New horizons
Understanding international assignments and the UAE
Table of contents

Introductory message from leadership
Section 1 – An introduction to the international partner assignment
Section 2 – Understanding the partner international programme assignment package
Section 3 – Living and working in the UAE
What next
Introductory message from leadership

Improving mobility around our Network is a key strategic focus for our firm.

Our strength and geographical spread give us an ideal opportunity to capitalise on the potential of Emerging Markets. Deploying more of our best people internationally ensures that our clients get the best advice and support where they need it.

I am also convinced that international assignments provide our people with truly enriching professional and personal experience, whilst creating the networks and friendships that are an important part of our distinctiveness as a firm.

The world of business is changing and for us this means that we must challenge our traditional career paths, build personal experience of new markets and be a better connected, global network than ever before. Our international assignment programme provides you the opportunity to explore the boundaries of your world and take your experience to a new level. I commend it to you.

Dennis Nally
Chairman and Senior Partner
PricewaterhouseCoopers LLP
Section 1 – An introduction to the international partner assignment

- Global Mobility and the PwC Experience
- An international assignment – what to expect:
  - What an international assignee can expect from PwC
  - What PwC expects of international assignees
  - Accepting an international assignment
  - Some key responsibilities
Section 1
Global mobility and the PwC experience

Global Mobility gives us a competitive advantage by providing expertise to our clients and markets around the world in an agile and efficient way. It also gives our people outstanding opportunities for personal and professional growth. At any one time there are more than 2,500 of our people on international assignment throughout the network of firms.

While every individual assignment experience is unique, just some of the benefits most commonly highlighted by our assignees are:

- A deeper understanding of the way that business is conducted in other countries.
- Lasting relationships with overseas colleagues and clients.
- Appreciation of the role and importance of local or national culture in business and society.
- Personal satisfaction derived from enabling the firm to meet critical strategic client or market needs.
- A broader understanding of our global network and a sense of contributing to PwC’s continuous development.
- New competencies and enhanced skills.
- A sense of greater self-confidence in responding to new challenges and succeeding in different environments.

International assignments equip our people with key skills that support future career progression and can provide a unique life experience for accompanying family members. Evidence shows that our former assignees demonstrate enhanced engagement levels. International assignments therefore contribute to our ability to deliver the PwC Experience.
Section 1
An international assignment – What to expect

What an international assignee can expect from PwC

Career development. Every assignee will be allocated a business sponsor or “owner” in the host and home firms. The assignment owners will help to set objectives and maintain joint oversight with the assignee for their ongoing career development.

Fair and transparent reward. The “home based” philosophy of the programme delivers global consistency and equity as partners remain on their home firm income system. Partners have a guaranteed right of return to their home firm. Remuneration comprises the home firm income (net of tax) which is supplemented by assignment and relocation allowances.

Expertise. The PwC international assignment programme is leading edge. Assignees are supported by Global Mobility professionals throughout their international assignment experience, from pre-assignment planning to repatriation. High quality relocation services are provided by well established specialist vendors. Expertise is similarly engaged to provide assistance with and safeguard personal tax and immigration compliance.

Repatriation planning. Early consideration is given to the role that the assignee will perform on their return home. A repatriation plan is agreed which sets out how the business and the assignee intend to manage reintegration to the home firm and capitalise on the international experience of the assignee.

Recognition. Mobility of knowledge and skills enriches our peoples’ experience and is relevant to everyone in the network. An international assignment that is connected to PwC’s strategic priorities, will broaden career opportunities and complement attributes that support future progression.
What PwC expects of international assignees

Advance planning and preparation. It is essential that prospective assignees give full consideration to the professional and personal implications of moving and working abroad. Ask yourself some important questions such as, “How will the international assignment complement broader career aims?” “What is the potential impact on my family/dependents?”

Engagement and responsiveness. A strong assignee will drive their own assignment experience. Full involvement in the objective setting process and regular updates on achievements against these with the home and host assignment owners are expected. Timely completion of documentation is required to support assignment processes and matters such as tax and immigration compliance.

Flexibility and self awareness. The ability to embrace and be agile with change is a key characteristic of a successful international assignee. It aids the settling in process, informs a better understanding of cultural differences and equips assignees to respond to a new professional environment. Remember that an international assignment is a complex undertaking. PwC has shaped its programme based on many years of experience, but elements of it (e.g. embassy work permit processing times or shipping delays) are outside our control.

Global mindset and knowledge sharing. Assignees should actively seek out opportunities to share information and expertise both during and after their assignment. They should lead the preparation of their repatriation plan and focus on executing this on return to their home firm.

