	None	£10,000	2.25%	Qly
<b>Expatriate Only Accounts</b>						
Bradford & Bingley Int. Ltd.	www.bbi.co.im	eAccess	None	£1,000	5.85%*	Yly
Standard Bank	01534 881188	Expatriate Savings	90 Day	£10,000	5.40%	Yly
Lloyds TSB Offshore Banking	01624 638000	International Sterling	None	£25,000	2.70%	Mly
Lloyds TSB Offshore Banking	01624 638000	International Saving	None	£25,000	2.65%	Mly
HSBC International Ltd	01534 616000	Offshore Bank	None	£25,000	1.42%	Mly

All rates are shown gross. \* = Introductory variable rate for limited period. B = Operated by Post or Telephone. F = Fixed Rate. I = Operated by Internet, Post or Telephone OM = On Maturity. P = Operated by Post  
 All rates and terms subject to change without notice and should be checked before finalising any arrangement. No liability can be accepted for any direct or consequential loss arising from the use of, or reliance upon, this information. Readers who are not financial professionals should seek expert advice. Figures compiled on: April 19, 2007 Source: Moneyfacts

## OFFSHORE CHEQUE ACCOUNT RATES

	Telephone	Account Name	£1K	£2.5K	£5K	£10K	£25K	£50K	£100K	£250K	Int paid	Cash card
Abbey International	01534 885100	Offshore Gold	-	-	2.00	2.50	3.00w	3.50	4.25	4.30	Qly	Yes
Bank of Scotland International Ltd	01534 613500	Current	-	-	4.25	4.25	4.25	4.25	4.25	4.25	Mly	Yes
Barclays	01534 880550	International Cheque	-	0.10i	0.10	2.25	2.25	2.25	2.25	2.25	Qly	Yes
	01481 723176	International Premier Chq	-	-	0.10	2.25	2.25	2.25	2.25	2.25	Qly	Yes
Fairbairn Private Bank	01624 645000	Accumulation	-	-	3.00	3.00	3.00	3.00	3.00	3.00	On Closure	Yes
		High Interest Accumulation	-	-	-	-	-	4.25	4.50	4.75	On Closure	Yes
		Reserve	-	-	3.00	3.00	3.00	3.00	3.00	3.00	Qly	Yes
HSBC International	01534 616000	Offshore Bank	-	-	0.12	0.62	1.42	2.12	2.37	2.37	Mly	Yes
		Premier Offshore Banl	-	-	0.37	0.87	1.67	2.37	2.62	2.62	Mly	Yes
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	-	-	0.05	0.10	1.25	1.75	Qly	No
Isle Of Man Bank	01624 63700	Gold Account	0.75e	0.75	1.00	1.50	1.50	1.50	1.50	1.50	Mly	Yes
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Money Market Currency	-	-	2.25	2.25	2.25	2.625	3.00	3.062	Qly	Yes
Lloyds TSB Offshore Banking	01624 638000	Overseas Club Sterling	0.10t	0.10	1.45	2.35	2.70	3.45	4.35	4.50	Mly	Yes
NatWest	01534 282828	Advantage Cheque	0.75e	0.75	1.00	1.50	1.50	1.50	1.50	1.50	Mly	Yes
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	-	3.475	3.725	4.475	Mly	Yes
Royal Bank of Scotland Intl. Ltd	01534 724356	Royalties Cheque	0.75e	0.75	1.00	1.50	1.50	1.50	1.50	1.50	Mly	Yes
Schroders (CI) Ltd	01481 703700	High Interest Call	-	-	-	-	4.187	4.187	4.437	4.687	Mly	Yes
Standard Bank	01534 881188 / 01624 643643	Optimum	-	1.81	1.81k	1.81	2.56	2.81	3.06	3.31	Qly	Yes
Standard Chartered (Jersey) Ltd	01534 704000	International Access	-	-	-	0.25	0.25	0.25	0.25	0.25	Qly	Yes

e = i = Rate applies from £1. i = Rate applies from £2K. k = Rate applies from £3K. t = Rate applies from £100. w = Rate applies from £20K. All rates are shown gross. All rates and terms subject to change without notice and should be checked before finalising any arrangement. No liability can be accepted for any direct or consequential loss arising from the use of, or reliance upon, this information. Readers who are not financial professionals should seek expert advice. Figures compiled on: April 5, 2007 Source: Moneyfacts

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## EURO ACCOUNTS - NO NOTICE OFFSHORE ACCOUNTS

	Telephone	Account Name	€5K	€10K	€25K	€50K	€100K	€250K	Int paid	Chq. Book
Abbey National	01534 885100	Offshore Euro Call Offshore Gold	0.75 -	1.25w 0.50	1.75 0.75j	1.75 0.75	2.00a 0.75	2.25 1.25	Yly Qly	No Yes
Alliance & Leicester Intl. Ltd	01624 663566	Euro Savings	3.61	3.61	3.61	3.61	3.61	3.61	Yly	No
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	3.60	3.60	3.60	3.60	3.60	3.60	Half Yly	No
Bank of Scotland International Ltd	01534 613500	Halifax Int G'teed Reserve International Savings	- 1.50	- 1.60	- 1.70	3.50h 1.95	3.50 2.15	3.50 2.15	Yly No	No No
Barclays	01534 880550	International Cheque International Tracker	0.60 -	0.60 -	0.85e 2.20e	1.10 2.20	1.10 2.50a	1.50b 3.00b	Qly Qly	No No
Bristol & West International Ltd	01624 644333	Euro Savings	-	2.65	2.75	2.85	3.00	3.30	Yly	No
Fairbairn Private Bank		Accumulation High Interest Accumulation Reserve	- - -	1.50 - 1.50	1.50 - 1.50	1.50 - 1.50	1.50 2.75a 1.50	1.50 3.00b 1.50	On closure On closure Qly	Yes Yes No
First Active Bank Channel Islands Ltd	01481 710400	Offshore Demand Offshore Demand	- -	2.45 2.42	2.45 2.42	2.50 2.47	2.55 2.52	2.55 2.52	Yly Mly	No No
HSBC International	01534 616000	Offshore Bank Online Saver Premier Offshore Bank Premier Online Saver Premier Serious Saver Serious Saver	0.00 - - - - -	0.20 - 0.45 - 2.115 1.865	0.20 3.35j 0.45 3.59j 2.765 1.865	0.47 3.35 0.72 3.59 2.765 2.515	0.47 3.35 0.72 3.59 2.765 2.515	0.94 3.35 1.19 3.59 3.165 2.915	Mly Mly Mly Mly Mly Mly	No No No No No No
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	-	0.05	0.10a	0.25b	Qly	No
Irish Permanent International	01624 641641	Instant Access Instant Access	3.15 3.11	3.15 3.11	3.15 3.11	3.15 3.11	3.40 3.34	3.40 3.35	Yly Mly	No No
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Call	1.625r	1.625	1.625	1.75u	1.812m	2.375n	Qly	No
Lloyds TSB Offshore Banking	01624 638000	Euro Intl. Account (Expires only)	0.35	1.15	1.45	1.65	1.95	2.45	Half Yly	No
Nationwide International Ltd	01624 696000	Euro Savings	2.50	2.50	2.55	2.55	2.55	2.60	Yly	No
NatWest	01534 282300	Advantage International	1.95	2.05	2.15	2.35	2.60	2.75	Qly	No
Northern Rock (Guernsey) Ltd	01481 714600	Offshore Euro Direct Saver Offshore Euro Direct Saver	4.05 3.80	4.05 3.80	4.05 3.80	4.05 3.80	4.05 3.80	4.05 3.80	Yly Mly	No No
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	1.98	2.23c	Mly	No
Royal Bank of Scotland Intl. Ltd	01534 286850	Royalties International	1.95	2.05	2.15	2.35	2.60	2.50	Qly	No
Schroders (CI) Ltd	01481 703700	High Interest Call	-	-	-	2.687u	2.687	2.937b	Mly	Yes
Standard Bank	01624 643643 01534 881188	Offshore Reserve Optimum Offshore Moneymarket Call	1.31 0.25 -	1.31 0.25 -	1.31 0.25 -	1.81 1.00 3.25	2.06 1.25 3.35	2.18 1.75 3.35	Half Yly Qly Mly	No No No
Standard Chartered (Jersey) Ltd	01534 704000	International Access	-	-	0.25e	0.25	0.25	0.25	Qly	No
Woolwich Guernsey	01481 715735	Euro International Gross	-	-	1.62	1.86	2.10	2.59	Qly	No
Zurich International Ltd	01624 671666	Call	2.50	2.50	2.50	2.50	2.50	2.50	Qly	No

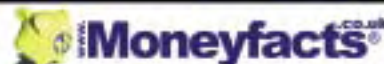
a = Rate applies from €75K. b = Rate applies from €150K. c = Rate applies from €200K. e = Rate applies from €15K. g = Rate applies from €37.5K.  
j = Rate applies from €20K. m = Rate applies from €80K. n = Rate applies from €160K. r = Rate applies from €3K. u = Rate applies from €40K.  
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## US\$ ACCOUNTS - NO NOTICE OFFSHORE ACCOUNTS

	Telephone	Account Name	\$5K	\$10K	\$25K	\$50K	\$100K	\$250K	Int paid	Chq. Book
Abbey National	01534 885100	Offshore USS Call Offshore Gold	2.50 -	3.75 2.00	3.75 2.25u	4.00 2.75	4.25 3.25	4.50 3.50	Yly Qly	No No
Alliance & Leicester International Ltd	01624 663566	USS Savings	5.00	5.00	5.00	5.00	5.20	5.20	Yly	No
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	5.25	5.25	5.25	5.25	5.25	5.25	fi Yly	No
Bank of Scotland International Ltd	01534 613500	Halifax Int G'teed Saver International Savings	- 1.75	- 1.75	- 2.25	5.25 3.75	5.25 4.15	5.25 4.35	Yly Yly	No No
Barclays	01534 880550	International Cheque International Tracker	0.10 -	0.10 -	2.41u 3.55u	2.41 3.55	2.82 4.55	3.17x 4.75x	Qly Qly	No No
Bristol & West International Ltd	01624 644333	Easy Access	3.50	3.50	3.60	3.75	4.00	4.00	Yly	No
Fairbairn Private Bank	01624 645000	Accumulation High Interest Accumulation Reserve	3.00 - -	3.00 - 3.00	3.00 - 3.00	3.00 - 3.00	3.00 4.25v 3.00	3.00 4.50x 3.00	On Closure On Closure Qly	Yes Yes Yes
HSBC International	01534 616000	Offshore Bank Online Saver Premier Offshore Bank Premier Online Saver Premier Serious Saver Serious Saver	0.00 - - - - -	1.48 4.85u 1.73 5.10u 2.225 1.975	1.90 4.85 2.15 5.10 2.795 2.545	2.45 4.85 2.70 5.10 3.075 3.455	2.96 4.85 3.21 5.10 4.495 4.245	3.07 4.85 3.32 5.10 4.615 4.365	Mly Mly Mly Mly Mly Mly	No No No No No No
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	-	0.25	0.50v	1.50m	Qly	No
Irish Permanent International	01624 641641	Instant Access Instant Access	4.25 4.17	4.75 4.65	4.75 4.65	4.95 4.84	5.00 4.89	5.00 4.89	Yly Mly	No No
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Call	4.125k	4.125	4.375t	4.375	4.437v	4.437	Qly	No
Lloyds TSB Offshore Banking	01624 638000	US International Acc. (Expires only)	0.75	1.60	2.10	2.35	2.65	2.80	fi Yly	No
Nationwide International Ltd	01624 696000	US Dollar Savings	4.30h	4.30	4.35	4.45	4.90	4.90	Yly	No
NatWest	01534 282300	Advantage International	3.45	3.55	3.65	3.85	4.10	4.25	Qly	No
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	3.875	4.125x	Mly	No
Royal Bank of Scotland Intl. Ltd	01534 286850	Royalties International	3.45	3.55	3.65	3.85	4.10	4.25	Qly	No
Schroders (CI) Ltd	01481 703700	High Interest Call	-	-	-	4.187	4.437	4.437	Mly	Yes
Standard Bank	01534 881188 /01624 643643	Offshore Reserve Optimum Offshore Moneymarket Call	2.50 1.75 -	2.50 1.75 -	2.50 1.75 -	2.75 2.25 4.75	3.12 2.75 4.85	3.37 3.00 4.85	Half Yly Qly Mly	No No No
Woolwich Guernsey	01481 715735	USS International Gross	-	-	3.22u	3.26	3.50	3.74	Qly	No
Zurich Bank International Ltd	01624 671666	Call	2.75	3.25	3.75	4.25	4.50	4.75	Qly	No

h = Rate applies from \$1K. k = Rate applies from \$3K. m = Rate applies from \$150K. t = Rate applies from \$15K. u = Rate applies from \$20K. v = Rate applies from \$75K. x = Rate applies from \$200K.  
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For more information visit



## EXPATRIATE MORTGAGE TERMS - MAY 2007

LENDER	INTEREST RATE%	MAX.% ADVANCE	ARRANGEMENT FEE	SPECIAL FEATURES
Bank of Scotland	Libor+/1%	85	0.25%	Special schemes GBP70,000 minimum.
BM Solutions	5.54% 2 year tracker 5.75 3 year fix	85	1.5%	Applicant must work for Govt Agency or Multi National Company.
Cheltenham & Gloucester	4.49% 2 year Fix 5.69% 2 year Fix 5.49% 5 year fix 5.39% two year flexible tracker Base plus 0.14% 5.64% full term tracker bank base plus 0.39%	85	2.5% of loan amount £799 £999 £799 £799	Limited special offer via IMP Every case has to be agreed with an underwriter before submission. Unlikely to lend to Self employed expat applicants. Employed applicants need to work for large companies. Minimum loan for these terms £25,000
Dresdner Kleinwort Benson	Cost of funds +1-1.5%	80	0.5%	Currency switching. Minimum loan GBP100,000. Life assurance required. Minimum earned income GBP75,000.
Fortis Bank Group	Sterling mortgage LIBOR + 1% LIBOR GBP 5.33% Foreign currency mortgage LIBOR +1.25% Multi Currency available in Libor rates YEN 0.56% CHF 2.10% EUR 3.73% HKD 4.00% USD 5.36% GBP 5.33%	75  70	GBP500 GBP500	Min. loan GBP150,000, 80% owner/family occupation. Loans to offshore companies and trusts. Multi-currency mortgages available.
Halifax PLC	5.99% 3 Year Fix 5.74% 3 year tracker base rate+ 0.74%	75 75	GBP499 GBP499	Very restrictive terms. No capital raising allowed. Must be returning to UK in a short period. 6 months bank statements required. Redemption penalties. Fixed rate 2% in first 3 years, Tracker 1% in first year
Heritable Bank	5.63% 2 year discount	85	0.5%	IMP Clients receive a special discount. Redemption 3/2/2% 3 year penalty 85% to £200,000 purchase price.
HSBC	Rates under review	80%-90% Repayment basis only 75% Interest only	GBP399	Life insurance must be assigned to HSBC bank. Applicants need to be in salaried employment or professional occupations such as Dr's, Dentists, Solicitors or Accountants
Irish Permanent (Isle of Man)	Base +0.65% - 1.25%	85	1	Same rate second asset loans Also 2-10 year FIXES with repayment penalties. Loans to offshore companies and trusts.
Natwest Bank	5.99% via 5 year fix	85	GBP295	Expats salary must be being paid to UK bank account.
Portman B S Family occupation only	4.90% 2 year fix 5.19% 3 year fix 5.59% 5 year fix rate 5.19% 2 year tracker base rate minus 0.21%	90 90 90	1.5% of Loan 1.5% £599 £299	Tracker Mortgage No Repayment Penalties daily interest. Portman Schemes only available for Owner occupation where a spouse will be residing in the property. All schemes to 90% for family occupation.
Royal Bank of Scotland International	Base +1-1.5%	80	0.5%	Terms can vary via different Royal Bank operations areas.
Saffron Building Society	5.99% Bank of England base + 0.74%	UK Expats 85% Foreign Nationals 75%	Loans to GBP350,000 GBP595 Loans to GBP500,000 GBP795	Maximum holding £1.5 million. Up to three buy to let properties.
Stroud & Swindon	5.49% 2.3% discount until 28/5/10	75	GBP395	No repayment penalties at any time. Up to 3 buy to let properties. Totally flexible overpayments/underpayments.
TMW	4.44% 2 year fix 5.39% 2 year fix 5.79% 3 year fix 5.69% 5 year fix	80 80 80 80	2 year fix 0.5% 2/3/5 year fix 1.5% 0.5% 0.5%	2 year fix 5/5/5/4/3/2% early redemption. 3/5 Year Fix 5% during fix rate period only. Arrangement fees can be added to the loan.

This table is for information purposes only and is not to be viewed as a recommendation.

**Notes:** Some Lenders have onerous redemption penalties for fixed and discounted terms.

A usual penalty is 6 months interest in the first 5 years. Loans are, however, portable, but proportionate penalties would apply unless similar amount loans were taken. There are also proportionate penalties on partial repayments. BANK OF SCOTLAND, FORTIS, KLEINWORT BENSON and ROYAL BANK OF SCOTLAND all offer loans via offshore trusts and offshore companies. Arrangement fees can be as much as 1per cent of the loan. Some lenders make life assurance cover obligatory. Others insist on their "in-house" buildings and contents insurance as a loan condition. **Arrangement Fees** - All fees quoted are payable to the lender and are usually added to the loan, although some require payment with the application. IMP will charge an arrangement fee of .25 per cent subject to a minimum of £250 and a maximum of £500 but this can be waived where associated financial products, such as mortgage protection, is effected through the company's agencies. Most lenders have now settled on a base variable rate of circa 7%-7.25%. Bank rate @ 05/03/07 - 5.25% 3 month LIBOR 5.33%. IMP are authorised and regulated by the Financial Services Authority (302775) for mortgage advice and hold Consumer Credit Licence No: 592583.

