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Keypoint hosts GDPR seminar

Nishith Saxena, from Keypoint's IT consulting practice, led a successful seminar attended by key decision makers from businesses in Bahrain, Saudi Arabia and the UAE on how the European Union's new general data protection regulation (GDPR) could impact GCC institutions. The new regulation, which was approved in 2016 and came into force on 25 May 2018 across the EU, is designed to protect data privacy and reshape the way organisations approach data privacy. Because the regulation has such a broad canvas, any institution, no matter where it is located, that holds or processes the personal information of an EU citizen or resident is bound by it.

Organisations outside the EU that offer goods or services to EU residents may have to comply with the GDPR to continue to do business.



The GDPR has been developed to harmonise data protection laws across the EU. "The definition of personal data is staggeringly wide," cautions Nishith, "as it includes anything that can be used - even indirectly - to identify someone. This includes names, phone numbers, email addresses, bank details and medical information - or even an IP address or a post on a social media site."

The regulation introduces a wide range of new rights to data subjects, such as the right to access data and the right to be forgotten, as well as new requirements regarding breach notifications, data portability and privacy by design. It also mandates the role of data protection officers (DPOs) for public authorities and organisations hosting or monitoring personal information on a large scale.

In order to be GDPR-compliant, firms should have sound information governance frameworks as well as a suitable technology platform.



Nishith, who has been involved with data security for over 15 years, says the GDPR has massively increased the territorial scope of the EU's privacy protections, as well as ramping up penalties and strengthening the conditions for consent. A number of global firms that use customer data to, for example, to target advertising have quietly reacted to the impending imposition of the GDPR by moving their data to the US which has less stringent data protection laws.

Pointing out that fines and other penalties are significant (at up to 2.5% of global revenue), Nishith believes that awareness of the imminent enforcement of the regulations is limited, with management often unaware that GCC companies, such as financial institutions, hospitals and airlines may have to comply with the GDPR. "Regulators, businesses and a range of other stakeholders need to understand if and how this could impact them. The most effective way to answer both of these challenges is to assess the gaps between their current practice and what the GDPR expects."

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CBB opens CRS portal for financial institutions

The Central Bank of Bahrain (CBB) issued circular OG-273-2018 on 20 June, detailing CRS reporting deadlines and reportable jurisdictions. Key points include:

1. The new AEOI portal opened on Sunday 24 June.
2. The reporting deadline for all reporting financial institutions (RFIs) is 12 July.
3. RFIs will be penalised if they fail to meet the deadline.
4. The CBB portal is <https://aeoi.cbb.gov.bh/aeoiportal>.
5. Reports must comply with CRS regulations and commentaries.

31 countries are listed as reportable jurisdictions. As no GCC country is a reportable jurisdiction for Bahrain this year, the number of reportable accounts for reporting financial institutions is likely to be significantly reduced. The CBB followed up on 21 June with an AEOI portal user's manual and shared a slide pack used at a training session for financial institutions.

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Bahrain announces significant oil and gas reserves and other industry developments

At the beginning of April, Bahrain's Ministry of Oil announced its biggest ever discovery of hydrocarbon deposits, estimated to be at least 80 billion barrels of tight oil and between 10 and 20 trillion cubic feet of deep natural gas.

Industry analysts immediately suggested that the discovery could significantly – and positively – impact the kingdom's economy. "The find... could stimulate private investment in the country's energy sector in the near-term, and in the medium-term could increase government oil and gas related revenue, and reduce the country's fiscal and current account deficit," according to Moody.

In a presentation to the American Chamber of Commerce (AmCham) at the Four Seasons Hotel on Bahrain Bay on Tuesday 26 June, the Minister of Oil and chairman of the National Oil and Gas Authority, Shaikh Mohammed bin Khalifa Al Khalifa, clarified that the reserves had been known about for some time and that enhanced oil recovery (EOR) techniques could mean that up to 15% (or 12b bbls) of the oil could be recovered, fundamentally upscaling Bahrain's oil production. The oil minister also discussed the ongoing modernisation of Bapco's refinery – one of the GCC's oldest and largest – as well as other industry developments.

Bahrain hosts Gateway Gulf forum

In April, Bahrain's Economic Development Board (EDB) hosted the first Gateway Gulf Forum, bringing together over 90 speakers and 850 registered participants from more than 40 countries to explore ways of unlocking the opportunities being created by economic transformation in the GCC. The event showcased major investment-ready projects valued at US\$18b, with projects in the planning phase driving up the value of the project pipeline to US\$26b.