Ambassador and advocate. As an ambassador for their home firm and the international assignment programme, the professional conduct of all assignees is imperative. Most will be asked to act in a mentor or buddy capacity to other international assignees at some point during or on completion of their assignment. All will be asked to contribute feedback that will help drive the continuous improvement of the international assignment programme.
Section 1
An international assignment – What to expect

Accepting an international assignment

An international assignment will most likely be a greatly enriching experience, but it is unlikely to proceed without some upheaval for the assignee and their family.

It is important to give full consideration to the range of challenges that may arise from moving and working abroad before a decision is made to accept an international assignment. Some of these challenges can feel very disruptive if they are unexpected or go unmanaged. The typical international assignee thrives on change, and much of the experience the international assignee will face is developmental in nature.

An international assignment is inherently complex and you should expect the relocation process to take two to three months. An international assignee will move their home, their job and potentially their family across borders. Regulatory requirements arising from matters such as tax and immigration compliance must be fulfilled. Household goods may need to be packed up and shipped considerable distances.

The assignee and any accompanying family needs to consider how they will go about settling in to the host location. Assistance is provided with home and school searches, but the distance and accessibility to friends and family needs to be considered. There will be a need to build a new professional and social network, become well versed in cultural differences and possibly learn a new language. The employment prospects for accompanying partners, type of accommodation, neighbourhood and climate may be very different from home. It may prove difficult to purchase favoured products in local shops.

Considering the above, it will be of little surprise that flexibility, adaptability and self awareness are among the attributes most frequently associated with successful international assignees.

Extensive support is provided by Global Mobility professionals throughout the international assignment cycle. But in order for an international assignment to be a true success it is important that this is complimented by a regular investment of time and input from both the assignee and those with ownership responsibilities in the business.
Section 1
An international assignment – What to expect

Some key responsibilities

Successful international assignments require engagement from the assignee, individuals in the home and host business, Global Mobility professionals and others involved in the relocation process.

Some of the key responsibilities are highlighted below:

<table>
<thead>
<tr>
<th>Assignment Owner</th>
<th>Pre-Assignment Selection</th>
<th>Agree the terms of the assignment</th>
<th>During the Assignment</th>
<th>Repatriation/Reintegration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consider priority markets for firm, career development for assignee and practical and cultural fit to role.</td>
<td>Agree business case, assignment classification and split of costs with home/host counterpart.</td>
<td>Regularly contact, coach and develop assignee. Monitor progress to objectives and repatriation plan.</td>
<td>Finalise repatriation plan 3 months prior to assignee return. Facilitate re-integration and execution of plan.</td>
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<tr>
<td>Research host location. Gain home country support. Participate in interviews as required.</td>
<td>Agree objectives/business case for assignment. Complete all required paperwork on a timely basis.</td>
<td>Regularly contact/share appraisal data with owner. Monitor progress to objectives and repatriation plan.</td>
<td>Finalise repatriation plan 3 months prior to return. Execute plan, seeking opportunities to use skills on return.</td>
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</tbody>
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Section 2 – Understanding the partner international programme assignment package

- The partner international programme (PIP) package
- Gross income
- The PIP policy provision
- The partner assignment package in full
Section 2
The partner international programme (PIP) package

- The assignment programme for partners (PIP) differs from that for staff because partners are owners of their home firm business and the policy is in line with how clients manage the international assignments of their senior executives.
- International assignees remain partners of their home firm and so remain on their home country income system which is supplemented by assignment and relocation allowances.
- The “home based” or “balance sheet” philosophy of the programme delivers global consistency for partners.
- The principles and calculation methodology of the assignment allowances are exactly the same whatever home and host countries are involved, but the total costs can vary according to the partner’s home country income and family size.
Section 2
Gross income

A partner’s home country gross income is distributed among four key areas, these being:

- Taxes;
- Housing and Utilities (H&U);
- Goods and Services (G&S); and
- Savings and Investment (S&I).

A partner remains on their home country income system throughout their international assignment. While on an international assignment the home gross income of a partner is determined in the same manner as if they had not undertaken an international assignment. However the costs of Taxes, Housing and Utilities and Goods and Services will generally be more expensive in the host firm.
**Section 2**
The PIP policy provision

The PIP policy provision deals with the four key disbursement areas in the following manner.

**Taxes**
The partner is tax equalised, so they pay no more tax than the amount they would have paid had they remained at home.

This allows all partners to be treated the same irrespective of whether the host tax rates are higher or lower than the home country; all host country taxes become an assignment cost.