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**Credit Cards**

PROVIDER	CARDS OFFERED	ANNUAL FEE (OMR)	INTEREST RATES	INTEREST FREE CREDIT	CHIP	SUPPLEMENTARY CARDS	MIN. SALARY (OMR)
<b>Bank Dhofar</b>	Visa (Classic, Premium), MasterCard (Gold, Platinum), EcomCard	Visa (Classic – 30, Premium – 50) Free for first year, thereafter, MasterCard (Gold – 50 and Platinum – 100), EcomCard - 10	1.5% on purchases 3% on cash withdrawals	52 days	No	Visa (Classic – 20, Premium – 35), MasterCard – (Gold – 30, Platinum – 75)	Visa (Classic – 250, Premium – 800), MasterCard – (Gold – 800, Platinum – 2,000)
<b>Bank Muscat</b>	MasterCard Platinum, MasterCard Gold, Visa Premier, MasterCard and Visa Classic, BankMuscat Diners Club co-branded credit and charge card, Visa Sultan Qaboos University Cards (SQU)	Classic – 30, Gold and Premier – 50, Platinum – by invitation only, BankMuscat Diners Club co-branded credit and charge card – free for Platinum cardholders, SQU Card – 10 (depends on branch)	1.5% on purchases 3% on cash withdrawals	40 days	No	Classic - 20, Gold - 35	Classic – 200, Gold and Premier – 500, Platinum – N/A
<b>HSBC</b>	Visa, MasterCard (Classic, Gold), In-Site Virtual Credit Card	Visa, MasterCard (Classic – 30, Gold – 50), In-Site Virtual credit card – 5	1.5% on purchases 3% on cash withdrawals	56 days	No	Two free for life	Visa, MasterCard (Classic – 400, Gold – 700)
<b>National Bank of Oman</b>	Visa, MasterCard, NBO Oman Air co-branded card, Al Amiyal (Silver, Gold), NBO Webshopper Card	Visa, MasterCard (Silver – 30, Gold – 50), NBO Oman Air co-branded card (Silver – 15, Gold – 30), MasterCard Al Amiyal (Silver – 35, Gold – 55), NBO Webshopper Card – 10	1.5% on purchases 3% on cash withdrawals	52 days	No	Visa, MasterCard (Silver – 20, Gold – 30)	Nationals: Visa, MasterCard (Silver – 200, Gold – 350), Expats: Visa, MasterCard (Silver – 200, Gold – 500)
<b>Oman Arab Bank (Visa Centre)</b>	Visa (Classic, Gold, Platinum), Internet Shopping Card, Prepaid cards – Smart Card for individuals and companies	Visa (Classic – 30, Gold and Platinum – 50), Internet Shopping Card – 2, Smart Card for individuals – 3, Smart Card for companies – 5	1.5% on purchases 3% on cash withdrawals	40 days, NA for Smart Card	Yes, no for Smart Card	Visa (Classic – 15, Gold and Platinum – 25)	Classic – 200, Gold – 700, Platinum – 1,500
<b>Oman International Bank</b>	Visa (Classic, Gold, Platinum, Business Card, Cyber Card/ Al Mubashar), MasterCard (Classic, Gold)	Classic – 30, Gold – 50, Platinum – 70 (by invitation only), Business Card – 25, Cyber Card/Al Mubashar – 10, MasterCard Gold - free for life	1.5% on purchases 3% on cash withdrawals	45 days	Yes	Classic – 20, Gold – 40, Platinum – 60	Classic, Cyber Card/ Al Mubashar – 300, Gold – 700, Platinum – 1,400

**Car Loan**

PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (OMR)	DOWNPAYMENT	PAYMENT TERMS	MIN. SALARY (OMR)	SALARY TRANSFER
<b>Bank Dhofar</b>	No specific car loan – Consumer/Personal Loan	8.75 - 9% for nationals, 7.5% for expats	Nationals – up to 42 times the salary, Expats – 75% of end of service benefits	NA	Up to 108 months for nationals, up to 60 months for expats	120 for nationals, depends on end of service benefits for expats	Yes
<b>Bank Muscat</b>	Loan for purchase of a car	4.5%	Nationals – up to 52 times the salary, Expats – up to six times the salary plus end of service benefits	None	Up to 60 months	Nationals – 150, expats – 250	Yes
<b>HSBC</b>	Car Loan	9%	100% (Depends on salary)	None	Nationals – Up to 96 months, expats – Up to 72 months	300	Yes
<b>National Bank of Oman</b>	No specific car loan – Personal Loan	9%	Maximum of end of service benefits for expats, up to 48 times of the salary without waiver, otherwise up to 51 times	NA	Nationals – up to 132 months for more than 300 salary, otherwise up to 108 months, expats – depends on loan tenure and end of service benefits	Nationals – without waiver 200, otherwise 250, expats – 250	Yes
<b>Oman Arab Bank</b>	No specific car loan – Personal Loan	9%	Nationals – up to 32 times the salary, Expats – depends on end of service benefits	NA	Nationals – up to 108 months, expats – up to 36 months	150	Yes
<b>Oman International Bank</b>	No specific car loan – Basma Personal Loan Scheme	9%	Expats: Less than OMR300 salary – up to 5 times the salary, otherwise, up to 8 times the salary, Nationals: Up to 25 times the salary	NA	Nationals – up to 96 months, expats – up to 48 months	150	Yes

**Personal Loan**

PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (OMR)	ACCOUNT NECESSARY	PAYMENT TERMS	MIN. SALARY (OMR)
<b>Bank Dhofar</b>	Consumer/Personal Loan	8.75 - 9% for nationals, 7.5% for expats	Nationals – up to 42 times the salary, Expats – 75% of end of service benefits	Yes	Up to 108 months for nationals, up to 60 months for expats	120 for nationals, depends on end of service benefits for expats
<b>Bank Muscat</b>	Flexi Loan, loans for nationals and expatriates working in the government and private sectors, short term consumer loans for nationals, special loans for nationals in certain ministries	Less than OMR500 salary – 9%, otherwise, 8.75%	Depends on current salary and employer: Nationals without waiver – up to 51 times the salary, otherwise, up to 45 times only, Expats – up to 6 times the salary or 80% of end of service benefits	Yes	Nationals without waiver – up to 132 months, otherwise, up to 108 months only, expats working in the government – up to 36 months and in the private sector – up to 24 months if loan taken is six times the salary and up to 60 months if taken against end of service, short term consumer loans for nationals – up to 6 months	Nationals – 150, Expats – 250
<b>HSBC</b>	Personal Loan	9%	Nationals - up to 50,000 Expats - up to 15,000	Yes	Up to 60 months	Nationals – 400 or 350+ HSBC credit card Expats – 500
<b>National Bank of Oman</b>	Personal Loan	9%	Nationals – up to 48 times the salary without waiver, otherwise up to 51 times, expats – maximum of end of service benefits	Yes	Nationals – up to 132 months for more than OMR300 salary, otherwise up to 108 months, expats – depends on end of service benefits	Nationals – without waiver 200, otherwise 250, expats – 250
<b>Oman Arab Bank</b>	Personal Loan	9%	Nationals – up to 32 times the salary, expats – depends on end of service benefits	Yes	Nationals – up to 108 months, expats – up to 36 months	150
<b>Oman International Bank</b>	Basma Personal Loan Scheme	9%	Expats: Less than OMR300 salary – up to 5 times the salary, otherwise, up to 8 times the salary, Nationals: Up to 25 times the salary	Yes	Nationals – up to 96 months, expats – up to 48 months	150

**Disclaimer:** This table is meant ONLY as a guide and is not intended as a recommendation of a particular personal loan/car loan or credit card provider. The table was thoroughly checked for accuracy with each provider called individually for information during April 2007 and was correct at the time of going to press. **Please note:** information is subject to change without notice. Any errors or omissions are regretted.

## OMAN

SALARY TRANSFER	MINIMUM REPAYMENT	MINIMUM AGE	CREDIT LIMIT	VALUE ADDED FEATURES	OTHER	CONTACT
Yes	5%	18	Depends on salary and branch, minimum one time salary	Free Visa cards for Al Adfhal account-holders, year-round benefits in tune with individual lifestyles, 24-hour emergency assistance, free travel insurance for cardholder and family for purchased air tickets, emergency card replacement for Gold cardholders, free insurance coverage on accident, baggage loss, delayed flights and cancellations, photo-card, revolving credit facility		Call Centre 800 76666 or 24 787 437 in Muscat www.bdo.org
Yes	5%	18	Salary less than OMR250 – one time to 3 times the salary, otherwise, 3 times the salary	basmaRewards programme, global emergency service, free travel insurance cover, worldwide acceptance, revolving credit facility, cash advance facility, photo card, MasterCard Platinum - personal concierge services	SQU Cards – exclusive to SQU students and employees	2479 5555 www.bankmuscat.com
Yes	5%	18	Depends on salary, minimum for Classic is OMR350 and OMR2,000 for Gold	Travel benefits, payment of utility bills, free purchase protection, free travel and accident insurance, free family protection scheme for Gold cardholders, access of HSBC current, savings and credit card accounts through HSBC ATMs worldwide, 24-hour customer service, free Auto Pay service, 100% of credit limit cash advance	HSBC offers from other countries can be availed by all HSBC cardholders, e.g. hotel discounts etc.	Call Centre 800 7 4722 (HSBC) www.oman.hsbc.com
Yes	5%	18	Silver - 2 times, Gold - 3 times (depends on salary)	NBO Money back loyalty programme, worldwide acceptance, up to 100% cash advance facility, accident insurance up to US\$500,000 for Gold cardholders, flexible payment plan, up to three months temporary credit line increase, card replacement, limited liability coverage to OMR40 for misuse on lost card, photo card, 24-hour call centre, discount offers on hotels, airlines and electronics, NBO Oman Air co-branded card – travel benefits, Al Amiyal – free Oman Air tickets, annual subscription of Times of Oman or Al Shabiba, Sindband Frequent Flyer Program		Call Centre 800 77077 www.nbo.co.om
Yes, No for Smart Card	5%, Cash for Smart Card	18	Classic – 2,000 and below, Gold – 2,000 – 4,000, Platinum – 4,000 and above (salary below OMR600 – 2 times the salary, otherwise, 3 times the salary)	Worldwide acceptance, special annual draws, discounts at certain establishments, Smart Card for companies can be assigned to be used only in specific establishments		Visa Centre – 24 817 707 Smart Card Centre – 24 793 010 www.omanab.com
	5%, BankMuscat Diners Club co-branded credit card – 10% and charge card – full	18	Twice the salary, Platinum – minimum US\$10,000 or OMR3,850	Purchase protection, revolving credit facility, photo card, free accident insurance up to US\$1 million, medical and legal referral services, insurance cover against cancellation, curtailment and rearrangement of travel plans, flight and baggage delay, Business Card offers convenience and control to concentrate on real aspects of running your business, corporate liability waiver for businessmen up to US\$25,000/cardholder and up to US\$1,650,000/company annually, emergency evacuation, repatriation service up to US\$1 million, personal accident cover up to US\$250,000, branch and phone banking, two cards for the price of one		www.oiboman.com

## OMAN

CONDITIONS/ RESTRICTIONS	ACCOUNT NECESSARY	EARLY REDEMPTION PENALTIES	VALUE ADDED	OTHER	CONTACT
Guarantor from ministry required, Approved companies only	Yes	None			Wisal 800 766 66, www.bdo.org
Approved companies and car dealers only	Yes	1% of outstanding balance for cash and bank buy-out	No post-dated cheques requirement	OMR10 processing fee	2479 5555 www.bankmuscat.com
Approved companies only	Yes	None	Comprehensive insurance package, no guarantor required, option to avail finance for first year's insurance	No loan arrangement fees, 30% to 40% of salary should not exceed the loan installments	800 7 HSBC (800 7 4722) 2479 9920/7 www.oman.hsbc.com
Approved companies only	Yes	1% of outstanding balance for cash and bank buy-out		OMR10 processing fee plus insurance	Toll-Free 800-77077 www.nbo.co.om
Guarantor required, approved companies only	Yes	1% of outstanding balance for cash and bank buy-out		Insurance charge	247 06 265 www.omanab.com
Guarantor required, approved companies only	Yes	1% of outstanding balance for cash and bank buy-out	Loan-taker will be insured for the loan period for a nominal premium, you can pay only 50% of your monthly installments in the first 12 months, free credit card for the first year, overdraft facilities on current account, installment waivers, fast approval, top-up loans, reduced insurance premium on top-up loans, reduced installments for first year	Insurance charge depending on loan amount	www.oiboman.com

## OMAN

SALARY TRANSFER	CONDITIONS/ RESTRICTIONS	EARLY REDEMPTION PENALTIES	VALUE ADDED	OTHER	CONTACT
Yes	Guarantor from ministry required if salary less than 500, approved companies only	None			Wisal 800 766 66 www.bdo.org
Yes	Approved companies only	1% of outstanding balance, minimum OMR25, for cash and bank buy-out	Loans for Omani nationals working in the government and private sectors - increased tenor, deferrals during Eid festivals, free call centre, kiosk/ online banking facilities	OMR10 processing fee plus insurance, flexi Loan - starts with a low installment that gradually increases every year, in line with the customers' annual increase in income	2479 5555 www.bankmuscat.com
Yes	Approved companies only	None	Pre-approved credit card, no processing fee, simple application, fast approval, ability to make first payment anytime up to 45 days from application	25% discount on personal loan insurance for STATUS and premier accountholders	800 7 HSBC (800 7 4722) 2479 9920/7 www.oman.hsbc.com
Yes	Approved companies only	1% of outstanding balance for cash and bank buy-out		OMR10 processing fee plus insurance	Toll-Free 800-77077 www.nbo.co.om
Yes	Guarantor required, approved companies only	1% of outstanding balance for cash and bank buy-out		Insurance charge	247 06 265 www.omanab.com
Yes	Guarantor required, approved companies only	1% of outstanding balance for cash and bank buy-out	Loan-taker will be insured for the loan period for a nominal premium, you can pay only 50% of your monthly installments in the first 12 months, free credit card for the first year, overdraft facilities on current account, installment waivers, fast approval, top-up loans, reduced insurance premium on top-up loans, reduced installments for first year, no processing fee for first time loan-takers	Insurance charge depending on loan amount	www.oiboman.com

Corrections, if any, should be forwarded by fax to +971 4 391 2173, or by email to info@moneyworks.ae. All information contained is freely available from bank/provider printed information and websites, as well as direct from bank/provider helplines and/or call-centres. For further information, check with your chosen bank/provider direct. Don't forget to watch out for special deals available.

Personal Loans						QATAR
PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (QAR)	MIN. SALARY (QAR)	PAYMENT TERMS	CONTACT
Ahl Bank	Personal Loan Expat Loan	Fixed rate: 9% promotional for nationals, 9.5% for expats	Up to 80 times monthly salary for nationals, up to 32 times monthly salary for expats	3,500 for nationals, 4,000 for expats	Up to 18 years for nationals, up to 84 months for expats	4324327
Arab Bank	Personal Loan	9.99% fixed rate	Depends on salary, employer and length of service	3,500	Up to 60 months for expats and 260 months for nationals	4387777
Commercial Bank of Qatar	Personal Loan	Starting from 9.5% for 3 years, otherwise 11.25%	Up to 1.5 million for nationals and 350,000 for expats	2,500	Up to 60 months for expats and 180 months for nationals	4490000
Doha Bank	Personal Loan	Fixed rate: 9.99%	Up to 250,000	1,500	Up to 72 months	4456000
HSBC Bank Middle East	Personal Loan Special loan for nationals	9.75%, depends on the company	Depends on salary	3,000 15,000	Up to 96 months for nationals, up to 72 months for expats special loan: 180 months	4382100
MashreqBank	Personal Loan	From 5%, depends on company and category	Up to 250,000	3,000	Up to 60 months for expats 180 months for nationals	4418880
Qatar National Bank	Personal loan	Fixed rate: 10.99% for expats 9.99% for nationals	Up to 350,000	2,000	Up to 240 months for nationals and 60 months for expats	4407777
Standard Chartered	Personal Loan	Fixed rate: 8.99%	Up to 500,000 for nationals, 200,000 for expats	3,000	Up to 84 months for nationals, up to 48 months for expats	4658555

Credit cards						QATAR
PROVIDER	CARDS OFFERED	ANNUAL FEE (QAR)	MIN. SALARY (QAR)	INTEREST/PROFIT RATES	INTEREST FREE CREDIT	CONTACT
Ahl Bank	Visa (Classic, Gold) MasterCard (Standard, Gold)	Free for life	2,500	1.75% on purchases, 4.75% on cash withdrawals	30 days	4324327
Arab Bank	Visa (Silver, Gold), Internet Shopping card	Silver – 200, Gold – 300	Silver - 3,500, Gold - 5,000	1.75% on purchases, 4% on cash withdrawals	45 days	4387878
Commercial Bank of Qatar	Visa/MasterCard (Classic, Gold), WOW Visa Platinum, Diners	WOW – free, Classic – 200, Gold – 400, Platinum – 500 Diners - 500	Classic - 4,000, Gold - 7,000, Platinum/Diners - 15,000, WOW account holders only	2% for all cards, WOW 2.25% on purchases, 4% for Diners and 4.5% for all cards on cash withdrawals	45 days	4490000
Doha Bank	Visa (Classic, Platinum) MasterCard (Standard, Gold)	Free for life	Classic and Standard - 2,000, Gold 7,500 - Platinum 20,000	1.5% on purchases, 4.5% on cash withdrawals	28 days	4456000
HSBC Bank Middle East	Visa/MasterCard (Classic, Gold) Visa Platinum In-site Virtual MasterCard	Classic – 200, Gold – 300, Platinum – 450, In-site – 50	Classic and In-site - 2,000, Gold - 7,000, Platinum - 12,000	Classic 2%, Gold 1.9%, Platinum 1.8%, in-site 1.75% on purchases and 4.5% on cash withdrawals	56 days	4382100
MashreqBank	MasterCard/Visa (Classic, Gold)	Classic – 150, Gold - 400	Classic - 2,000, Gold - 6,000	2.49% on purchases, 2.75% on cash withdrawals	55 days	4418880
Qatar National Bank	Visa/MasterCard (Standard, Gold) MasterCard Platinum, Qatar Airways co-branded MasterCard (Standard, Gold, Platinum), MasterCard E-Card	Free for first year, thereafter, Standard 200, Gold 300, Platinum 400, E-card for credit card holders 15	Standard 2,000 for account holders otherwise 3,000, Gold - 6,000, Platinum - 12,000 -	1.75% on purchases, 4.5% on cash withdrawals	45 days	4407777
Standard Chartered	Visa (Classic, Gold) MasterCard (Standard, Gold)	Visa: Classic – 200, Gold – 400, MasterCard: Standard – 250, Gold - 500	Classic with account - 2,500, Classic without account - 3,000, Gold with account - 5,000, Gold without account - 7,000	2% on purchases, 3.5% on cash withdrawals	50 days	4658555

Home Contents Insurance					QATAR
INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (QAR)	EXCESS (QAR)	COVER (QAR)	COVER INCLUDES	CONTACT DETAILS
AXA Insurance Home Comfort	250	250	50,000	Household contents, personal belongings and legal liability in the GCC countries up to QAR250,000 plus free additional benefits like tenants' liability, valuables, new for old, alternative accommodation, temporary removal, locks replacement, frozen food, money, visitor's personal effects, domestic helper's personal effects, mirrors and glass; optional coverage includes worldwide cover, domestic helpers, loss of passport/ driving license/residence and work permits	+973 17 210 778 <a href="http://www.axa-gulf.com">www.axa-gulf.com</a>
Qatar General Insurance and Reinsurance Company Household Comprehensive Insurance	200	500 for each and every loss	50,000	Cover against fire, lightning, explosion, earthquake, volcanic eruption, subterranean fire, aircraft damage, bursting or overflowing of water tanks or pipes or heating apparatus, burglary house breaking and impact by road vehicle; Jewelry up to QAR4,000	+974 428 2222 <a href="mailto:qgirc-tec@qatar.net.qa">qgirc-tec@qatar.net.qa</a>
Qatar Insurance Company HomeCare Household Insurance	500  650 750 750 + 0.50%	250	50,000 (minimum per policy) 75,000 100,000 Above 100,000	Household possessions against damage or theft; all platinum, gold and silver articles, jewelry and furs will be limited to 20 per cent of the total sum insured on contents; option for risk extension cover to insure valuable items while traveling locally or internationally (rates for above QAR100,000: Qatar - 2.5 per cent and worldwide - 4 per cent on the value)	+974 449 0476 <a href="http://www.qatarinsurance.com">www.qatarinsurance.com</a> <a href="mailto:onestop@qic.com.qa">onestop@qic.com.qa</a>
Qatar Islamic Insurance Company Household Comprehensive	500 to 700	250	50,000	Cover against fire, burglary, allied perils; extra charge for jewelry and personal belongings, covered in Qatar home only	+974 465 8880 <a href="http://www.qiic.net">www.qiic.net</a>

Discounts are offered for listed companies, brokers and online applications. For more details, check with the provider. These tables are compiled using specific criteria widely considered by consumers as important when choosing a specific financial product. **Disclaimer:** These listings are **NOT** meant as a recommendation of a particular provider; listings are simply in alphabetical order and updated during April 2007. Information contained in these tables is subject to confirmation and is provided for information only. As with all financial decisions, **MONEYworks** recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider direct for further information.