A US\$1b Bahrain Energy Fund, the first fund in the GCC to provide institutional investors with access to local energy assets, was announced at the forum, as well as - as part of the broader development of the country's tourism sector - the launch of Bahrain's first five-star retreat.

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Bahrain 'GCC's foreign direct investment leader'

Foreign direct investment (FDI) inflows to Bahrain grew by 114% in 2017 to US\$519m, according to data released by the United Nations Conference on Trade and Development (UNCTAD), despite a drop in global FDI of 23%. FDI growth has been supported by a number of major economic reforms – with UNCTAD citing Bahrain's amendments to its commercial companies law allowing 100% foreign ownership in additional sectors as one example. In 2017, Bahrain's Economic Development Board (EDB) attracted 71 new companies to Bahrain, representing an investment of US\$733m and creating more than 2,800 jobs in the local market over the next three years.



"Foreign direct investment creates jobs, diversifies the economy and fuels growth – so we are delighted to see such strong momentum, even against a challenging global backdrop. This proves the growing interest in the GCC opportunity is translating into investment," said Khalid Al Rumaihi, Chief Executive of Bahrain EDB.

Among the most prominent developments in 2018 have been the growth of Bahrain's fintech ecosystem, including the launch of Bahrain FinTech Bay, the largest fintech hub in MENA; the establishment of a US\$100m fund of funds to help fund start-ups across the Middle East; and a growing number of companies using the Central Bank of Bahrain's regulatory sandbox to develop new products and services.

Solution spotlight: Performance management review system

As many companies in Bahrain use this time of year for their performance appraisals, now would seem to be an excellent time for Arpita Mhatre, who heads our human capital function, to explain what a PMRS is – and how it can support businesses.

A PMRS helps organisations to evaluate employees' performance according to business strategy, pre-set objectives and key performance indicators (KPIs) and to attract, retain and motivate high calibre employees. Advantages of automated PMR systems include:

- They enable employees to set their own goals and objectives (in consultation with their managers)
- HR, employees and managers can track the appraisal cycle
- Employee appraisal cycles can be controlled – and HR can request reviews
- Previous appraisal cycles can be stored and their data accessed and used
- Manual effort is significantly reduced
- Reporting is more detailed
- Appraisal cycle turnaround times are minimised



Arpita stresses the importance of customising – or, where necessary, developing – core competencies, based on an organisation's mission, vision and overall business strategy.

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Bahrain announces 10-year renewable residency permits

His Royal Highness Prince Salman bin Hamad Al Khalifa, the Crown Prince, Deputy Supreme Commander and First Deputy Prime Minister, has issued a directive to introduce 10-year residency permits on a self-sponsorship basis to foreign investors, supporting an attractive investment climate and further consolidating the Kingdom's position as a destination of choice for investors.

Leading analysts have suggested that the initiative will particularly support the development and sustainability of small and medium enterprises (SMEs) – already a key part of the Bahrain economy.

Mohammed Ashraf, who heads Keypoint's statutory & corporate advisory function, believes that the new permits - with further details still to be announced - will help reinforce Bahrain's image as the most business-friendly economy in the GCC.



Bahrain continues to support growth of conferences and exhibitions

The Minister of Industry, Commerce and Tourism, Zayed R. Al-Zayani, has announced that construction will begin shortly on a new Bahrain Centre for Exhibitions and Conferences on a 297,000 m² plot of land near the Bahrain International Circuit in Sakhir. The development includes 10 halls, a large conference hall that can host up to 4,000 people and 26 small and medium-sized meeting and conference rooms, all equipped with the most advanced technology. A tender process will be announced in the third quarter of this year, with construction work set to begin in October and be completed by late 2020.

Rami Al Jallad, who heads Keypoint's management consulting function, believes the new exhibition and conference centre will enhance the meetings, incentives, conferences and exhibitions (MICE) industry in Bahrain, a cornerstone of the Bahrain Tourism and Exhibitions Authority's "Ours, Yours, Bahrain" strategy. BECTA is keen to develop the tourism sector in the Kingdom of Bahrain, enhance its role in the national economy and help to realise Bahrain's Vision 2030.