If a partner still has to pay home country taxes whilst on assignment this approach also provides for this.

If there are no taxes in the host country, tax equalisation still applies to ensure consistency for all partners on assignment, irrespective of home and host location.

A change in the host country tax rates will not affect the partner whilst on assignment.

**Goods & services**
The partner receives an allowance or differential to recognise the difference between a market basket of goods & services in the home and host location.

To ensure accuracy this data is sourced externally and is reviewed annually.

The allowance is subject to a home country gross income cap, which will vary by country.

A negative cost of living is applied, subject to a cap.
Section 2
The PIP policy provision

Housing & utilities
The partner is provided with a host rent allowance in order to rent a property of a reasonable standard. This is based on external market data but recognises local conditions and the allowance is approved locally.

The rental allowance varies by family size (though for calculation purposes there is a maximum) and the lower of the actual rent or rental allowance is provided.

The partner also receives a utility allowance as a contribution towards their host utility costs. Again this is based on family size.

The partner will be expected to contribute towards the above cost in the form of a home housing norm. This is facilitated by a deduction from gross income.

The home housing norm is subject to a home country gross income cap.

Savings
These do not change on assignment.
Section 2
The partner assignment package in full

The Partner assignment package offers further benefits that are received at the various stages of an assignment.

**Pre-Assignment:**

*Exploratory/house-hunting trip and house search assistance.* Support from location specialists who also set up the tenancy agreement.

*School search assistance.* If required.

*Immigration support.* Obtaining the requisite work permit for the assignee and visas for accompanying family members.

*Cultural orientation/language training.* Based on business needs (if required).

*Home country automobile disposal.* Reimbursement of loss on sale of car (if applicable).

*Shipment of household goods.* Volumetric allowance determined by family size.

*Spousal allowance.* If applicable.

**Arrival:**

*Outbound flight.* Outbound air travel; class of travel dependent on flight duration.

*Major appliance reimbursement and furniture allowance.* For major electrical goods and furniture if not shipped or part of rented accommodation.

*Settling-in allowance.* Non-accountable cash lump sum paid on arrival as a contribution towards close down costs in the home and towards the costs of settling in.

*Time off to relocate.* Maximum of ten days.

*Temporary living expenses.* Maximum of 30 days in a hotel prior to departure and post arrival.
Section 2
The partner assignment package in full

On Assignment:

Goods and services (G&S) differential.

Housing differential. Combination of the host rent & utility allowance and the home housing norm.

Education differential. Difference between actual home costs (if applicable) and host costs (if using a fee-paying school).

Service Allowance. Budget against which one can claim for legitimate assignment costs not already covered.

Medical insurance differential. Comprehensive international medical insurance plans.

Other insurances. The partner remains on their home firm benefit programme.

Tax equalisation.

Location premium. Where applicable.

Storage of household goods at home. If applicable and subject to limits.

Annual home leave trip. One flight per assignment year for the partner and accompanying family members; class of travel dependent on flight duration.

On Completion:

Return flight. Return air travel; class of travel dependent on flight duration.

Shipment of household goods. 10% increase on outbound volume.

Settling-in allowance. Non-accountable cash lump sum paid as a contribution towards close down costs in the host and re set-up costs in the home.

Temporary living expenses. Maximum of 30 days in a hotel prior to departure and post return home (if applicable).
Section 3 – Living and working in the UAE

- A region with exceptional growth potential
- The UAE - a brief overview
- PwC in the UAE
- In the words of the international assignee
- Immigration & Tax
- Religion, laws and customs
- Gender
- Accommodation
- Schooling
- Driving
- Security
Section 3

The Middle East – A region with exceptional growth potential

The Middle East region is one of the richest and fastest growing markets in the world. It offers exceptional growth potential for PwC, our clients and our people.

The PwC network is making a significant investment in this key market. PwC UK recently entered into a strategic alliance, as a consequence of which it took a majority shareholding in the Middle East firm.

The opportunities for our people are wide ranging. Substantial investment continues to be made in long-term infrastructure projects which are changing the face of the region. Sovereign wealth funds are creating international businesses that are making acquisitions around the globe.

The Middle East spans many nations, ethnic groups, religions and languages. The economies of these nations range from the relatively poor and undeveloped to the extremely wealthy. Some nations are heavily dependent on the export of oil and oil related products, while others have a broader and more diverse economic base.

International assignees will make an important contribution to the achievement of the Middle East firm’s strategic goals in the region, both during the assignment and on their return. The business and career opportunities for those with networks and experience of doing business effectively in this strategic market will be extensive.