Medical Insurance					QATAR
INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (QR)	EXCESS	COVER	COVER INCLUDES	CONTACT
AXA Insurance *In reference to ages 0-10, cheaper premium for ages 11-20 by up to 500 depending on plan	<b>Global Area 1:</b> From 10,801 (ages 11-21) to 29,098 up to age 65. <b>Global Area 2:</b> From 3,638 (ages 11-21) to 9,541 up to age 65. <b>Regional Plus:</b> From 2,078 (ages 11-21) to 5,433 up to age 65. <b>Regional:</b> From 1,787 (ages 11-21) to 4,673 up to age 65		<b>Global Area 1:</b> QAR5 million <b>Global Area 2:</b> QAR2.5 million <b>Regional Plus:</b> QAR1 million <b>Regional:</b> QAR500,000	<b>Global Area 1:</b> Worldwide <b>Global Area 2:</b> Worldwide excluding USA , Singapore, Japan, Hong Kong & Switzerland <b>Regional Plus:</b> Regional cover plus India, Pakistan, Sri Lanka, Bangladesh, Korea, the Philippines, Indonesia, Nepal & Bhutan <b>Regional: AGCC:</b> Arabian Gulf Cooperation Council member countries being Saudi Arabia, Kuwait, Bahrain, Qatar, UAE and Oman	+973 17 210 778 <a href="http://www.axa-qulf.com">www.axa-qulf.com</a>
Qatar General Insurance and Reinsurance Company  Interglobal Healthcare Plan  MedicalCare Health Insurance Plan	<b>Interglobal Healthcare Plan Ultracare Plus:</b> From 3,298 (child) to 107,663 up to ages 70-74 <b>Ultracare Comprehensive:</b> From 2,565 (child) to 87,710 up to ages 70-74 <b>Ultracare Select:</b> From 2,341 (child) to 79,599 up to ages 70-74 <b>Ultracare Standard:</b> From 1,616 (child) to 55,211 up to ages 70-74 <b>MedicalCare Health Insurance Plan</b> (up to 65 years old only) In-patient treatment: 399, In-patient and out-patient treatment: 899	<b>Interglobal Healthcare Plan</b> Standard Excess US\$42.50, Nil Excess 10% overload, US\$85, US\$170, US\$425, US\$850, US\$1,700, US\$4,250, US\$8,500 <b>MedicalCare Health Insurance Plan</b> In-patient treatment: 10% of claim amount for each and every claim Out-patient treatment: QAR25 per visit	<b>Interglobal Healthcare Plan</b> <b>Ultracare Plus:</b> US\$3.4 million <b>Ultracare Comprehensive:</b> US\$1.7 million <b>Ultracare Select:</b> US\$1,275,000 <b>Ultracare Standard:</b> US\$850,000 <b>MedicalCare Health Insurance Plan</b> In-patient: QAR100,000 Out-patient: QAR50,000	<b>Interglobal Healthcare Plan</b> *With optional coverage of Australia and New Zealand, Europe, Worldwide not including the USA or Worldwide. <b>Ultracare Plus:</b> Extended in and out-patient benefits, 45 days emergency coverage outside chosen area, dental coverage. <b>Ultracare Comprehensive:</b> In and out-patient benefits, 45 days emergency coverage outside of chosen area. <b>Ultracare Select:</b> In-patient benefits. <b>Ultracare Standard:</b> Limited out-patient benefits, 30 days emergency coverage outside of chosen area <b>MedicalCare Health Insurance Plan</b> (selected hospitals and clinics in Qatar) <b>In-patient treatment:</b> Hospital accommodation, surgical, medical and nursing, services and supplies, private room and board, ambulance services. <b>Out-patient treatment:</b> Consultation (general medicine, pediatric, obstetrics and gynecology, ophthalmology and dermatology), lab tests, x-ray and ECG diagnostics, prescribed drugs and medicines. <b>Optional:</b> Worldwide coverage in case of emergency excluding Canada and USA while on trip not exceeding 30 days and treatment in home country excluding Canada and USA up to QAR25,000	+974 428 2222
Qatar Islamic Insurance Company	<b>Balsam Gold:</b> From 3,826 (child) to 7,699 up to age 60. <b>Balsam Silver:</b> From 2,114 (child) to 4,199 up to age 60. <b>Ordinary Balsam:</b> From 1,067 (child) to 2,118 up to age 60	50 per out-patient consultation	<b>Ordinary Balsam:</b> QAR100,000 <b>Balsam Silver:</b> QAR300,000 <b>Balsam Gold:</b> QAR500,000	<b>Ordinary Balsam:</b> Qatar <b>Balsam Silver:</b> Worldwide excluding Europe, USA and Canada <b>Balsam Gold:</b> Worldwide excluding USA and Canada	+974 4413 413 <a href="http://www.qiic.net">www.qiic.net</a> <a href="mailto:qiic@qatar.net.qa">qiic@qatar.net.qa</a>

**Disclaimer:** All medical insurance policies include the standard in-patient and out-patient services generally provided by insurance companies. Covers specified are those deemed to be significant only as point of comparison among the plans. Other insurance companies offer the same plans as above. For example, Doha Insurance also offers the Interglobal Healthcare Plan. You may contact them at +974 433 5000. The annual premiums listed are simply an overview of how much an individual has to pay for an insurance plan for various age ranges. Discounts are available for those who would like to purchase plans by groups or companies. Premium rates quoted in US\$ are converted to QAR using the 3.68 conversion rate for consistency purposes. Please contact the insurance providers for more information.

Personal Loans							BAHRAIN	
PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (BHD)	MIN. SALARY (BHD)	PAYMENT TERMS	CONTACT		
Ahli United Bank	Consumer Loan	Reducing balance rate: 9%	Up to 22 times monthly salary	250	Up to 72 months	17221999		
Bahrain Credit	Personal Loan for nationals only	Reducing balance rate: 12%	Up to 30 times monthly salary (maximum 30,000)	350	Up to 84 months	17787225		
Bahraini Saudi Bank	Personal Loan	Reducing balance rate 9.5%	Up to 40,000	250	Up to 84 months	17578888		
Bank of Bahrain and Kuwait	Consumer Loan	Reducing balance rate: 9.75%, internet application 8.5%	Up to 50,000	200	Up to 84 months for nationals, 60 months for expats	17207777		
Citibank	Personal Loan Personal Installment Loan (PIL) - without salary transfer	Reducing balance rate: 15%, for PIL 24%, Fixed rate 13.7% for up to 48 months, otherwise 8%	Up to 15,000, depends on salary	200 300	Up to 72 months Up to 48 months	17582484		
HSBC Bank Middle East	Personal Loan	Reducing balance rate: 9.5 – 12%. Depends on company status	Up to 40,000 for nationals, up to 20,000 for expats	250	Up to 84 months	17569999		
National Bank of Bahrain	Personal Loan	Reducing balance rate: 6.75% for 1-7 years for nationals, 9.5% for 4 years and 10% for 5-7 years for expats	Up to 10 times monthly salary	200	Up to 84 months for nationals, up to 60 months for expats	17214433		
Shamil Bank	Personal Finance (Tamweel Al-Shamil)	Fixed rate: 4.75%	Up to 40,000	250	Up to 84 months	17878777		
Standard Chartered	Personal Loan	Flat rate: 4.5%	Up to 38 times monthly salary for nationals, up to 16 times monthly salary for expats	200	Up to 84 months	Toll free: 80001802		

Credit Cards							BAHRAIN	
PROVIDER	CARDS OFFERED	ANNUAL FEE (BHD)	MIN. SALARY (BHD)	INTEREST/PROFIT RATES	INTEREST FREE CREDIT	CONTACT		
Ahli United Bank	Visa/MasterCard (Standard, Gold)	Standard - 10 , Gold - 25	Standard - 250, Gold - 400	Standard/Gold – 2.5% on purchases, 4% on cash withdrawals	45 days	17221999		
Bahraini Saudi Bank	Visa (Classic, Gold)	Free for life	Classic - 550, Gold - 800	1.62% with account, 2.74% without account on purchases, 4% on cash withdrawals	52 days	17578999		
Bank of Bahrain and Kuwait	CrediMax Visa/MasterCard/JCB (Classic, Gold)	Free for life	Classic - 300, Gold - 700	1.85% on purchases, 3% on cash withdrawals	25 days	17207777		
Citibank	Visa/MasterCard (Silver, Gold) Emirates-Citibank card (Silver, Gold)	Visa/MasterCard: Silver – 25, Gold – 50, Emirates-Citibank card: Silver – 30, Gold - 55	Silver - 300, Gold - 800	Visa/MasterCard – 2.39% Emirates-Citibank card – 2.49% on purchases, 4% on cash withdrawals	52 days	17582484		
HSBC Bank Middle East	Visa/MasterCard (Classic, Gold), MasterCard In-site virtual, Premier MasterCard	Classic – 20; Gold – 30; In-site – 10; Premier free	Classic without salary transfer - 400, Classic with salary transfer - 400 for locals and 500 for expats, Gold - 750, In-site - 250	Classic – 2.25%; Gold – 2%; In-site – 2.25%; Premier - 1.75% on purchases, 4% on cash withdrawals	56 days	17569999		
National Bank of Bahrain	Visa (Standard, Gold) MasterCard (Classic, Gold)	Free for life	200	1.67% on purchases. 4% on cash withdrawals	21 days	17214433		
Shamil Bank	Al-Rubban MasterCard (Classic, Gold)	Classic – 15; Gold – 25	300	One-off fee on guarantee of 6.5% or 0.6% per month on purchases, US\$10 on cash withdrawals	51 days	17878777		
Standard Chartered	MasterCard/Visa (Classic, Gold)	With salary transfer Classic 10, Gold 25, otherwise 20 and 60	Classic - 200, Gold - 800	Classic 2.25% with salary transfer, otherwise 2.95% - Gold 1.7% with salary transfer, otherwise 2% on purchases, 5% on cash withdrawals	50 days	Toll free: 80001802		

Home Contents Insurance						BAHRAIN	
INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (BHD)	EXCESS (BHD)	COVER (BHD)	COVER INCLUDES	CONTACT DETAILS		
Saudi National Insurance Company BSC	Minimum 20	100 for every claim	5,000	Household contents against theft, perils, etc.; furniture – 20 per cent of actual market value, jewelry up to BHD5,000 as long as they are in a safe	+973 17 563 377		
AXA Insurance Home Comfort	25	25	5,000	Household contents, personal belongings and legal liability in the GCC countries up to BHD25,000 plus free additional benefits like tenants' liability, valuables, new for old, alternative accommodation, temporary removal, locks replacement, frozen food, money, visitor's personal effects, domestic helper's personal effects, mirrors and glass; excludes jewelry and personal belongings; optional coverage includes worldwide cover, domestic helpers, loss of passport/driving license/residence and work permits	+973 17 588 222 <a href="http://www.axa-gulf.com">www.axa-gulf.com</a>		
Arabia Insurance Householders Insurance	23-25	250 per claim	5,000	Full value of household goods and personal effects excluding valuables such as jewelry, furs, cameras and accessories; losses against fire, lightning, burglary and all other allied perils	+973 17 211 174 <a href="http://www.arabiainsurance.com">www.arabiainsurance.com</a> <a href="mailto:aicbn@batelco.com.bh">aicbn@batelco.com.bh</a>		
Royal & Sun Alliance Insurance Homeshield Insurance	Minimum 25-35, depends on policy	50-100	5,000	Contents while in your home only including fire, theft, (by forcible means), flood, storm/hail, leakage of any water apparatus, impact damage; excludes riot, strike, malicious damage, sabotage and terrorism; extra damage cover includes sum insured excluding valuables, valuables (gold, silver, jewelry, works of art, carpets/rugs, coin/stamp or medal collections, curios), landlords furnishings; optional covers include personal possessions while outside your home in Bahrain and/or worldwide (loss or damage by fire or theft and accidental loss or damage to personal belongings such as jewelry, watches, cameras, binoculars and musical/sports equipment etc.) and small boats (accidental loss or damage to your boat and third party liability up to BHD50,000)	+973 17 581 661 <a href="http://www.royalsunalliance.com">www.royalsunalliance.com</a>		
Bahrain Kuwait Insurance Company Homeowners Insurance	Minimum 35	250 per condition	5,000	Cover against fire, domestic explosion, aircraft, earthquake or volcanic eruption, storm and tempest, flood, escape of water from any tank, apparatus or pipes, impact by any road vehicle or animal, theft, breakage of fixed glass and sanitary fixtures; can be taken only if you are a tenant in a building or an apartment, extra charge for jewellery, which should be kept in a safe.	+973 17 875 021 <a href="http://www.bkic.com">www.bkic.com</a> <a href="mailto:info@bkic.com">info@bkic.com</a>		
Takaful Insurance Home Owners / Householders Takaful Scheme	Minimum 20	100	5,000	Cover against losses due to fire and perils such as storm, theft, flood, earthquakes, escape of water from fixed tanks, apparatus or pipes, impact damage, accidental damages to certain specified household items (TV, fixed glass, sanitary fittings etc); Jewelry in locked safe and personal effects have extra charge	+973 1756 5656 <a href="http://www.takafulweb.com">www.takafulweb.com</a>		
Protection Insurance Services W.L.L .	30	50	5,000	Cover against fire, theft, water; Insured jewelry should be in a safe	+973 1721 1700 <a href="http://www.alhimaya.com">www.alhimaya.com</a>		
Bahrain National Insurance	25	250 for each and every loss	5,000	Cover against fire, special perils and theft for furniture, electrical appliances, electronic equipment, decorative items, personal belongings, watches and jewelry as long as kept in a locked safe	+973 1758 7333 <a href="http://www.bnhgroup.com">www.bnhgroup.com</a> <a href="mailto:bnl@bnhgroup.com">bnl@bnhgroup.com</a>		

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Medical Insurance					BAHRAIN
INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (BHD)	EXCESS	COVER	COVER INCLUDES	CONTACT
<b>Royal &amp; Sun Alliance Insurance</b>	<b>Almas:</b> From 275 (child) to 1,042 up to age 65 <b>Dana:</b> From 148 (child) to 582 up to age 65 <b>Delmon:</b> From 141 (child) to 564 up to age 65	BHD5 per hospital consultation	Almas: BHD50,000 Dana: BHD25,000 Delmon: BHD10,000	<b>Almas:</b> Worldwide Excluding USA and Canada, travel worldwide <b>Dana:</b> Bahrain, Arab countries, Southeast Asia, travel worldwide <b>Delmon:</b> Bahrain, Southeast Asia, travel worldwide	+973 1758 1661 <a href="http://www.royalsunalliance.com">www.royalsunalliance.com</a> *Plans also offered by: Saudi National Insurance Company BSC +973 1756 3377
<b>Fakhro Insurance Services W.L.L. - International Health Insurance (IHI)</b>	*Ages 0-9 has no premium <b>Hospital Plan:</b> From 847 (ages 10-25) to 1,631 up to age 60+	None, US\$400, US\$1,600, US\$5,000 or US\$10,000	Hospital Plan: US\$1.8 million	<b>Hospital Plan:</b> comprehensive inpatient cover (hospitalisation expenses such as hospital services, childbirth, organ transplant, rehabilitation and emergency room treatment) with optional modules such as non-hospitalisation benefits (US\$35,000), medicine and appliances (US\$2,500), medical evacuation and repatriation, dental (US\$5,000) and optical (US\$7,500) covers	+973 1727 5000 <a href="http://www.fakhro.com">www.fakhro.com</a> <a href="http://www.ihl.com">www.ihl.com</a>
<b>Interglobal Healthcare Plan</b>	<b>Ultracare Plus:</b> From 332 (child) to 10,825 up to ages 70-74 <b>Ultracare Comprehensive:</b> From 258 (child) to 8,819 up to ages 70-74 <b>Ultracare Select:</b> From 235 (child) to 8,003 up to ages 70-74 <b>Ultracare Standard:</b> From 162 (child) to 5,551 up to ages 70-74	Standard Excess US\$42.50, Nil Excess 10% overload, US\$85, US\$170, US\$425, US\$850, US\$1,700, US\$4,250, US\$8,500	<b>Ultracare Plus:</b> US\$3.4 million <b>Ultracare Comprehensive:</b> US\$1.7 million <b>Ultracare Select:</b> US\$1,275,000 <b>Ultracare Standard:</b> US\$850,000	*With optional coverage of Australia and New Zealand, Europe, Worldwide not including the USA or Worldwide <b>Ultracare Plus:</b> Extended in and out-patient benefits, 45 days emergency coverage outside chosen area, dental coverage <b>Ultracare Comprehensive:</b> In and out-patient benefits, 45 days emergency coverage outside of chosen area <b>Ultracare Select:</b> In-patient benefits <b>Ultracare Standard:</b> Limited out-patient benefits, 30 days emergency coverage outside of chosen area	Protection Insurance Services W.L.L. +973 1721 1700 <a href="http://www.alhimaya.com">www.alhimaya.com</a> <a href="http://www.interglobalpmi.com">www.interglobalpmi.com</a> <b>Bahrain National Life</b> +973 1758 7333 <a href="http://www.bnlgroupp.com">www.bnlgroupp.com</a> <a href="mailto:bnl@bnlgroupp.com">bnl@bnlgroupp.com</a>
<b>AXA Insurance</b>	* In reference to ages 0-10, cheaper premium for ages 11-20 by up to 50 depending on plan <b>Global Area 1:</b> From 1,080 (ages 11-21) to 2,909 up to ages 60-65 <b>Global Area 2:</b> From 363 (ages 11-21) to 954 up to ages 60-65 <b>Regional Plus:</b> From 207 (ages 11-21) to 543 up to ages 60-65 <b>Regional:</b> From 179 (ages 11-21) to 467 up to ages 60-65		<b>Global Area 1:</b> BHD500,000 <b>Global Area 2:</b> BHD250,000 <b>Regional Plus:</b> BHD100,000 <b>Regional:</b> BHD50,000	<b>Global Area 1:</b> Worldwide <b>Global Area 2:</b> Worldwide excluding USA, Singapore, Japan, Hong Kong & Switzerland <b>Regional Plus:</b> Regional cover plus India, Pakistan, Sri Lanka, Bangladesh, Korea, the Philippines, Indonesia, Nepal & Bhutan <b>Regional:</b> AGCC: Arabian Gulf Cooperation Council member countries being Saudi Arabia, Kuwait, Bahrain, Qatar, UAE and Oman	+973 17 210 778 <a href="http://www.axa-gulf.com">www.axa-gulf.com</a>
<b>Bahrain Kuwait Insurance Company</b>	<b>Shefa'a Gold:</b> From 520 (child) to 1,636 up to ages 60-65 <b>Shefa'a Max:</b> From 305 (child) to 957 up to ages 60-65 <b>Shefa'a Plus:</b> From 190 (child) to 598 up to ages 60-65 <b>Shefa'a:</b> From 44 (child) to 141 up to ages 60-65		<b>Shefa'a Gold:</b> BHD50,000 <b>Shefa'a Max:</b> BHD35,000 <b>Shefa'a Plus:</b> BHD10,000 <b>Shefa'a:</b> BHD10,000	<b>Shefa'a Gold:</b> In-patient and out-patient treatment, family doctor treatment, prescription medication, home nursing, maternity, dental and optical treatment; Elective treatment worldwide except Canada or USA <b>Shefa'a Max:</b> Out-patient consultations, diagnostic tests and in-patient hospital treatment; Elective treatment worldwide except in Europe, Canada or USA <b>Shefa'a Plus:</b> In-patient and daycare treatment as well as out-patient consultations in Bahrain <b>Shefa'a:</b> In-patient and daycare treatment in Bahrain	+973 1753 1555 <a href="http://www.bkic.com">www.bkic.com</a> <a href="mailto:info@bkic.com">info@bkic.com</a>
<b>Disclaimer:</b> All medical insurance policies include the standard in-patient and out-patient services generally provided by insurance companies. Covers specified are those deemed to be significant only as point of comparison among the plans. The annual premiums listed are simply an overview of how much an individual has to pay for an insurance plan for various age ranges. Discounts are available for those who would like to purchase plans by groups or companies. Premium rates quoted in US\$ are converted to BHD using the 0.37 conversion rate for consistency purposes. Please contact the insurance providers for more information.					