Bahrain pressing ahead with VAT preparations

It is understood a professional firm of tax consultants has been appointed to assist the Ministry of Finance with the implementation of VAT in the kingdom. Although there has been no further announcement on the date of VAT's implementation, most observers believe that 1 January 2019 is now most likely. Bahraini businesses have two significant advantages: they can learn from their peers in Saudi Arabia and the UAE and they have time.

Keypoint has the largest specialist VAT team in Bahrain, serving clients across the GCC. Having completed over 60 VAT engagements over the last twelve months, the importance of training and knowledge transfer can't be under-estimated, according to Mubeen Khadir, the Head of Keypoint's tax function.

Mubeen believes VAT knowledge must be pushed from the top down and from the bottom up. Internal and external messaging needs to be consistent, with communication with stakeholders – suppliers, customers and others – a critical determinant of eventual success.

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Businesses are stronger when they speak and act with one voice – so it is important that companies learn from each other as well as raising issues with regulators and governments through industry bodies.

Businesses should carefully consider resourcing, ensuring that there are enough resources (including people) to carry out required changes and clearly delineate responsibilities. One way Keypoint has helped grow business' understanding of the challenges and opportunities VAT will bring is through seminars, with senior members of the team leading presentations in Manama - including an [insurance-focused seminar](#) that was co-hosted by the Bahrain Insurance Association – and in Riyadh to key decision makers at Korean businesses (in Korean).

For more details on how Keypoint can support your organisation's VAT preparations, please contact Mubeen Khadir at mubeen.khadir@keypoint.com or +973 1720 6879

New joiners

Underlining our ambition to be the region's leading professional services provider, Keypoint constantly searches for executives who can broaden our range of services, helping us to add further value to our clients.



Sindhu Balasubramanian, who has joined our financial regulatory compliance function as a senior manager, is an experienced compliance professional with significant regulatory compliance and anti-money laundering (AML) expertise.

Having worked in financial services for a decade, she has implemented effective compliance and risk mitigation strategies in a variety of organisations. A graduate from the Indian Institute of Management in Ahmedabad, Sindhu is a certified anti-money laundering specialist (CAMS) and holds the international diploma in compliance from the International Compliance Association (UK). She was recently awarded the executive certificate in applied financial risk management from the Indian Institute of Management, Kashipur.

Prior to joining Keypoint, Sindhu was the head of compliance and MLRO with a leading financial institution in Bahrain where she was the project sponsor for a FATCA impact assessment. Sindhu is a visiting lecturer at Strathclyde University and the Bahrain Institute of Banking and Finance (BIBF).

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Social calendar

Teams that play together tend to work better together. Keypoint's leaders have always been keen to invest in a strong team ethos, whether through end-of-month social gatherings or larger, more inclusive affairs. Marking the holy month of Ramadhan, our social committee organised a lively ghabgha at the Four Seasons at Bahrain Bay, attended by over 100 Keypoint professionals and their partners.



Wajdi Al Jallad, our managing director, welcomed the opportunity to develop stronger networks across teams. "As Keypoint as a business continues to grow, we need to work harder to ensure that we remain a family. Social events like this are excellent opportunities to bring everyone together, recognising the contributions that all of us make to the ongoing success of the Keypoint brand."

About Keypoint

- Keypoint was founded in 2006 and adds value with professional, business advisory services in the Kingdom of Bahrain and across the region. As well as Bahrain, we have offices in the Eastern Province of Saudi Arabia and in Amman in the Hashemite Kingdom of Jordan.
- Our clients range from large multinationals and financial services institutions to family-managed conglomerates and small and medium-sized enterprises.
- Keypoint's fund administration and trust services are licensed and regulated by the Central Bank of Bahrain.
- Keypoint is authorised by the Bahrain Bourse as a sponsor in the Bahrain Investment Market.
- Keypoint employs approximately 90 professionals, all qualified and with relevant experience.
- Our professionals include members of professional bodies including the Institute of Chartered Accountants, the Institute of Chartered Financial Analysts, the Institute of Internal Auditors, the Institute of Personnel & Development, the Institute of Chartered Tax Advisors and the Institute of Certified Fraud Examiners.
- Other professionals hold advanced degrees in law, finance, accountancy, economics, management and business administration.
- As well as certified information system security professionals, our IT professionals hold a range of specialised IT qualifications, including CISCO, Prince 2, ISO 270001LI and ISO 22301/BS 25999.
- Our vision is to be the region's leading professional business services provider by consistently providing a full range of business services that are:
 - Reliable
 - Cost-effective
 - Smart