Personal Loans			KUWAIT			
PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (KWD)	MIN. SALARY (KWD)	PAYMENT TERMS	CONTACT
Bank of Kuwait and Middle East	Personal Loan	10.25% for nationals, 9.75% for expats	Up to 46 times salary for nationals Up to 18 times salary for expats	300 300	Up to 180 months Up to 60 months Up to 60 months	812000
	Consumer Loan for nationals	Consumer Loan 6.25%				
Burgan Bank	Consumer Loan	6.25%	Up to 15,000	350	Up to 60 months	804080
Commercial Bank of Kuwait	Personal Loan for nationals only	10.25%	Up to 70,000 minimum 10,000	350	Up to 180 months	888225
	Consumer Loan	6.25%	Up to 15,000 or 15 times salary, whichever is less	150	Up to 60 months	
Gulf Bank	Consumer Loan	6.25%	Up to 15 times salary maximum 15,000	350	Up to 60 months	805805
	Al Afdal Loan for nationals only	10.25%	Up to 50 Times salary maximum 70,000	350	Up to 180 months	
National Bank of Kuwait	Consumer Loan	6.25%	15,000	250 for nationals, 600 for expatriates for less than 5 years of service with same company, otherwise 400	Up to 60 months	801801
	Expatriate Family Loan	10.25%	25,000		Up to 180 months	

Credit cards						KUWAIT	
PROVIDER	CARDS OFFERED	ANNUAL FEE (KWD)	MIN. SALARY (KWD)	INTEREST/PROFIT RATES	INTEREST FREE CREDIT	VALUE ADDED	CONTACT
Bank of Kuwait and Middle East	Visa/MasterCard (Standard, Gold) Visa Platinum, MasterCard CyberSmart Card	Free for the first year, thereafter Standard 25, Gold 40, Platinum 75, CyberSmart 5	With salary transfer Standard – 250, otherwise 300, Gold – 700, otherwise 750, Platinum - 1,000	1.2% on purchases, 5% on cash withdrawals	32 days	Discounts on airline tickets purchased with your card, global purchase protection worth US\$10,000 annually, travel insurance, free auto assist, travel services, discounts of up to 40% at select retail outlets, CyberSmart Card for internet shopping. 0% APR for first three months	812000
Burgan Bank	MasterCard/Visa (Classic, Gold)	Free for first year, thereafter, Classic – 20, Gold – 30	Classic – 200, Gold – 500	8.33% on purchases, 4% on cash withdrawals	35 days	Can accumulate points to be exchanged for Kuwait Airways Miles; every KD1 spent entitles you to 2 miles, Photosign Card, online Banking	804080
Commercial Bank of Kuwait	Visa Classic, MasterCard (Classic, Gold, Platinum), StarNet Card 10	Classic – 15, Gold – 25, Platinum – 35, StarNet Card 10	Classic – 200, Gold – 550, Platinum – 750, StarNet card 150	1.21% on purchases, 4% on cash withdrawals, 5% on other banks	35 days	Emergency funds if card is lost or stolen, ongoing promotions for prizes, Travel benefits, STAR assist Insurance coverage	888225
Gulf Bank	Visa/MasterCard (Classic, Gold) MasterCard Platinum, MTC Co-branded MasterCard (Classic, Gold)	Free for the first year, thereafter, Classic 25, Gold 40, Platinum 40	Classic – 350, Gold – 1,000, Platinum – 1,750	1.3% on purchases, 4% on cash withdrawals, 5% on other banks	30 days	Photo card option, 24hr card replacement, discounted supplementary card, discounts at select retail outlets, MTC CO-branded Card - 3.5% discount of monthly mobile bills and Free International roaming service	805805
National Bank of Kuwait	MasterCard/Visa (Classic, Gold, Platinum), Visa Internet Shopping card	Free for first year, thereafter, Classic 30, Gold 40, Internet Shopping Card 5	Classic – 250, Gold – 600, Platinum – invitation only	1.229% on purchases, 4% on cash withdrawals	32 days	Photo card option, free travel insurance if tickets are purchased with card, promo - apply for 2 cards and get them free for first year, and in the second year, pay full fee for first Card and half fee on second Card	801801
<p>Disclaimer: This table is meant ONLY as a guide and is not intended as a recommendation of a particular personal loan provider. The table was thoroughly checked for accuracy with each provider called individually for information during April 2007 and was correct at the time of going to press. Please note: information is subject to change without notice. Any errors or omissions are regretted. Corrections, if any, should be forwarded by fax to 04 391 2173, or by email to <a href="mailto:info@moneyworks.ae">info@moneyworks.ae</a>. All information contained is freely available from bank/provider printed information and websites, as well as direct from bank/provider helplines and/or call-centres. Note: Many banks operating in the GCC require you be an account holder before approving personal loan applications. In many cases a salary transfer is compulsory and, where not possible, an assignment letter of salary and benefits may also be necessary. For further information, check with your chosen bank/provider direct. Don't forget to watch out for special deals available.</p>							

Medical Insurance					UAE
PROVIDER	STANDARD ANNUAL PREMIUM (AED)	EXCESS	COVER	COVER INCLUDES	CONTACT
<b>AXA/Norwich Union Insurance (Gulf) BSC(c)</b>	* In ref. to ages 0-10, cheaper premium for ages 11-20 by up to AED500 depending on plan <b>Global Area 1:</b> From 10,801 (11-21) to 29,098 up to ages 60-65, <b>Global Area 2:</b> From 3,638 (ages 11-21) to 9,541 up to ages 60-65, <b>Regional Plus:</b> From 2,078 (ages 11-21) to 5,433 up to ages 60-65, <b>Regional:</b> From 1,787 (ages 11-21) to 4,673 up to ages 60-65		<b>Global Area 1:</b> AED5million <b>Global Area 2:</b> AED2.5 million <b>Regional Plus:</b> AED1 million <b>Regional:</b> AED500,000	<b>Global Area 1:</b> Worldwide <b>Global Area 2:</b> Worldwide exc. USA, Singapore, Japan, Hong Kong, Switzerland <b>Regional Plus:</b> AGCC countries, major trading nations of the Indian subcontinent and South East Asia <b>Regional:</b> Close to home (India, Pakistan, Sri Lanka, Bangladesh, Korea, Philippines, Indonesia, Nepal, Bhutan) * Additional benefits for Global and Regional Plans	Toll free: 800 4845 <a href="http://www.axa-gulf.com">www.axa-gulf.com</a>
<b>Alliance Insurance (P.S.C.)</b>	*With deductibles <b>Global Area 1:</b> From 4,561 (ages 0-17) to 18,428 up to age 65 <b>Global Area 2:</b> From 3,071 (0-17) to 12,270 up to ages 61-65 <b>Global Area 3:</b> From 2,048 (0-17) to 7,045 up to ages 61-65 <b>Regional Plus:</b> From 1,782 (0-17) to 6,675 up to ages 61-65 <b>Regional:</b> From 1,752 (0-17) to 6,464 up to ages 61-65	Deductibles of: <b>Global Area 1:</b> AED200/150, <b>Global Area 2:</b> AED200/150/100, <b>Global Area 3:</b> AED150/100/75, <b>Regional Plus and Regional:</b> AED150/100/75/50	<b>Global Area 1:</b> AED1 million <b>Global Area 2:</b> AED1 million <b>Global Area 3:</b> AED1 million <b>Regional Plus:</b> VIP: AED1 million A: AED500,000, B: AED250,000 <b>Regional:</b> VIP: AED300,000 A: AED150,000, B: AED75,000	<b>Global Area 1:</b> Worldwide <b>Global Area 2:</b> Worldwide exc. USA and Canada <b>Global Area 3:</b> UAE, Arab countries, sub-Asian Continent, Sri Lanka, Korea, Philippines <b>Regional Plus:</b> UAE, Arab countries, sub-Asian Continent, Sri Lanka, Korea, Philippines <b>Regional:</b> UAE	04 605 1111 <a href="mailto:alliance@alliance-uae.com">alliance@alliance-uae.com</a> <a href="http://www.alliance-uae.com">www.alliance-uae.com</a>
<b>BUPA International</b>	<b>Essential:</b> From 2,598 (ages 0-15) to 33,650 up to age 82-120, <b>Classic:</b> From 3,743 (ages 0-15) to 46,707 up to age 82-120, <b>Gold:</b> From 4,725 (ages 0-15) to 59,380 up to age 82-120	Options of US\$160/US\$400/US\$800/US\$1,600	<b>Essential:</b> US\$900,000 <b>Classic:</b> US\$1.2 million <b>Gold:</b> US\$1.6 million	<b>Essential:</b> Hospital treatment as in/day-care patient <b>Classic:</b> Plus specialist medical treatment <b>Gold:</b> Plus home nursing, accidental dentistry, preventative health checks * All plans exc. USA	04 331 8688 <a href="mailto:info@bupa-intl.com">info@bupa-intl.com</a> <a href="http://www.bupa-intl.com">www.bupa-intl.com</a>
<b>Goodhealth Worldwide</b>	<b>Major Medical Plan:</b> From 1,921 (ages 0-17) to 11,298 up to age 64 <b>Foundation Plan:</b> From 4,037 (ages 0-17) to 23,673 up to age 64 <b>Lifestyle Plan:</b> From 4,663 (ages 0-17) to 29,634 up to age 64 <b>Lifestyle Plus Plan:</b> From 5,892 (ages 0-17) to 34,577 up to age 64	<b>Major:</b> Nil, 1,000/5,000 <b>Foundation:</b> Nil, 50/100/250/500/1,000/2,000/5,000 <b>Lifestyle:</b> Nil, 50/100/250 <b>Lifestyle Plus:</b> Nil, 50/100/250	<b>Major Medical Plan:</b> US\$1.6 million <b>Foundation Plan:</b> US\$1.6 million <b>Lifestyle Plan:</b> US\$1.6 million <b>Lifestyle Plus Plan:</b> US\$1.6 million	<b>Major Medical Plan:</b> Psychiatric treatment, complications of pregnancy, emergency transportation, evacuation and additional travel expenses, mortal remains, AIDS, reconstructive surgery, home nursing <b>Foundation Plan:</b> Plus traditional Chinese medicine, hormone replacement therapy <b>Lifestyle Plan:</b> Plus evacuation extension to the country of your choice <b>Lifestyle Plus Plan:</b> Plus routine and major restorative dental treatment, pregnancy and childbirth	04 324 0040 <a href="mailto:enquiries@goodhealth.ae">enquiries@goodhealth.ae</a> <a href="http://www.goodhealthworldwide.com">www.goodhealthworldwide.com</a>
<b>InterGlobal Limited (Middle East)</b>	*Depends on area of cover (your country of residence and home country if you require the option of returning to your home country for treatment): Europe, Worldwide excluding/ including USA, Australia and New Zealand <b>Plus:</b> From 3,298 (Child) to 107,662 up to ages 70-74 <b>Comprehensive:</b> From 2,565 (Child) to 87,709 up to ages 70-74 <b>Select:</b> From 2,340 (Child) to 79,598 up to ages 70-74 <b>Standard:</b> From 1,616 (Child) to 55,211 up to ages 70-74	Standard Excess US\$42.50, Nil Excess 10% overload, US\$85, US\$170, US\$425, US\$850, US\$1,700, US\$4,250, US\$8,500	<b>Plus:</b> US\$3.4 million <b>Comprehensive:</b> US\$1.7 million <b>Select:</b> US\$1,275,000 <b>Standard:</b> US\$850,000	<b>Plus:</b> Psychiatric treatment, wellness benefit, emergency medical treatment outside area of cover <b>Comprehensive:</b> Compassionate emergency visit <b>Select:</b> Compassionate emergency visit, emergency medical treatment outside area of cover <b>Standard:</b> Inpatient and day care treatment, emergency local ambulance	04 272 5505 <a href="mailto:info@interglobal.ae">info@interglobal.ae</a> <a href="http://www.interglobalmi.com">www.interglobalmi.com</a>
<b>National General Insurance Co. PSC</b>	*Higher premium for females than males except for ages 1-16, which have same rate <b>Emirates Plan:</b> From 1,603 (1-16) to 3,018 up to age 55 <b>Emirates Plus Plan:</b> From 1,775 (1-16) to 3,353 up to age 55 <b>International Plan:</b> From 1,978 (1-16) to 5,780 up to age 55 <b>Global Plan:</b> From 2,750 (1-16) to 9,741 up to age 55	AED40-75 on medical services	<b>Emirates Plan:</b> AED100,000 <b>Emirates Plus Plan:</b> AED250,000 <b>International Plan:</b> AED1 million <b>Global Plan:</b> AED2 million	<b>Emirates Plan:</b> UAE <b>Emirates Plus Plan:</b> UAE and up to 45 days per annum in Middle East, India, Bangladesh, Pakistan, Sri Lanka, Singapore, Philippines and Malaysia <b>International Plan:</b> UAE and up to 60 days per annum while traveling worldwide exc. USA, Canada and the Caribbean <b>Global Plan:</b> UAE and up to 60 days per annum while traveling worldwide *Additional benefits for International and Global plans	04 222 2772 <a href="http://www.ngi.ae">www.ngi.ae</a>
<b>National Health Insurance Company – Daman</b>	<b>Basic (Abu Dhabi Plan):</b> For less than AED4,000 or AED 3000 plus accommodation monthly salary – fixed premium AED600 Enhanced (UAE, Regional, International, Global Plans): <b>UAE:</b> from 1,400 (ages 1-15) to 8,000 up to ages 66-99; <b>Regional:</b> from 1,700 (ages 1-15) to 9,500 up to ages 66-99; <b>International:</b> from 2,200 (ages 1-15) to 13,000 up to ages 66-99; <b>Global:</b> from 4,000 (ages 1-15) to 29,000 up to ages 66-99 For more than AED4,000 monthly salary – premium is quoted per individual depending on age, gender, health conditions, preferred health benefits (e.g. maternity AED1,800/ dental AED300/ etc.)		<b>Abu Dhabi Plan In &amp; Out-Patient:</b> AED250,000 <b>UAE Plan In &amp; Out-Patient:</b> AED250,000 <b>Regional Plan:</b> AED500,000 <b>International Plan:</b> AED2.5 million <b>Global Plan:</b> AED5 million	<b>Abu Dhabi Plan In &amp; Out-Patient:</b> Abu Dhabi and life-threatening emergency outside Abu Dhabi at public providers only <b>UAE Plan In &amp; Out-Patient:</b> Life-threatening outside UAE, emergency cover in Arab Countries, India, Sri Lanka, Pakistan, Bangladesh, Philippines (Blue Collar Home Country) <b>Regional Plan:</b> UAE, Arab Countries, Iran, Afghanistan, India, Pakistan, Bangladesh, Philippines (Blue Collar Home Country), life-threatening emergency worldwide <b>International Plan:</b> UAE, Europe, Arab Countries, Iran, Afghanistan, India, Pakistan, Bangladesh, Philippines (Blue Collar Home Country), life-threatening emergency worldwide <b>Global Plan:</b> Worldwide, life-threatening emergency worldwide	800 4 DAMAN (800 4 32626) <a href="http://www.damanhealth.ae">www.damanhealth.ae</a>
<b>Oman Insurance Company</b>	*In ref. to ages 14 days to 30 years, lower premium for ages 18-25 by up to AED300 depending on plan <b>Plan 1:</b> From 1,470 (14 days-45 years) to 2,980 up to age 60 <b>Plan 2:</b> From 2,170 (14 days-45 years) to 4,380 up to age 60 <b>Plan 3:</b> From 2,350 (14 days-45 years) to 4,730 up to age 60 <b>Plan 4:</b> From 3,630 (14 days-45 years) to 7,290 up to age 60 <b>Plan 5:</b> From 4,180 (14 days-45 years) to 8,400 up to age 60 <b>Plan 6:</b> From 3,800 (14 days-45 years) to 7,650 up to age 60 <b>Plan 7:</b> From 4,390 (14 days-45 years) to 8,810 up to age 60	AED25 deductible on out-patient consultation fees	<b>Plan 1:</b> AED50,000 <b>Plan 2:</b> AED100,000 <b>Plan 3:</b> AED100,000 <b>Plan 4:</b> AED200,000 <b>Plan 5:</b> AED200,000 <b>Plan 6:</b> AED300,000 <b>Plan 7:</b> AED300,000	<b>Plan 1:</b> UAE, <b>Plan 2:</b> UAE, <b>Plan 3:</b> UAE, Arab countries, Indian sub-continent, Philippines <b>Plan 4:</b> UAE, Arab countries, Indian sub-continent, Philippines, extended to worldwide exc. USA, Canada <b>Plan 5:</b> UAE, Arab countries, Indian sub-continent, Philippines, extended to worldwide inc. USA and Canada <b>Plan 6:</b> UAE, Arab countries, Indian sub-continent, Philippines, extended to worldwide exc. USA and Canada <b>Plan 7:</b> UAE, Arab countries, Indian sub-continent, Philippines, extended to worldwide inc. USA and Canada	Toll Free: 800 4746 <a href="mailto:ocem@tameen.ae">ocem@tameen.ae</a> <a href="http://www.tameen.ae">www.tameen.ae</a>
<b>Royal &amp; SunAlliance UAE</b>	*Higher premium for females aged 16-60 than males and lower premium for males aged 66-99 by up to AED800 depending on plan **Visit <a href="http://www.fasterquote.ae">www.fasterquote.ae</a> for personalised quote. <b>Columbus:</b> From 2,727 (ages 0-20) to 14,879 up to age 99 <b>Ulysses:</b> From 2,353 (ages 0-20) to 12,631 up to age 99 <b>Marco Polo:</b> From 2,040 (ages 0-20) to 10,756 up to age 99 <b>Local Health:</b> From 1,991 (ages 0-20) to 10,457 up to age 99	AED50 deductible on physician's consultation	<b>Columbus:</b> AED1 million <b>Ulysses:</b> AED500,000 <b>Marco Polo:</b> AED300,000 <b>Local Health:</b> AED100,000	<b>Columbus:</b> Worldwide <b>Ulysses:</b> Worldwide exc. USA and Canada <b>Marco Polo:</b> UAE, Arab Countries, South East Asia, Iran and Afghanistan <b>Local Health:</b> UAE, South East Asia, Iran and Afghanistan	04 334 4474 <a href="mailto:fasterquote@notes.royalsun.com">fasterquote@notes.royalsun.com</a> <a href="http://www.royalsunalliance.ae">www.royalsunalliance.ae</a> <a href="http://www.fasterquote.ae">www.fasterquote.ae</a>
<b>Disclaimer:</b> All medical insurance policies include the standard inpatient and out-patient services generally provided by insurance companies. Cover specified is deemed to be significant only as point of comparison among plans. Please note that some insurance companies offer the same/similar plans - for example, Arab Orient Insurance Company and Nasco Karaglan Dubai have plans offered by Royal & SunAlliance UAE as part of their medical insurance proposals. The annual premiums listed are simply an overview of how much an individual may have to pay for insurance plan. Premium rates quoted in US\$ are converted to AED using a conversion rate of 3.68 for consistency purposes. Please contact providers direct for more information. <b>Tip:</b> Discounts are available for those who would like to purchase group of corporate plans as well as, in some cases, for annual or online payments - or example AXA offer a three per cent discount for annual payment and Royal Sun Alliance offer 10% per cent when you purchase online. As ever, it doesn't hurt to ask. <b>Notes:</b> These tables are compiled using specific criteria widely considered by consumers as important when choosing a specific financial product. They are NOT meant as a recommendation of a particular provider and listings are simply in alphabetical order and updated during April 2007. All information included tables is subject to confirmation and is provided as an overview only. As with all financial decisions <b>MONEYworks</b> recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. This list is not an exhaustive list. Any errors and/or omissions are regretted. Additions/corrections, if any, should be forwarded by fax to 00971 4 391 2173, or by email to <a href="mailto:info@moneymoneyworks.ae">info@moneymoneyworks.ae</a> . All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider direct for further information.					

Home Contents Insurance					UAE
INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (AED)	EXCESS (AED)	COVER (AED)	COVER INCLUDES	CONTACT DETAILS
<b>Abu Dhabi National Insurance Company</b> – Householders Comprehensive Insurance	350 minimum	None	50,000	Cover against loss or damage caused by fire, theft, water damage, earthquake and other allied perils; excluding jewellery, money	02 626 4000 <a href="http://www.adnic.ae">www.adnic.ae</a>
<b>Al Dhafra Insurance</b> – Householders contents policy	500 minimum, 350 in special cases, depends on the value	500	50,000	Contents while contained in the buildings against the risks of fire, lightning, explosion, thunderbolt, subterranean fire, earthquake, volcanic eruption, aircraft or other aerial devices or articles dropped, bursting or overflowing of water tanks, apparatus or pipes, theft, impact by any third party road vehicles, horses or cattle, storm, tempest, flood or overflow of the sea; all kinds of declared household items and jewellery; contents temporarily removed from the building while in any bank safe deposit or private dwellings where the insured or members of his family are residing or employed are covered; reasonable costs of the alternative accommodation in the event of building being rendered uninhabitable; standard policy may be extended to cover legal liability to landlord and third parties	02 672 1444 <a href="http://www.aldhafrainsurance.com">www.aldhafrainsurance.com</a>
<b>Al Ittihad Al Watani General Insurance Company</b> – Householders Comprehensive Insurance	1,500-2,000	250	50,000	Cover against fire and perils. 10,000 limit on money are jewellery	04 282 3266 <a href="http://www.unic.ae">www.unic.ae</a>
<b>Arab Orient Insurance Company</b> – Home Contents Insurance	750 minimum	1,500 for every claim	50,000	Furniture, fixtures, AC; optional – clothing, jewellery (2,500 for each item), excluding cash	04 209 3705 <a href="http://www.insuranceuae.com">www.insuranceuae.com</a>
<b>AXA / Norwich Union Insurance (Gulf) BSC(c)</b> – Home Comfort Insurance	800	250	200,000	Home contents (0.4 per cent), personal belongings (1.4 per cent) lap top (2.5 per cent) plus tenants and legal liabilities, alternative accommodation, new for old, unexpected events and natural calamities, while you are away, Theft of keys AED1,000, frozen food AED2,500, contents in the open AED2,500, household removals; optional coverage includes domestic helpers, against loss of important documents, money and credit cards, accidental damage	Toll Free 800 4560 (HSBC) <a href="http://www.axa-gulf.com">www.axa-gulf.com</a>
<b>Lebanese Insurance Company</b> – Home Contents Insurance	1,500 minimum	3,000	100,000	Furniture, fixtures; safes, antiques, jewelry have additional charge	04 222 5323 <a href="http://www.lebaneseinsurance.com">www.lebaneseinsurance.com</a>
<b>Dubai Islamic Insurance &amp; Reinsurance Company (AMAN)</b> – Householders Comprehensive Insurance	1,500 and up to 2,000 if including all options	1,000 of each and every loss	1 million	Anything insurable in the house against material damage. Can be extended to people living in the house against personal accidents, third party liability, loss of accommodation. Also includes clothes, jewelry and other items, safe in the house, gold as long as kept in a safe.	04 319 3111 <a href="http://www.aman-diir.ae">www.aman-diir.ae</a>
<b>Gargash Insurance</b> – Home Contents Insurance	170	250	50,000	Cover against accidental damage, fire, and theft; everything inside the house such as furniture, landlord's fittings, permanent fixtures and fittings, interior decors, safety locks up to AED1,000, jewelry up to AED2,500, servants with extra charge (AED150 per person)	Dubai – 04 337 9800 Sharjah – 06 572 3434 <a href="http://www.gargashinsurance.com">www.gargashinsurance.com</a>
<b>National General Insurance</b> – Home Contents Insurance	500 minimum	1,500	50,000	Home contents against fire, principal perils, theft. Jewellery has extra charge.	04 222 2772 <a href="http://www.ngi.ae">www.ngi.ae</a>
<b>Oman Insurance Company</b> – Home Umbrella	200 minimum	250	50,000	Household contents covered against fire and allied perils, escape of water, theft or attempted theft, riot, strike and civil commotion, storm, flood and malicious damage, etc.; contents temporarily removed up to 10 per cent of contents sum insured within the geographic limit not exceeding 30 consecutive days; audio/video equipments, home computers, mirrors and glasses against accidental damage occurring in the private dwelling; loss or damage to goods contained in a deep freezer maximum of AED1,500; cost of alternate accommodation/loss of rent up to 50 per cent of contents sum insured for maximum period of six months; legal liability towards domestic servants maximum AED150,000, public liability maximum AED1 million, and tenant's legal liability for material damages caused to property of the landlord maximum AED200,000; personal accident (death) caused by fire or thieves for the insured and spouse max AED50,000 per person; all risks cover for jewelry, valuables and laptops is optional	Toll Free 800 4746 <a href="http://www.tameen.ae">www.tameen.ae</a>
<b>Oriental Insurance Company LTD</b> – Home Contents Insurance	250	2,000	50,000	Home contents against fire, natural calamities, theft including jewelry	04 353 8688
<b>Qatar Insurance Company</b> – Home Contents Insurance	500 minimum	250	50,000	Home contents against fire and burglary, optional - jewellery and valuables	04 222 4045
<b>Royal &amp; Sun Alliance Insurance Group</b> – HomeShield Cover	250	Standard excess option - 250 Double excess option - 500	50,000	Household goods and other articles owned by any of your household members for which you are responsible as occupier of the house – everything inside the house, optional - specified/unspecified items (which you take with you when you go out), even while on holiday for 60 days including jewellery and personal belongings	04 334 4474 <a href="http://www.royalsunalliance.ae">www.royalsunalliance.ae</a> <a href="http://www.fasterquote.ae">www.fasterquote.ae</a>
<b>Wehbe Insurance Services</b> - Homeshield Insurance	500 minimum	250	50,000	Household goods possessions and fixtures and fittings for which you are responsible against loss or damage whilst in the home (0.4 per cent), with choice of two covers: <b>(1) Standard</b> – against loss or damage caused by fire/ smoke/explosion, theft or malicious damage, lightning, storm or flood, falling trees, impact, burst oil or water pipe (full cost of repair irrespective of age or original cost of articles except clothing and household linen where deduction may be made to allow for age and condition of items); For accidental damages to TV's/Hi-Fi's/Videos/home computers/fixed glass/ceramic hobs, deterioration of food in freezer if it breaks down but not if more than 10 years old, legal liability as occupier for injury to other people or damage to their property, liability to domestic servants, contents temporarily in the garden excluding damage caused by storm and flood, replacement of external locks in your home if your keys are stolen and <b>(2) Extra damage option</b> – including accidental damage; policy can extend to personal belongings you take outside the house (1.4 per cent) such as unspecified valuables, clothing, personal effects up to AED2,500, money up to AED1,500, credit cards, specified items for items worth more than AED2,500 individually, sports equipment up to AED4,000, pedal cycles that are securely locked while unattended, small boats against loss or damage anywhere in UAE and up to 60 days anywhere in the world	04 324 2345 <a href="http://www.wisgroup.com">www.wisgroup.com</a>
Discounts are offered for listed companies, brokers and online applications. For more details, check with the provider. These tables are compiled using specific criteria widely considered by consumers as important when choosing a specific financial product. <b>Disclaimer:</b> These listings are <b>NOT</b> meant as a recommendation of a particular provider; listings are simply in alphabetical order and updated during April 2007. Information contained in these tables is subject to confirmation and is provided for information only. As with all financial decisions, <b>MONEYworks</b> recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider direct for further information.					

Credit cards		BY INTEREST RATE			UAE
PROVIDER	CARDS OFFERED	ANNUAL FEE (AED)	INTEREST/PROFIT RATES	INTEREST FREE CREDIT	CONTACT
Commercial Bank of Dubai	Visa (Classic, Gold), World MasterCard, e-tijari Web Card	Free for first year, thereafter, Visa Classic-200, Gold-400, World MasterCard-600, e-tijari Web card-100 for credit card holders, otherwise-200	1.5% on purchases, 3% on cash withdrawals	52 days	Toll-free: 800 223 <a href="http://www.cbd.ae">www.cbd.ae</a>
Commercial Bank International	MasterCard (Silver, Gold)	Free for life	1.25% on purchases and 3% on cash withdrawals	45 days	Toll-free: 800 224 <a href="http://www.cbuae.com">www.cbuae.com</a>
Dubai Bank	Visa Islamic Covered cards (Silver, Gold and Platinum)	Free for life, if applied until June 2007	0% APR for first three months if applied until June 2007. 1.5% on purchases and 3% on cash withdrawals per transaction	55 days	Toll-free: 800 5555
Dubai Islamic Bank	Visa Islamic cards (Classic, Gold, Gold Premium and Platinum)	Fixed monthly fees. Classic-75, Gold-150, Gold Premium-300, Platinum-500	N/A for purchases and AED60 for cash withdrawals per transaction	50 days	Toll-free: 800 4008 <a href="http://www.alislami.co.ae">www.alislami.co.ae</a>
Emirates Islamic Bank	Visa Islamic cards (Blue, Gold, Platinum, Infinite)	Blue-300, Gold-700, Platinum-1,400 (every 3 months) Infinite-700 per month	N/A, Cash advance/withdrawal flat fee - AED90 per transaction	55 days	04 316 0234 <a href="http://www.emiratesislamicbank.ae">www.emiratesislamicbank.ae</a>
First Gulf Bank	Visa Makkah Islamic cards (Classic, Gold, Platinum)	Fixed monthly fees. Classic - 85, Gold - 200, Platinum - 400	N/A on purchases, AED60 on cash withdrawals	51 days	800 4400
Habib Bank AG Zurich	MasterCard (Silver, Gold)	Silver-200, Gold-350	1.75% on purchases and 3% on cash withdrawals	40 days	04 221 4535 <a href="http://www.habibbank.com">www.habibbank.com</a>
LloydsTSB	Visa (Classic, Gold)	Free	0.99% per month or 11.9% per annum	50 days	04 342 2000, <a href="http://www.lloydstsb.ae">www.lloydstsb.ae</a>
RAKBANK	Visa/MasterCard (Classic, Gold) MasterCard (Classic, Gold, NMC, Titanium)	Free for life	Visa -1.9%, MasterCard-1.5% 3% on cash advance fee and 2.25% interest per month	55 days	04 213 0000 <a href="http://www.rakbank.ae">www.rakbank.ae</a>
United Bank Limited	MasterCard (Silver, Gold)	Free for first two years	1.5% on purchases and 2% on cash withdrawals	55 days	Toll-free - 800 4847

Credit cards		BY VALUE ADDED FEATURES			UAE
PROVIDER	CARDS OFFERED	ANNUAL FEE (AED)	VALUE ADDED	CONTACT	
ABN Amro	Visa (Classic, Gold), MasterCard Smart Traveller (Classic, Gold), MasterCard Al Ameera Ladies Card, MasterCard Jumbo co-branded card	Visa Classic-200, Visa Gold-400, MasterCard Classic-400, MasterCard Gold-500, MasterCard Al Ameera-300, MasterCard Jumbo co-branded card -200	Chip Card for enhanced security, easy payment plan for up to 18 equal monthly instalments at an interest rate of 0.99%, Credit shield, Smart Points/Flyer, Purchase Protection, Dining card, Travel benefits and discounts in certain Cinemas and Wild Wadi. Al Ameera card provides discounts in many retail outlets. Minimum application documentation/ hassle-simply apply with three months bank statement, access to utility bills payment, payment deferral for one month, MasterCard Traveller Gold - 10% cash back on air tickets. Free travel inconvenience insurance. Free Samsung products, double rewards for gold card holders. Jumbo special offers for Jumbo card holders.	04 308 0000 <a href="http://www.abnamro.ae">www.abnamro.ae</a>	
Abu Dhabi Commercial Bank	Chip cards. Visa (Classic, Gold, Platinum) MasterCard (Standard, Gold, Platinum)	Classic/Standard-150, Gold-300, Platinum-500	Free unlimited number of supplementary cards, ADCB Pearls rewards programme, balance transfer facility at 5.99% for first six months, Travel benefits, Photo-Card, Roadside Assistance, Airport benefits, free travel insurance, credit shield, 90 day purchase protection. Points scheme redeemed against cash. 5% discount on flights booked through ADCB listed travel agents and free ticket delivery. Platinum card - world wide assistance. No service charge for payment by cash or cheque through selected ATMs. Cash back on purchases. Extended warranty up to 24 months on retail products. Protection against permanent disability, critical illness, loss of employment or death.	Toll-free: 800 2030 <a href="http://www.adcb.com">www.adcb.com</a>	
American Express	Dubai Duty Free (DDF), AMEX Blue, Gold, Gold Damas, SmartGold, Dollar Credit Card Charge Cards: Green, Gold, Platinum, BMW co-branded card	DDF-175, AMEX Blue -250, AMEX Gold-295, Gold Damas-395, SmartGold-395, Charge Cards: Green-US\$120, Gold-US\$210, Platinum-US\$750, BMW-550	Gold/Blue offers 1% cash back, Dubai Duty Free Card - 10% off items at DDF, Millionaire special offers, retail protection, online fuel protection and airport lounge access, travel insurance and benefits, Express cash and travellers cheques while travelling, emergency cheque cashing and free companion credit card. Corporate cards, selected cards available in US Dollars. Damas card offers jewellery benefits and more, exclusive benefits for BMW co-branded members at BMW service centre and BMW accessories, emergency card replacement and membership rewards programme	Toll-free - 800 4931 <a href="http://www.americanexpress.co.ae">www.americanexpress.co.ae</a>	
Citibank	Visa, MasterCard (Silver, Gold, Eppco-Citibank card, Emirates-Citibank Silver/Gold Card, Citibank eCard), Citibank/Emirates Ultima Card, Citibank/Emirates Ultimate	Silver-250, Gold-500, Eppco-Citibank card-250, Emirates-Citibank Card-300 (Silver), 550 (Gold), Citibank eCard-50 (Free to Emirates cardholders), Citibank/Emirates Ultima Card-3,000, Citibank/Emirates Ultimate-1,000	Purchase protection, credit shield, Citidollars, Photo-sign card, travel/rental insurance, Bon Voyage travel services, exclusive travel privileges and banking services, easy installment plan up to 36 months, online and phone banking services and utility bill payment, discounts at selected retail outlets, fraud early warning block. Eppco cards - double Citidollars, Emirates cards - Skywards points, Citibank's new Ultima card offers numerous high-end exclusive benefits for high net worth individuals in addition to the benefits listed above. Worldwide emergency assist "CitAssist", lost card protection. Free Motorola mobile phone, priority pass and Citidollars with Ultima	04-311 4000 <a href="http://www.citibank.com/uae">www.citibank.com/uae</a>	
Dubai First	Visa (Silver, Gold)	Silver - 150, Gold - 350	Free travel accident and inconvenience insurance on baggage loss, baggage/flight delay, personal liability, emergency hospitalization and assistance. Free life insurance up to AED50,000 to gold card members and AED20,000 to silver card members. Loan on phone up to 80% of credit limit. Free household insurance up to AED25,000 to gold card members and AED10,000 to silver card members. Easy purchase plan in 6 to 24 monthly instalments, one year purchase protection, special price of AED100 for UAE-GATE Card, free supplementary cards, lost/stolen card indemnity, photo card for instant recognition and security, up to 80% of your credit limit cash withdrawal, 24-hour contact center, entry to DubaiDinar Millionaire draw, 5% cash back on all air bookings, complimentary travel benefits, utility bill payment service. Promo until May 15, 2007 - extra DubaiDinars for every AED1 spent.	Toll-free: 800 33 <a href="http://www.dubaifirst.com">www.dubaifirst.com</a>	
Emirates Bank/ meBANK	Visa, MasterCard (Silver, Gold), OPTIONS Instalment Card, MasterCard foreign currency card (Silver, Gold), MasterCard meNETPAY, Visa meUNI	meUNI - free for students and staff of approved universities, Silver - 150, Gold-400, OPTIONS - 250, MasterCard foreign currency Silver-100 and Gold-300, meNETPAY/Emirates IPAY - 50. Silver cards free for first year	Students benefits for meUNI cards, photo-card and signature, Discounts & privileges at over 1,600 outlets, meMILES loyalty programme, free travel insurance up to US\$75,000 & assistance services, Intro APR - 0% interest rate for 1st three months. Convenient balance transfer at low interest rates, OPTIONS offers easy repayments in 12 to 24 instalments at 0.8% per month, free meAutoAssist and meAccount with zero balance, ATM card and cheque book.	04-3160316 <a href="http://www.me.ae">www.me.ae</a>	
HSBC Bank Middle East	Visa (Classic, Gold, Platinum), MasterCard (Classic, Gold, Premier), MasterCard-Ethiad co-branded card (Classic, Privilege, Exclusive), In-site virtual MasterCard	Visa Classic-150, Gold-400, Platinum-600 MasterCard Classic -150, Gold-400, Premier - free for account holders, In-site - 50, Ethiad Classic-150, Privilege-400, Exclusive-750	Airmiles Rewards programme, free travel & accident insurance, purchase/family protection. Special discounts at selected dining and retail outlets. Credit shield upto 10,000, Dial-a-Gift feature for a wide range of gift vouchers, 24 hours road side assistance. For Ethiad, Ethiad guest miles, free priority pass membership, e-gate card, 0% interest on balance tranfer for first three months. 0% flexi instalment plans in Damas Jewellery.	Toll-free: 800 4440 <a href="http://www.uae.hsbc.com">www.uae.hsbc.com</a>	
National Bank of Abu Dhabi	Visa, MasterCard (Classic, Gold, Platinum MasterCard nbad@surfer card, ADDF Visa (Classic, Gold), Visa Dubai E-government Prepaid Card	Classic and Gold are free for life, Platinum -1,000, nbad@surfer card - 25 for accountholders otherwise - 50, ADDF Visa Classic - 250, Gold - 350, Dubai E-government Prepaid Card - 100 to 5,000	1% interest for balance transfer. Photo-Card, Purchase protection, Personal accident and travel insurance, access to Golden class at Abu Dhabi International Airport and Murhaba services in Dubai International Airport, discounts and rewards programmes in many outlets, emergency medical and legal expenses, free road side assistance and credit shield facility and free gifts, NBAD points programme, Dubai E-government Card can be used for government transactions.	Toll-free: 800 2211 <a href="http://www.nbad.com">www.nbad.com</a>	
National Bank of Dubai	Visa (Classic, Gold, Platinum) MasterCard (Classic, Gold), NBD-Dnata MasterCard (Classic, Gold), WebShopper MasterCard	Free for first year, thereafter, Classic - 100, Gold - 300, Platinum - by invitation only, NBD-Dnata MasterCard - Classic-250, Gold-500, WebShopper MasterCard 50	Post card millionaire on every 1,500 spent, Photo-card, travel inconvenience insurance, Travel express service, Free mobile service, Dial a cheque service, roadside assistance, free emergency legal/medical referral service, Global Savers card, WebShopper MasterCard-security while shopping online, personal insurance, free calling account service, free online banking. Credit shield facility, exclusive personal service assistance for Platinum cardholders.	Toll-free: 800 4767 or 800 4444 <a href="http://www.nbd.com">www.nbd.com</a>	
RAKBANK	Visa (Classic, Gold) MasterCard (Classic, Gold, NMC, Titanium)	Free for life	Up to 2% cash back anywhere, worldwide privileges on Titanium cards. Purchase protection, credit shield, travel inconvenience insurance, RAKleast dining privileges, low interest or balance transfer and retail transactions. Quarterly Million dirham draws on all MasterCard products, cash advance up to 95% of credit limit. Complimentary gift vouchers, credit card cheque facility, travel benefits, document-free balance transfer as low as 1% per month, discounts at New Medical Centre. Free 2 supplementary cards	04 213 0000 <a href="http://www.rakbank.ae">www.rakbank.ae</a>	

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Car Loans							
PROVIDER	PRODUCT	INTEREST/PROFIT RATE	MAX. LOAN AMOUNT (AED)	DOWNPAYMENT	PAYMENT TERMS	MIN. SALARY (AED)	SALARY TRANSFER
Abu Dhabi Commercial Bank	Car Loan	Without downpayment 4.25% for new cars, with 10% downpayment 4.10% Promo for used cars 4.75% otherwise 5%	Up to 500,000 (Salary dependent)	N/A	New cars - 72 months Used cars - 60 months	4,000	No
Abu Dhabi Islamic Bank	Sahel Murabaha	Profit rate - 3.99% for new cars, 4.99% for used cars	Up to 250,000	Nil for new cars, otherwise minimum 10%	New cars - up to 72 months Used cars - up to 60 months	3,000 for account holders otherwise 4,000	No
Bank of Baroda	Car loan	New cars only - 3.85%	Up to 90% of the car price	10%	Up to 48 months	4,000	No
Commercial Bank of Dubai	Tam-wheel car finance scheme	4.25% for new cars Used cars (only for account holders) - 5.75%, not older than 2003	UAE Nationals - up to AED 250,000, Expats - AED 150,000. Or up to 15 times salary	Nil for new cars 10% for used cars	Up to 60 months	3,000	No
Commercial Bank International	Sayaraty	New cars- 3.99%, used cars - from 4.25-5.5% (depends on payment term)	Up to 250,000 for nationals Up to 200,000 for expats	Nil for new cars, up to 30% depending on the car model for used cars	Up to 72 months for new cars, 60 for used cars	3,500	No
Dubai Bank	Markaba Auto Finance scheme	4.5% - new cars for less than 4 years payment term otherwise 5%, 5% - used cars	Depends on salary and car price	Nil for new cars, up to 30% (depending on salary) for used cars	Up to 60 months for new cars Up to 48 months for used cars	3,000	No
Dubai Islamic Bank	Al Islami Auto Finance	Fixed profit is charged of 4.75% for new cars, 5.25% for used cars less than 2 years old, 5.5% less than 12 years old with salary transfer, otherwise 4.5% for new and 5% for used cars less than 2 years old and 5.5% less than 10 years	Up to 250,000	With salary transfer: Nil Otherwise, minimum 10%	Up to 72 months with salary transfer, otherwise up to 48 months	3,000	No
	Al Islami Flexi Drive	For new cars only, profit rate same as above for first three years	Depends on salary and the car price	Nil	Up to 60 months	7,000	Yes
Emirates Islamic Bank	Vehicle Murabaha	New cars - 4.1%, Used cars - 4.5% with salary transfer otherwise new cars 4.25%, used cars 4.60%	Up to 250,000	N/A, if salary is transferred, otherwise 10%	Up to 60 months with salary transfer, otherwise up to 48 months	3,000 with salary transfer, otherwise 3,500	No
Finance House	Auto loan	4.29% for new cars, 4.69% for used cars	Depends on salary and car price	None for new cars Up to 30% for used cars	Up to 72 months for new cars, up to 60 months for used cars (depends on the model)	2,800	No
Habib Bank AG Zurich	HBZAuto loan	4.25% new cars, used cars depends on bank's discretion	Up to 250,000	Nil	Up to 48 months	5,000	No
MashreqBank	Mabrook Auto loan	New cars - from 4.25%, Used cars-from 5.25%	Up to 500,000	Based on customer profile	60 months for new cars 48 months for used cars	3,000	No
meBANK	meDrive	New 4.25-4.75% depending on the salary, Used 4.75-5.25% depending on the salary	Up to 250,000	Depends on make and model	New cars - up to 72 months, Used cars - up to 60 months (for approved companies)	3,000	No
National Bank of Abu Dhabi	Sayyarati	On going promotion 3.99% for new and used cars (depends on down payment and payment terms), otherwise 4.5 - 5% for new cars and 5.25 - 5.75% for used cars	Up to 250,000	With salary transfer: Nil Otherwise: min. 20%	Up to 72 months - new cars, up to 48 months - used cars (for account holders only)	3,000, with salary transfer and approved companies, otherwise 5,000	No
United Arab Bank	Auto Finance	New cars - 4.25%, used cars - 4.5%	Up to 250,000	N/A	New cars - up to 48 months Used cars - up to 36 months	3,000	Yes

Personal Loans							
PROVIDER	PRODUCT	INTEREST/PROFIT RATE	MAX. LOAN AMOUNT (AED)	ACCOUNT NECESSARY	PAYMENT TERMS	MIN. SALARY (AED)	SALARY TRANSFER
Abu Dhabi Commercial Bank	Personal Loan	<b>Personal Loan:</b> Reducing balance: 6 to 24 months - 8.5% - 25-48 months - 9.5%, 49-60 months 10%, 61-72 months - 10.5% for 'A' category companies, otherwise +.50%. <b>Smart Loan:</b> Reducing balance rate: from 18-22%, 6 to 24 months - 20% - 25-48 months - 22%.	Personal Loan: Up to 50,000-250,000 Smart Loan: Up to 5,000-75,000 150,000 for self employed	Personal Loan: Yes Smart Loan: No	Personal Loan: Up to 132 months for UAE nationals, 60 months for expatriates, For Smart Loan: Up to 48 months for all	Personal Loan: AED2,500 for all Smart Loan: AED2,500 for all	Personal Loan: Yes Smart Loan: No
	Smart Loan						
Abu Dhabi Islamic Bank	Personal Financing "Goods Finance"	Fixed at 5% per annum depends on loan tenure	Up to 40 times monthly salary for locals and 10 times for expats, up to AED250,000 subject to source of income	Yes	Up to 72 months for UAE nationals, 60 months for expatriates	AED3,000 for all	Yes
Dubai Bank	Sanad Personal Finance	Profit rate: 4.75% for one year; 5% for 2-3 years, 5.25% for 4-6 years, 6.25% for 7-10 years	Min. 25,000 and max. 250,000 for both the loans	Yes	Up to 120 months	AED4,000 for both the loans	Yes
	Souk Goods Finance	Profit rate: 1 to 3 years 5%, 3 to 6 years 5.25%			Up to 72 months		
Dubai Islamic Bank	Al Islami Personal Finance (For goods and services)	Profit rate: Starts from 4.55%, depends on the company	Up to AED250,000 with salary transfer, otherwise AED100,000 for all, min. AED10,000	No	6 to 72 months for DIB's account holders, 6 to 48 months for others	AED3,000 for all	No
Emirates Islamic Bank	Goods Murabaha or Goods Finance	Profit rate: A grade companies with 5 years length of service: 5.21%, 1 year - 5.5%, general category companies with one year service 5.79%, less than 1 year 7.26%	Up to AED250,000	Yes	Up to 72 months for nationals and up to 48 months for expats	AED2,500 for all	Yes
HSBC Amanah	Amanah Personal Finance	Profit rate: starts from 4.95 - 7.99%, depends on the company's package	Up to AED250,000	Yes	Up to 120 months	AED5,000	Yes
HSBC Bank Middle East Ltd.	Conventional Personal Loan	8.75 - 14.25% on reducing balance basis	Up to AED250,000	Yes	Up to 120 months	AED5,000	Yes
Mashreqbank	Personal Loan	Reducing balance rate from 8.75-10.5%, depending on loan term and company status.	Up to AED250,000 depends on the salary	Yes	Up to 200 months for nationals Up to 72 months for expats	AED4,000 for nationals AED3,000 for expats	Yes
Sharjah Islamic Bank	Murabaha Goods	Fixed rate: 6%	Up to AED250,000 for all, depends on salary	Yes	Up to 60 months for all	AED4,000	Yes
United Arab Bank	Personal Loan	Fixed rate: 4.5-4.75% Reducing balance: min. 9.5%, depends on the company and the salary	Up to 28 times of monthly salary, as much as AED250,000	Yes	Up to 84 months for all (depends on the company and length of service)	AED2,500	Yes
United Bank Limited	Personal Loan Assistance	Fixed rate: from 8-15%, depends on the company status	Up to AED250,000 for UAE national and 150,000 for expats	Yes	Up to 180 months for UAE nationals, 72 months for expats	AED3,000	Yes

**Note:** Many banks operating in the UAE require you be an account holder before approving loan applications. In many cases a salary transfer is compulsory and, where not possible, an assignment letter of salary and benefits may also be necessary. For further information, check with your chosen bank/provider direct. Don't forget to watch out for special deals available.

## UAE

CONDITIONS/RESTRICTIONS	ACCOUNT NECESSARY	EARLY REDEMPTION PENALTIES	VALUE ADDED	OTHER	CONTACT
Salary transfer required for used cash not bought from approved showrooms. Car model should not be older than 9 years at the time of loan maturity	No	3% of outstanding loan for cash and 5% for bank transfer	Insurance for brand new cars can be financed	AED350 charged as processing fee	Toll-free: 800-2030 <a href="http://www.adcb.com">www.adcb.com</a>
1999 model onwards only for German and Japanese cars otherwise 2002 model onwards	No	In some circumstances money will be refunded	Islamic insurance can be financed. Free family welfare insurance	First installment starts after three months, with no profit rate charged for first three months.	Toll-free: 800 2288 <a href="http://www.adib.ae">www.adib.ae</a>
Car should be purchased from the dealer	No	1% of outstanding loan		1% processing fee	04 353 1955
At least one year service with the current employer	No	None for cash, 3% of outstanding loan for bank buyout		1% processing fee	Toll-free: 800 223 <a href="http://www.cbd.ae">www.cbd.ae</a>
Cars must not be older than 4 years. Used cars must be purchased from specific showrooms	No	2% for cash, 5% for bank transfer of the outstanding loan		AED250.00 charged as processing fee, first installment starts after three months	Toll-free: 800 224 <a href="http://www.cbiuae.com">www.cbiuae.com</a>
Used cars must not be older than 8 years at the time of loan maturity	No	None	Special insurance rates	No processing fee	Toll-free: 800 5555 <a href="http://www.dubaibank.ae">www.dubaibank.ae</a>
At least six months service with current employer. Used cars must not be older than 12 years at the time of loan maturity for those with salary transfer, otherwise 10 years only	No	In some circumstances money will be refunded	Preferential insurance deal with Oman Insurance Company, free AAA membership	As DIB says "choose your car and inform the bank." They will then make "a transparent offer in accordance with Sharia'h" that will include the price of the car, the profit that DIB will make and the method in which you can make your repayments"	Toll-free: 800 4008 800 4766 <a href="http://www.alislami.co.ae">www.alislami.co.ae</a>
Listed companies only, cars must cost minimum 50,000	Yes		Insurance can be financed	Different interest rates if extended to two more years. Loan amount can be paid at lumpsum after three years	
Used cars must not be older than four years	No		Payments deferred for first three months	Insurance can be financed	04 316 0101 <a href="http://www.emiratesislamicbank.ae">www.emiratesislamicbank.ae</a>
Used cars must not be older than 2001 model	No	4% of outstanding value of the loan	Free credit card for life, 13 months comprehensive auto insurance cover starting from 3.25% on saloon cars and 4x4 vehicles	No processing fee	Toll-free: 800 3434 <a href="http://www.fh.ae">www.fh.ae</a>
Used cars must not be five years old	No	2% of outstanding value of the loan	Free HBZweb and HBZmobile banking service	AED100 as processing fee	04 221 4535, <a href="http://www.habibbank.com">www.habibbank.com</a>
Used cars must be less than 8 years old at loan maturity	No	2.5% of outstanding loan for cash, 5% for bank transfer	Credit card - free for first year, attractive insurance deals	Mashreqbank/Osool Finance also finance semi commercial and heavy vehicles. 1% of the loan amount as processing fee. Zero balance current account, pre approved over draft	04 217 4800 <a href="http://www.mshreqbank.com">www.mshreqbank.com</a>
Used cars must be 1999 model or newer	No	2% of the outstanding amount for cash and 5% for bank transfer		Defer first installment up to 60 days. Special interest rates are available for certain makes and models from specific garages. Chance to win Caribbean cruise for minimum loan amount of AED30,000	04 316 0316 <a href="http://www.me.ae">www.me.ae</a>
Used cars must be 2000 model or newer	No	2% outstanding value of the loan for cash, 5% for bank buyout. Minimum AED1,000	100% insurance financed, 60 days grace period, if necessary	0.50% of loan amount of minimum AED300 for processing fee	Toll-free: 800-2211 <a href="http://www.nbad.com">www.nbad.com</a>
For account holders only, 2003 models and newer	Yes	2% of outstanding for cash payment and 5% for a bank buyout		AED500 charged as processing fee	04 332 2032 <a href="http://www.uab.ae">www.uab.ae</a>

Criteria: Interest rate of less than 4.5 per cent (new cars)

## UAE

CONDITIONS/RESTRICTIONS	EARLY REDEMPTION PENALTIES	VALUE ADDED	OTHER	CONTACT
For both loans: Salary certificate, passport copy, three months bank statement and the company you work for needs to be on bank's approved list	3% for cash and 5% for bank transfer for both loans	N/A for Personal Loan. For Smart Loan, monthly installments are as low as AED294 per AED10,000. Smart Loan agents can visit you at your convenience	1% of the loan amount processing fee plus 0.5% for the credit life insurance and is mandatory for both the loans. 18 -20% interest for customers who have more than AED4,000 salary for Smart Loans	Toll-free: 800-2030 <a href="http://www.adcb.com">www.adcb.com</a>
Company you work for needs to be on bank's approved list. Need to provide at least six months bank statement, original passport, salary certificate and quotation of goods which needs financing	Rewarded for early redemption	Intallment postponement available, subject to bank's approval	Shar'ah compliant and Murabaha structure. Maximum loan amount varies upon salary, length of service and the company you work for. Min. loan is AED10,000. No processing fees and hidden charges.	Toll-free: 800-2288 <a href="http://www.adib.ae">www.adib.ae</a>
Approved companies only. Need to provide salary certificate, bank statement, passport copy with valid residence visa	None	Exclusive insurance coverage, unlimited cheque book with a zero balance current account and free ATM card, take over facility available, top up facility up to 18 installments. Gift vouchers for electronics up to AED1,000 for above AED25,000 loan amount, air ticket up to AED4,000 for loans AED250,000 and above, valid until May 3.	1% processing fee of the loan amount or minimum AED500 Dubai Bank consultants will visit your home or office to discuss requirements	Toll-free: 800-5555 <a href="http://www.dubaibank.ae">www.dubaibank.ae</a>
Approved companies only. Should be over 21 years old. Need to provide, quotation of the goods to be purchased, salary certificate, three months bank statement and passport copy. Guarantor and post dated cheques.	Rewarded for early redemption	Payment postponement	No processing fee. Loan applicant does not have any other liability more than 55% of the salary. Al Islami Personal finance is based on Ijarah (for services) and Murabaha (for automobiles and goods)	Toll-free: 800-4008 <a href="http://www.alislami.co.ae">www.alislami.co.ae</a>
Approved companies only. At least 6 months service with the current employer. Need to provide, quotation of the goods to be purchased, salary certificate, three months bank statement and passport copy	N/A	Free Islamic account with zero balance	No processing fee.	04-316-0101 <a href="http://www.emiratesislamicbank.ae">www.emiratesislamicbank.ae</a>
Salary should be transferred to HSBC	Rebate/Gifts are offered	Special deals are available for certain companies, such as free credit card, zero balance account	Amanah personal finance is a cash loan. Processing fee: 1% of the loan amount for both the loans	Toll-free:800-4792 <a href="http://www.hsbcamanah.com">www.hsbcamanah.com</a> Toll-free:800-4440 <a href="http://www.uae.hsbc.com">www.uae.hsbc.com</a>
Approved companies only, salary certificate, passport copies and bank statement should be provided	2% of the outstanding balance for cash and 5% for bank buyout	Zero balance current account, free ATM card and credit card for the life on the loan, installment postponement, deferral facility	If company is not in approved list, loan can be arranged with Osool Finance Company. 1 % processing fee, minimum AED250 maximum AED500. Insurance 0.465% of loan amount	04-217 4800 <a href="http://www.mashreqbank.com/uae">www.mashreqbank.com/uae</a>
Passport copy, three months bank statement and salary certificate required	Profit returned		AED400 processing fee, minimum loan amount AED7,000	Toll-free-800-6667 <a href="http://www.nbs.ae">www.nbs.ae</a>
Approved companies only. Must supply copy of passport, salary certificate, three months bank statement and a no liability certificate	2% of outstanding balance for cash and 5% for bank transfer	Life insurance up to the loan amount, overdraft facility, zero balance current account, postponement of 2 installments in one year, ATM card, free credit card for the first year	Processing fee: 1 % of the loan amount, minimum AED250 and maximum AED750.	04-332-2032 <a href="http://www.uab.ae">www.uab.ae</a>
Approved companies only. At least one year service with the current employer. Salary transfer letter, salary certificate and security cheque	5% of outstanding balance for cash/bank transfer	Personal loan insurance cover, hospital cash benefits, loss of employment cover, permanent/total disability and death covered	1% processing fee of the loan amount, minimum AED250, 0.38% for insurance	Toll-free: 800-4847 <a href="http://www.ubl.com.pk">www.ubl.com.pk</a>

Criteria: Interest rate of less than nine per cent on a fixed rate basis

**Disclaimer:** These tables are meant ONLY as a guide and are not intended as a recommendation of a particular loan provider. The tables were thoroughly checked for accuracy with providers called individually for information during April 2007 and were correct at the time of going to press. Please note: information is subject to change without notice. Any errors or omissions are regretted. Corrections, if any, should be forwarded by fax to +971 4 391 2173, or by email to [info@moneyworks.ae](mailto:info@moneyworks.ae). All information contained is freely available from bank/provider printed information and websites, as well as direct from bank/provider helplines and/or call-centres.

Mortgages							
PROVIDER	AVAILABLE TO	MORTGAGE TENOR	MAX. AGE ON LOAN MATURITY	INTEREST/PROFIT RATE	MAXIMUM LOAN AMOUNT	DEBT-TO-INCOME RATIO	DOWN PAYMENT
<b>Abu Dhabi Commercial Bank</b>	UAE Nationals, Expats	25 years for UAE residents 10 years for non residents	65 years for all	Retail base rate (RBR) is 5.5% <b>Salaried residents:</b> RBR plus 2.75%; <b>Self employed residents:</b> RBR plus 3%; <b>Non residents:</b> RBR plus 3%	As much as 90% finance offered with salary transfer otherwise 85% or up to AED3.5 million, Self employed residents up to 75%, salary non-resident up to 70%, self employed non-resident up to 60%	Up to 65% for all	Minimum 10% (with salary transfer), 15% (without salary transfer). Self-employed 30%
<b>Amlak</b> (Shar'ah compliant)	UAE nationals, GCC residents, UAE residents and non-UAE residents	25 years for UAE nationals 20 years for residents 15 years for non residents	60 if salaried, 65 if self-employed	<b>Variable rate (residents):</b> 8.5% <b>Variable rate (non-residents):</b> +1% more of residents; <b>Fixed rate</b> is 11% for residents for seven years and thereafter 14% and +1% for non-residents	Depends on salary; 90% maximum	Up to 50%	Minimum 10%
<b>Arab Bank</b>	UAE, GCC nationals, expats and non residents	25 years for villas and apartments	60 years	Starting from 2% plus EIBOR (reducing rate)	AED5 million, up to 95% of the property market value	With salary transfer: Salaried expats and nationals 65% Without salary transfer: salaried expats and nationals 60%, Self employed nationals and expats 55%	5 % of the property market value
<b>Barclays Bank</b>	UAE residents and non-residents	Up to 25 years	70 years	<b>AED</b> – 85% finance and above, Tier 1 developers, non-UAE residents 9.10%, 75% to 85% finance, second property, self-employed 8%, others 7.75%; <b>USD</b> – Owner-Occupier is 8.25%, Offplan is 8.25%, and Buy-to-Let is 9.05%; <b>GBP</b> – Owner-Occupier is 7.60%, Offplan is 7.60%, and Buy-to-Let is 8.40%; <b>EUR</b> – Owner-Occupier is 5.99%, Offplan is 5.99%, and Buy-to-Let is 6.79%	Up to 80% of market value for apartments, 90% for villas, minimum is AED500,000 and maximum is AED10 million	UAE residents 50% of the monthly income, Non-residents 40%	20% for apartments and 10% for villas
<b>Dubai Bank</b> (Mulki Property Finance)	UAE nationals, expats	Up to 20 years for Ijara Property Finance Up to 8 years for Murabaha facility	65 years for nationals 60 years for expats	Murabaha - fixed 1 year - 4.5 - 5%, 1 - 3 years - 4.75 - 5.25%, 3 - 6 years - 5 - 5.5%, 6 - 8 years - 5.25 - 5.75% (depends on company and salary transfer) Ijara - variable rate: 8.15 - 9.15%	Up to 90% of the property value	Depends on the salary	10%
<b>Dubai Islamic Bank</b> (Al Islami Home Finance)	UAE nationals, expats	Up to 15 years for 'Real Estate' Up to 25 years for 'Freehold'	70 years for nationals 60 years for expats	Floating profit rate. More information not available.	Up to 90% of the property value as much as AED5 million for 'Freehold', AED2.5 million for 'Real Estate'	Depends on loan amount and the salary	10% with salary transfer otherwise 20%
<b>Emirates Islamic Bank</b>	UAE and GCC nationals, expats	Up to 20 years for Ijara Up to 15 years for Murabaha	65 years for nationals 60 years for expats	N/A, profit rates apply Murabaha - reducing balance 5yrs - 8.25%, flat rate - 4.45% Murabaha - reducing balance 10yrs - 9.00%, flat rate - 4.86% Murabaha - reducing balance 15yrs - 10.25%, flat rate - 5.54% Ijara - 3 months EIBOR plus 2.50% rental rate	Up to 90%, minimum AED150,000 up to AED2.5 million maximum	Not more than 50% of the salary	25-30% for self-employed, 10-20% for salaried
<b>First Gulf Bank</b>	UAE Nationals, residents and non residents	25 years for nationals 20 years for expats 15 years for non residents	65 years for nationals 60 years for expats	8-9.75% on reducing balance basis	Up to 90% as much as AED5 million	Maximum 60%	10%
<b>Habib Bank AG Zurich</b>	UAE nationals & UAE residents	Up to 15 years	60 years	3% above 6 months EIBOR, minimum 7% per annum	Up to AED3,500,000	Max. 60% of income including all loans	30%
<b>HSBC Bank Middle East Limited</b>	UAE and Non-UAE residents	25 years	65 years	7.25 - 7.75% flat	Up to 90% of original value	60% overall debt on all regular commitments	10%
<b>Lloyds TSB</b>	UAE nationals, UAE and non - UAE residents	Up to 20 years for villas and low rise apartments with certain developments	65 years	8.5% variable, straight re-payment mortgage. New expat mortgage terms 6.25% variable.	Up to 70% for apartments and 80% for villas, subject to terms and conditions	Should not exceed 50%	From 20%, subject to terms and conditions
<b>Mashreqbank</b>	Residents & non-residents	Up to 25 years	60 years for salaried, 65 years businessmen	Fixed rate: from 7.49%, Variable rate: from 3.29% + EIBOR	Up to AED5 million. Depends on salary and property	55% including all loans	10%, depending on the value of the property
<b>National Bank of Abu Dhabi</b>	UAE Nationals, Expats only in Abu Dhabi/Dubai emirates	Up to 25 years for nationals and expats	65 years for all	From 6% depends on the branch	Approved companies only. Up to 80% finance as much as AED5 million, depends on the salary, age and property value, Up to AED8 million for Abu Dhabi properties	Up to 50% of monthly salary for expats	10% for properties in Abu Dhabi; 20% for properties in Dubai, and 30% for other emirates
<b>National Bank of Dubai</b>	UAE nationals, UAE residents and Non-residents	25 years for UAE Nationals, 20 years for Expats, 12 years for non-residents	65 years for UAE nationals, 60 years for non-residents and expats	With salary transfer 6.49% with 20% down payment, otherwise, starts from 6.99% floating rate for first six months	Up to 85% as much as AED5 million	Residents: up to 60% Nonresidents: up to 50%	Min. 15% depend on the property
<b>Rakbank</b>	UAE Nationals, Expats and Non-residents.	25 years for UAE Nationals and for expats	65 years	8 to 9.5% on a reducing balance basis	Depends on individual financial status - usually up to AED8-10 million	60% of monthly salary for salaried individuals, subject to department approval.	Min 10% for new properties, 15-20% for resale
<b>Sharjah Islamic Bank</b>	UAE and GCC nationals, expats (Dubai properties only)	15 years	65 years for UAE nationals and 60 for others	<b>Profit rate:</b> with salary transfer 1 to 5 years 4.65%; 6 to 10 years 4.92%; 11 to 15 years 5.19%, without salary transfer 1 to 5 years 4.92%; 6 to 10 years 5.19%; 11 to 15 years 5.47%	AED100,000 to AED2 million; Depends on salary and liability	50%	30%
<b>Standard Chartered</b>	UAE nationals, residents, expats	20 years	65 years	EIBOR rate+2-3%	75 - 80% of the market value. Up to AED3.5 million for apartments and AED5 million for villas	Depends on the salary	20-25%
<b>Tamweel</b> (Shar'ah compliant)	UAE and non-UAE residents	25 years	65 years nationals and self employed 60 years for expats	<b>Depends on scheme.</b> Floating Rate, which applies to loan tenors of 5-25 years - 7.9% (changes every six months). Fixed Rate, from- 9.5% for five years, 10.5% for 10 years, 10.8% for 15 years. (Also offers 'Yusr' or adjustable repayment mortgages, lowers the installments in the first three years up to 30%)	Up to 90% (selected properties), otherwise up to 80% as much as AED5 million. Depends on salary and tenor, but varies from one product to another and from property to property.	55% of salary	From 10%, Depends on property
<b>Union National Bank</b> (Dream Home Loan)	UAE Nationals, Expats	Up to 20 years	UAE Nationals - 65 years, Expats - 60 years	For down payment 10% - 4.5%; 20% - 4.25%, 30% - 4% plus 3 months DIBOR or ADIBOR.	Up to 90% as much as AED5 million	Up to 65% of monthly salary	As low as 10%
<b>United Bank Limited</b> 'Batina'	UAE and non-UAE residents	Up to 20 years	60 years for salaried, 65 years for non-salaried	2.5% + 6 months EIBOR for non-residents 2% + 6 months EIBOR for residents	Up to 90% as much as AED3 million	Up to 60% of monthly salary minus other monthly installments	10%

**NOTE:** Emirates Islamic Bank (04-213 1680) has recently signed an agreement to offer three different types of home financing (fixed and floating rate and refinancing) for Emaar properties. They also offer financing for Tameer properties. The EIB mortgage details above apply to UAE and GCC nationals, a specific mortgage product aimed at expatriates is expected soon. More details will follow on this. Some other UAE banks are actively lending in the market for example, Standard Chartered, Abu Dhabi Islamic Bank, although mortgage finance products are yet to be officially launched. It's also possible to finance properties on The Palm (for up to 10 years) directly from Nakheel. **Documentation requirements** vary from bank to bank. But, in general, the requirements are Passport, Labour Card, Khulasat Qaid (ID card), salary certificate, six months salary bank account statements, other income documents, copy of sale/purchase agreement, proof of downpayments, cheque for loan processing fee and application form. For business owners/directors - trade licence & audited company financials. Please check with your chosen mortgage provider for more details.

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## UAE

INSURANCE REQUIREMENTS	MINIMUM SALARY (AED)	BANK ACCOUNT NECESSARY	SALARY TRANSFER	CHARGES	PROPERTIES FINANCED	PREMIUM FINANCE	BUY-TO-LET	CONTACT
Life and property insurance	For salaried: 8,000 for UAE nationals, 10,000 for expats and 25,000 for non residents. For self-employed: 10,000 for UAE nationals, 20,000 for expats and 25,000 for non residents	Yes, for maximum downpayment of 10%	Yes, for max. down payment of 10%	Processing fee of 1% or 20,000, Repayment-up to 6 months no repayment allowed, more than 6 months to 5 years 2%, Non-buyout: up to 3 years 2%, more than 3-5 years 1%, more than 5 years 0%, Buyout: up to 3 years N/A, 3-5 years 3%, more than 5 years 3% of principal loan amount outstanding on cash	Nakheel, Damac, Emaar, Union Properties, Dubai Properties, Al Dar, ETA Star, Trident International Holdings, Ilyas & Mustafa Galadari group, Dheera & East Coast Group, V3 – Jumeirah Lake Towers, Rose Homes Investments, Falcon City	Yes	No	800-2030 or 800-56267 <a href="http://www.adcb.com">www.adcb.com</a>
Life insurance is not compulsory, can provide Islamic insurance solutions. Property insurance is compulsory	8,000	With any bank. If finance is above 81 per cent a salary transfer to Dubai Bank is required	No	1% processing fee, min. AED7,500 for residents and 1.25%, min. AED7,500 for non-residents; Valuation fee up to AED3,000; Early settlement and repayment charges; Partial payment AED3,000 charge; Full payment minimum AED15,000 or 2% of the outstanding balance	Emaar, JBR, First Group, Nakheel, Abraj, Sabeel, RAK Properties, ARY, Falak, Al Fattan, Cayan, Star Group, Dubai Properties, Lootah, Mag Properties, Muafak, One Business Bay, Fortune Group	Yes	Yes	'Connect to Amlak' 800-26525 <a href="http://www.amlakfinance.com">www.amlakfinance.com</a>
Life and Property insurance	8,000	No	No	Processing fee is 1% of financed amount, maximum AED10,000. Registration fees to be borne by the customer	Emaar, Nakheel, Deyaar, Union Properties, Damac, Dubai Properties and Ishraqaa	Yes	Yes	Toll-free: 800-27224 <a href="http://www.arabbank.ae">www.arabbank.ae</a>
Life and buildings insurance is mandatory	N/A	No	No	Application fee is 1% of the loan amount for AED mortgages, 1.25% for other currency mortgages, Early settlement fee is on a case to case basis; Valuation fee is AED3,000. Agreement in Principle (AIP) fee of AED1,500-2,500 valid for 60 days	Emaar, Nakheel, Dubai Properties	Yes	Yes	Toll-free: 800BARCLAYS 22725297 <a href="http://www.barclays.ae">www.barclays.ae</a>
Life and Property insurance	15,000 for individuals with salary transfer, otherwise 15-20,000 10,000 for joint	No	No	Processing fee is 1% of financed amount, minimum AED15,000; no early settlement fees	Nakheel, Dubai Properties, Deyaar, IFA, Union Properties and Emaar	Yes	Yes	800 5555
Life and Property insurance	15,000 for individuals and 10,000 for joint	No	No	Info not available	'Real Estate' - Villas and apartments anywhere in the UAE. 'Freehold' - Emaar, Deyaar, Dubai Properties, Nakheel and selected properties in Dubai only	Yes	Yes	800 4766 <a href="http://www.alislami.ae">www.alislami.ae</a>
Life and Property insurance (Approved companies only)	8,000 for account holders, others 10,000	No	Yes if salary less than 10,000	Processing fee is 1% of financed amount, minimum AED5,000; pre approval fee is AED1,500; Early settlement profit subject to bank approval. Evaluation fee: AED1,500	Emaar, Nakheel, Tameer, Deyaar and Falcon City	Yes	Yes	04-316-0101 <a href="http://www.emiratesislamicbank.ae">www.emiratesislamicbank.ae</a>
Life and Property insurance	10,000, depends on the price of the property	No	No	1% of the loan amount processing fee plus documentation fee for residents otherwise 15%. AED1,000 commitment fee. Early partial settlement 1.5%; for full settlement 3%	Jumeirah Lake Shore Tower, Burj Al Nujoorn and Jumeirah Bay in Dubai; Seashore Villas in officers City (only for nationals), Aldar, Sorouh, Hydra Properties, Ocean Terrace Residence in Al Reem Island in Abu Dhabi	Yes	Yes	800-2700 <a href="http://www.firstgulfbank.ae">www.firstgulfbank.ae</a>
Property & Life Insurance policies	12,000	Yes	Yes	1% of outstanding loan as early settlement charge. Processing fee 1% , or min. AED5,000	Emaar, Nakheel, Union Properties and Dubai Properties	Yes	Yes	04 331-3999 <a href="http://www.habibbank.com">www.habibbank.com</a>
Mortgage protection policy & Buildings Insurance required	20,000	Yes	No, less 0.15% on interest rate if transferred	Details can be viewed on <a href="http://www.uae.hsb.com">www.uae.hsb.com</a> . 1% of the loan amount is levied as arrangement fee for the mortgage	Emaar Villas & Townhouses; The Palm Jumeirah and The Palm Jebel Ali (except Waterhomes), direct Nakheel projects only; Green Community, Istithmar, Golf Real Estate, The Pad by Omnyat and Al Hamra in Ras Al Khaimah	Yes	Yes	800-404442 <a href="http://www.uae.hsb.com">www.uae.hsb.com</a>
Life and property insurance is mandatory	12,000	Yes	Yes	1% arrangement fee for mortgage loan and 0.5% for new expat mortgage terms; No penalties for lump sum reduction or early repayments; AED3,000 mortgage registration; AED2,500 valuation fee	Emaar, Dubai Properties, Jumeirah Beach Residence, Union Properties (The Green Community & UPTOWN Mirdif) and Nakheel	Yes	Yes	04-342-2000 <a href="http://www.lloydstsb.ae">www.lloydstsb.ae</a>
Life and Property Insurance mandatory	8,000	Yes	Yes	Fixed rate: 1% or Max. AED12,000 as processing fee Variable rate: 1% or Max. AED15,000 as processing fee (No early redemption, buyout options available)	Emaar, Dubai properties, Nakheel, Damac and Deyaar, ETA Star, GiGA, JPIL and lot more.	No	Yes	MashreqDirect 04-217-4800 <a href="http://www.mashreqbank.com">www.mashreqbank.com</a>
Property and life insurance	10,000	Yes	Yes	Processing fee of AED1,500 min. and max. AED5,000. Repayment penalty of 1% of outstanding, maximum AED 15,000 - whichever is greater for cash and 5% for bank buyout	Residential only for expats, looked at on a case-by-case basis	Yes	Yes	800-2211 <a href="http://www.nbad.com">www.nbad.com</a>
Life and Property Insurance mandatory.	8,000 UAE Nationals, 10,000 Expats, 25,000 Nonresidents	Yes	No	1% processing fee, or AED5,000 whichever is higher. 1% of pre-paid amount for pre-payment charge for cash and 2% for bank buyout	Emaar, Nakheel and Dubai Properties etc. Check with provider for more details.	No	Yes	24/7 Call Centre 04-310-0222 <a href="http://www.nbd.com">www.nbd.com</a>
Life and Property Insurance mandatory.	12,000 for single name ownership. 12,000 for joint name (second borrower must have min. AED8,000)	No	No	Loan processing fee of 1% on loan amount. Early repayment penalty 1% of outstanding balance for cash	Nationals-open, Expats-Emaar properties, Dubai Properties, Nakheel.	Yes	Yes	RAKdirect: 04-213-0000 <a href="http://www.rakbank.ae">www.rakbank.ae</a>
Life and property insurance	8,000	No, better interest rates for account holders	No	AED1,500 charged as valuation fee for loan less than AED500,000 and AED2,000 for loan more than AED500,000; 1.5% of loan amount registration fee or minimum AED3,000 whichever is higher; 0.5% of loan amount administration fee	Only completed properties	Yes	Yes	06-568-1000 Toll free: 800-6667 <a href="http://www.nbs.ae">www.nbs.ae</a>
Life is at 0.4% p.a and property is at 0.75% p.a.	8,000	No	Depends on the company	Processing fee of 1%, Early repayment penalty of 2% of outstanding for cash, 5% for a bank buyout	Emaar, JBR and Union Properties	Yes	Yes	04-352-0455
"Property Takaful" through AMAN and "Family Protection Plan" through Salama Insurance	10,000 for individuals or 12,000 as household income, subject to 8,000 minimum for one of the joint borrowers.	No	No	Mortgage processing fee of 1.25%, minimum of AED3,500 up to a maximum of AED15,000. Pre payment charge up to 50%, 2% of outstanding loan, more than 50%, 4% of outstanding loan (subject to certain criteria)	JBR, Nakheel, IFA, Aber, Deyaar, Emaar, Bonyan, Best Homes, Jade, Tulip Sports City, 7 Tides, Asam, GGIC, Sondos...and many more. Tamweel offer mortgages on most UAE developer/developments, check for more details	Yes	Yes	800-4354 <a href="http://www.tamweel.ae">www.tamweel.ae</a>
Property 0.045% and life insurance 0.45% of the loan amount included in the loan	8,000 for individuals 6,000 for joint	Yes	Yes	Processing fee of 1%, Min. of AED5,000 Early repayment penalty of 1% of outstanding, 1.5% for a bank buyout	Emaar, Nakheel, Estithmar, ETA Star	No	Yes	800-2600 <a href="http://www.unb.com">www.unb.com</a>
Property and life insurance included in the loan	7,000	No, better interest rates if salary transferred	No	Processing fee of 1%	Emaar, Nakheel, Dubai Properties and selected private developments	Yes	Yes	800-4847

**Disclaimer:** This table is meant ONLY as a guide and is not intended as a recommendation of a particular mortgage provider. The table was thoroughly checked for accuracy with each provider called individually for information during April 2007 for **MONEYworks** magazine and was correct at the time of going to press. Note that premiums are financed at the discretion of the lender. We recommend that, as with all financial documentation, you check the fineprint very carefully. Check for redemption clauses and/or penalties for early re-payment. Please note: information is subject to change without notice. Any errors or omissions are regretted. Corrections, if any, should be forwarded by fax to 04 391-2173, or by email to [info@moneyworks.ae](mailto:info@moneyworks.ae). All information contained is freely available from bank/provider printed information and websites, as well as direct from bank/provider helplines and/or call-centres.

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## Independent Financial Advisers

UAE

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Name	Address	Telephone	Fax	E-mail	Website
Acuma Wealth Management	P O Box 23940, Dubai	04-3328582	04-3317572	info@acuma.ae	www.acuma.ae
Continental Financial Services	P O Box 62817, Dubai	04-3353433	04-3352553		www.cibme.com
Elfina Financial Investment Consultancy	P O Box 29706, Dubai	04-3551587	04-3551606	info@elfina-invest.com	www.elfina-invest.com
Financial Consultancy Services Company	P O Box 7825, Dubai	04-2663313, 04-2972222	04-2663383	fcs@fcsdubai.com, fcs@emirates.net.ae	www.fcsdubai.com
Synergy Financial L.L.C.	H.O: P O Box 47286, Abu Dhabi Dubai Office: P O Box 62658, Dubai	02-6221121 04-3431300	02-6221120 04-3431373	synergy2@eim.ae info@synergyfinancial.ae	www.synergyfinancial.ae
Mondial (Dubai) L.L.C. (FPI)	P O Box 50060, Dubai	04-3310524	04-3314817	administration@mondialdubai.com	www.mondialdubai.com www.financial-partners.biz/dubai/Intro.asp
PIC (DeVere)	P O Box 75464 P O Box 6315, Abu Dhabi	04-3433878 02-6765588	04-3433644 02-6765558	dubai@pic-uae.com abudhabi@pic-uae.com	www.pic-uae.com

## Licence: MoE (Ministry of Economy)

Name	Address	Telephone	Fax	E-mail	Website
Acuma Wealth Management	P O Box 23940, Dubai	04-3328582	04-3317572	info@acuma-international.com	www.acuma.ae
GlobalEye	P O Box 24592, Dubai	04-3979550, 800-4558	04-3979551	admin@globaleyegroup.com	www.globaleyegroup.com
Holborn Assets	P O Box 333851, Dubai	04-3369880	04-3369961	rubina@holbornassets.com	www.holbornassets.com
LifeCare International	P O Box 71208, Dubai	04-3318688	04-3318001	information@lifecareinternational.com	www.lifecareinternational.com

## Licence: DED (Dubai Department of Economic Development)

Name	Address	Telephone	Fax	E-mail	Website
Belgravia Intervest Group	P O Box 31303, Dubai	04-3197851	04-3303365	info@bigoffshore.com	www.bigoffshore.com
Citco Dubai	P O Box 58066, Dubai, UAE	04-3432666	04-3436613	lwilson@citco.com	www.citco.com
Prosperity Offshore Investment Consultants	P O Box 24459, Dubai	04-3124334	04-3124335	enquiries@prosperity-uae.com	www.prosperity-uae.com
Rasmala Investments	P O Box 31145, Dubai	04-3301041	04-3635635		www.rasmala.com

## Licence: RAKFTZ (Ras Al Khaimah Free Trade Zone)

Name	Address	Telephone	Fax	E-mail	Website
Candour Consultancy	P O Box 9168, Dubai	04-3124410	04-3124411	info@candourconsultancy.com	www.candourconsultancy.com

## Others

Name	Address	Telephone	Fax	E-mail	Website
OFS	P O Box 49388, Dubai	04-3291614	04-3291619	info@ofsdubai.com	www.ofsdubai.com

Notes: The following organisations are also listed as licensed on the UAE Central Bank website but contact/further details were unavailable when this information was compiled, despite repeated attempts to contact each organisation.

1. Al Suhel Financial Advisory East  
2. Inter Capital LLC - P O Box 14424, Dubai, Tel: 2940045, Fax: 2940048  
3. Landmark International Consulting Services

4. Network Corporate Services LLC  
5. Regent Investment Consultants - P.O.Box 28472, Dubai.  
Tel: 3552055, Fax: 3552088

## Licensed Financial Intermediaries

UAE

Note: Financial intermediaries are licensed to undertake brokerage in currencies, commodities and to deal with money market transactions, as per licence from the Central Bank. Main activities at present are brokerage in foreign exchange, futures, options and Contracts for Difference (CFDs) in global stock indices, major stocks, treasury notes and commodities.

Name	Address	Telephone	Fax	E-mail	Website
Century Financial Brokers LLC	P.O. Box 9126, Dubai, U.A.E	04 351 6112	04 355 9876	cfbinfo@centurybrokers.com	www.centurybrokers.com
Eastern Trust LLC	P.O. Box 25404, Dubai, U.A.E	04 228 3003	04 223 7237	easttrust@emirates.net.ae	www.easternttrustllc.com
Leader Middle East LLC	P.O. Box 21416, Dubai, U.A.E	800-4446/04 269 2848	04 268 6844	info@lmedubai.com	www.lmedubai.com
Nexus Insurance Brokers LLC	P.O. Box 94455, Abu Dhabi, U.A.E P.O. Box 124422, Dubai, U.A.E	02 626 6669 04 397 7779	02 626 3322 04 397 4422		www.nexusadvice.com
Orient Finance Brokers	P.O. Box 2495, Dubai, U.A.E	04 351 4900	04 352 4996	info@orientfinance.com	www.orientfinance.com
Sterling Financial Brokers	P.O. Box 26652, Dubai, U.A.E	04 221 3949	04 224 3271	info@sfbme.com	www.sfbme.com
World Index Investment LTD	P.O. Box 111012, Dubai, U.A.E	04 359 8882	04 359 9030	info@world-index.com	www.world-index.com

Disclaimer: This list is meant as a guide only and is NOT meant as a recommendation of any particular organisation - listings are simply in alphabetical order, by licence. All information contained herein is subject to change without notice. This listing was checked for accuracy and updated during April 2007. Any errors and/or omissions are regretted. Corrections, if any, should be forwarded by fax to 04-3912173, or by email to [info@moneyworks.ae](mailto:info@moneyworks.ae). (Source: UAE Central Bank Website, last updated March 31, 2003)



## Letter of the Month

Email: [editor@moneyworks.ae](mailto:editor@moneyworks.ae)Letter of the month wins a complimentary annual subscription to **MONEYworks**.

Dear Editor,

I read with interest your cover story in February about UAE's real estate survey and, as your survey reflects, there are no clear answers and everybody has their own opinion or reasoning. However, I think that you really need to take comments made by representatives from banks, real estate developers and agents (and other individuals within similar or related businesses) with a pinch of salt. One has to realise that all these people are in some way related to the real-estate business, be it selling mortgages or selling properties. Therefore it is not in their best interest to make claims that the real estate boom will soon end. Secondly, this market is full of extremely

wealthy people who have the sustaining power to see out a dry patch. I have driven around Dubai extensively and indeed there are several thousand new properties expected to hit the market this year or the next. What is surprising is that even with the existing finished developments, there are so many properties that are TO LET or FOR SALE. So it is hard to believe that there is a shortage. I think home-owners can simply afford to wait to get the price they want, the price they believe they deserve, a belief that is instilled by banks, real estate companies, etc. that the boom is on and prices are rising and there is shortage.

Secondly, I don't think the survey touched on maintenance charges. Several new projects are

launched, but maintenance charges are withheld. I am not sure that is fair because developers can literally hold owners hostage and make them pay what they want once they have committed to purchasing a property. I have seen that happen before and I think it is a major point that needs tackling. (Deen, Dubai)

*You have made some valid comments. But I do want to stress here that our objective with the survey was to involve experts in the industry who have primary knowledge of what is going on. We also had a good mix from non-industry constituents as well. We have a story on "maintenance charges" in this edition. I hope it addresses some of your concerns.*

Write to **MONEYworks** - Reader's letters.

All correspondence **MUST** carry a daytime telephone number (a mobile phone number will not suffice), there must be an address and the letter should be signed by the author. We cannot publish every letter, and those that are may be edited or excerpted.

Post to:

PO Box 10656, Dubai, UAE.

Fax to: 00971 4 391 2173.

Email to: [editor@moneyworks.ae](mailto:editor@moneyworks.ae)

Make the subject 'Readers' and don't forget that telephone number.

**Advice to readers:** Information given here is checked for accuracy, but we strongly recommend that you make enquiries and, if necessary, take professional advice before entering any transactions. The value of many investments can go down as well as up and you may not get back the amount originally invested.

The Column



James Thomas

# Gazing into the crystal ball

**James Thomas** reiterates the fundamentals once again. Think about the future and take a long-term view.

## QUESTION:

**"I am a small investor, but I have got investments in equities and bonds, fixed deposits and property, in international currencies and local UAE dirhams. I have lost some money recently in the equity markets, and I am not sure if I should get back to cash and wait out the uncertainty, especially with so many different views on where the markets are heading to. Can you please advise me as to what I should be doing under the circumstances?"**

Who says there is market uncertainty? If I had a crystal ball and could predict which way the equity, bond, commodity, property or money markets were going to go, then I would not be here writing this article!

Stockmarkets virtually always experience uncertainty or volatility; indeed, it is very rare for markets to be stable. I would suggest that this is a normal and healthy position, and if you are not comfortable with the uncertainty, then maybe this is not the place for you to invest into.

There are a huge number of factors that affect market movements, from supply and demand, merger and acquisition rumours, market sentiment, expert opinion, to one off events. To expand on these points; a lack of supply and an increase in demand has driven the price of oil to record levels, and on the back of this, oil company stocks have also risen to record levels. Conversely, a lack of demand and an increase in supply can cause prices to fall.

Market sentiment can affect prices for no other reason than a particular stock or company is in or out of favour at that point in time. Expert opinion, such as that of the US Federal Reserve's chairman Ben Bernanke

or the Bank of England's governor Mervin King can affect stock markets in a positive or negative manner.

One off events can also have a large impact on stock markets, but these are usually only short-term effects and markets generally recover quite quickly. As with all of these factors, they are simply points of view or opinions and so can be equally right or wrong. Only time will tell which is correct.

So what should you do in these circumstances? This is almost impossible to answer without having a full picture of your financial situation and your reasons for investing. Therefore, I would go back to the basic financial planning principals, with the 'broad concept' approach. This consists of a series of four questions. Firstly you need to consider where your financial situation is now; then consider where you would like to be; then review what the options available to you are and finally what is the best option for you today. Once these questions have been discussed and conclusions are drawn, we should be in a much better position to move forward.

Before you start looking at the various investment strategies, stocks, funds and other investment products, I would always recommend that you go back to the first stage of investment planning. That is to put aside a cash reserve equivalent to three to six month's salary for emergencies. This should sit in a high interest account that is easily accessible so it can be accessed as and when necessary.

Once you have this in place, you can start to look at longer-term investments. To start the planning process, I would recommend that you ask yourself a number of questions including; what am I looking to achieve from my investments, over what time scale do I

want to invest for and how much risk do I want to take with my money?

What is the time scale over which you are looking to invest? If it is less than five years, then I would suggest that stocks and shares are not the place to invest anyway, as this time scale is not long enough to secure a reasonable return. If you are willing to invest for longer than five years, then there are a wide range of investments that you can consider.

Are you looking for a high risk, higher potential growth strategy where you may achieve high rates of return but equally could lose some or all of your capital; or would a low risk, potentially lower return strategy be more suitable for you, where you can be more comfortable that your initial investment is secure, although the rewards may be lower?

When we discuss risk, there are a number of ways it can be looked at, but basically what we are asking is how much risk you are willing to take with your initial investment to try and obtain a particular rate of return. For example, with a bank account your capital is completely secure, but the return over the longer-term can be poor.

I would always advocate a strategy of diversification, that is, not "putting all your eggs in one basket". This should include investment into the world's major stock markets and asset classes. That way if one sector or type of investment isn't performing, then chances are another will be, so the overall effect will be to smooth out the peaks and troughs of the markets and leave you with a consistent rate of return.

I would suggest that if you take this approach, then short term volatility can largely be ignored, as you have a clear and defined plan for your financial strategy, and with regular reviews, you should achieve your goals.

James Thomas joined Acuma Wealth Management, a company licensed and registered by the Central Bank of the UAE, in 2004, having worked as an independent financial consultant in the UK for six years. He is fully qualified and is a member of the Chartered Insurance Institute of London. Contact James at [jthomas@acuma.ae](mailto:jthomas@acuma.ae)

Sultan bin Saud Al Qassimi



The long and the short of it

# What was Emaar thinking?

A deal that could have been handled better. **Sheikh Sultan** considers what might have been.

**N**ot since the 1956 incident of the Suez Canal has a listed Middle Eastern company with a broad international shareholder base been nationalised by an Arab government.

If this was Asmak or Jeema, then it wouldn't raise many eyebrows, due to the relatively small shareholder base. But this is the jewel in the crown of the UAE stock market. The blue chip of blue chips.

Thanks to the move by Dubai Holding to acquire around 28 per cent of the real estate giant, thereby bringing the government stake to a convenient 51 per cent, shareholders will no longer need to attend the annual general meetings and waste their time, as decisions on the future of the company will be taken far away from the hassle of convening costly yearly assemblies. This allows for faster decision making and saves the company the substantial amount of money it spends on hosting the hundreds of shareholders who go out of their way to attend the AGM to finally get their hands on the expensive glossy annual financial reports (last year it came with its very own lock) that are only distributed to the shareholders just as they walk into the dimly lit auditorium in the Dubai World Trade Centre's Multaqa Ballroom.

The deal is basically a land for equity swap. Dubai Holdings gives Emaar some promised land worth AED27 billion that has yet to be identified let alone valued by an independent authority. The share value has seen a decline ever since the announcement, and even in the courteous world of Gulf money markets reporting, pundits have not been able to defend the deal's secretive approach.

It would be useful if Emaar clarifies its position on whether it is open to other land-for-shares deals in the Emirates or in the region.

This deal has also caused a number of rumours to surface. As in any one of the Gulf countries where there is a vacuum in information available to shareholders, the corners of *majlises*, *diwaniyas* and coffee shops turn into rumour mills that are mostly based on, well, other rumours.

The rumours in this case touched upon the reason behind why Emaar's 2006 dividends were halved to 20 per cent from 40 per cent in 2005, with some people arguing that it was due to the pending announcement of the Dubai Holding deal a fortnight later. The alleged claim is that Emaar wanted to keep the cash in its coffers for the new suitor. It also raises some eyebrows on the reason behind the selling of a majority stake of Dubai Bank to Dubai Holding when the latter was clearly interested in the goose that laid the golden egg.

If Emaar, and by extension the entire UAE stock market family, want to salvage their reputation, then they need to employ more corporate governance and transparency laws. In Emaar's particular case, it has to bring in an independent, internationally recognised real estate valuations expert (not Hamptons) to judge whether the value of the land is fair and just for its 50,000 plus shareholders<sup>1</sup>.

Emaar needs to take its shareholders seriously and make sure that the financial statements are received well in advance so


that they are able to study the company's performance for a period that extends beyond a few minutes.

Emaar should implement international accounting standards rather than claim to be an Islamic Shari'ah compliant firm in order to allow their shareholders to feel secure and possibly seek a DIFX listing if they are accepted to do so. These standards include allowing access to their financial controllers and records by large investment banks and independent financial research groups.

Emaar should refrain from *fait accompli* announcements and give the semblance that the three hour AGMs are there for a give and take reason and not as a take it or leave it deal.

There is no doubt that His Highness Sheikh Mohammed Bin Rashid Al Maktoum, UAE Prime Minister and Dubai Ruler, will make sure that the shareholders will not receive the short end of the stick in this deal. Emaar's chairman is our very own Donald Trump, who has dazzled us with his pioneering initiatives from the planned communities to the fantastic Burj Dubai and Dubai Mall projects that have become iconic symbols of our beloved city and country.

The media plays the role of the guardian of the people's interests and its duty is to politely but clearly indicate any shortcomings by listed firms that one hopes those responsible would accept with open minds.

If Emaar wants to carry the baton of blue chip firms, it has to start acting like one. 

Sheikh Sultan bin Saud Al Qasimi is the chairman of Barjeel Securities and CIL.  
(Footnotes)

<sup>1</sup>[http://www.khaleejtimes.com/DisplayArticle.asp?xfile=data/business/2004/June/business\\_June183.xml&section=business](http://www.khaleejtimes.com/DisplayArticle.asp?xfile=data/business/2004/June/business_June183.xml&section=business)