Away from the office, the expatriate community in the region is large and well developed, a product of the employment market in several Middle East economies being largely comprised of international assignees.

The infrastructure in terms of roads, hospitals, schooling etc varies by nation but is invariably modern or undergoing rapid development. There are places of historical interest to see within the region, while at the other end of the scale, cities like Dubai have become associated with landmark modern architecture.

Geographically the region is very well placed as a base from which to explore other parts of the world.
Section 3
The UAE – A brief overview

The UAE is a federation of seven Emirates – Abu Dhabi, Ajman, Dubai, Fujairah, Ras Al Khaimah, Sharjah and Umm Al Quwain.

Abu Dhabi is the largest Emirate by land mass occupying over 80% of the country. Dubai is the second largest.

The population of the UAE has grown substantially over the past two decades. It now stands at 4.75 million of which 80% are expatriates.

The UAE has just under 10% of the world’s proven oil reserves and 5% of the natural gas (most of it within the Abu Dhabi Emirate).

Wealth is not solely reliant on oil and gas revenue. Dubai in particular has actively diversified with manufacturing, tourism and construction all playing an increasingly important part in the national economy.

The climate is arid and subtropical. Temperatures range from a low of around 10 degrees centigrade (50F) in winter (December to March) to a high of 48 degrees centigrade (118F) in summer. Humidity is typically between 50 to 65%.

The unit of currency is the UAE Dirham.

PwC has had a presence in the UAE for more than 30 years. There are currently 550 staff and partners based in five offices – three in Dubai, one in Abu Dhabi and one in Sharjah.

The PwC firm in the UAE has seen some of the strongest growth across the PwC network over the last few years and has a wide cross section of clients including governments and industries along with family businesses that are the engines of growth in this region. Important emerging clients are the local and international private equity houses that have been attracted to this region by its growth prospects and liquidity.


Section 3
Living and working in the UAE

In the words of one international assignee...

As an experienced Director working in PwC UK, I was becoming very comfortable and familiar with my role, clients and expectations. I volunteered for an international assignment to experience an alternative business and living environment. I wanted a new challenge, which would develop my skills and also provide more scope to develop my career. The firm suggested the Middle East and after researching the idea, I agreed to make the move.

It has been a fantastic learning and development opportunity - even though not in all the ways that I had expected!

It has broadened my business outlook enormously. I have been able to apply my existing skills to a new business and cultural environment and made a real difference in the development of our PwC people and business. The challenges I have faced have been in areas of leadership and strategy, and this has given me the chance to demonstrate and enhance my skills, whilst progressing my career.

My international assignment highlight to-date is without doubt making Partner.

Claire Duce, Partner, Assurance, Dubai
In the words of one international assignee...

Having spent much of my consulting career advising international clients both overseas and in the UK there was always a thought that a secondment could be enormously rewarding. As a new Partner I was invited to consider a role in the Middle East and one year into this role, it’s fair to say that my experience has been tremendously varied. At a professional level, the opportunity to build a new business, establish new relationships with clients and operate in a completely new environment has quite simply been something that would have been very difficult to achieve in an established market like the one I came from. It has provided a privileged learning experience, one where my real leadership skills have been tested and where my knowledge of how a professional services firm really operates has developed significantly. At a personal level, my family have broken free of the comfortable London routine and are enjoying what can only be described as a truly unique and rich life experience.

Alistair Kett, Partner,
Abu Dhabi
Section 3
Immigration & Tax

- All international assignees require a valid residency visa before entering the UAE.
- Global Mobility will guide prospective international assignees through the visa application process.
- The visa application process can take up to 90 days once the offer of employment with PwC UAE has been accepted.
- The UAE government requires a range of documentation to support the visa process including attested copies of professional and educational qualification certificates.
- International assignees who will be accompanied should be aware that they will require a UAE Labour Card to “sponsor” their family to join them. This will only be issued after the assignee has arrived in the UAE (typically about five weeks after arrival) and family members will not be able to relocate until the Labour Card is issued.
- It is not possible to sponsor an unmarried partner.
- No Income Tax, Social Security or Value Added Tax is currently levied in the UAE.
- There are some indirect taxes associated with the use of facilities or the purchase of certain goods or services.
- Tolls are payable on some roads.
- There are also levies applied to pork products and alcohol that specifically target non Muslim residents, which make these items very expensive in comparison to other countries.
- Dependent on the personal circumstances of the international assignee, it is important to note that tax may still be payable in the home country.
Section 3
Religion, laws and customs

- Islam is the official religion of the UAE and is widely practised. Islamic principles influence all aspects of life and society. It is essential to be aware of and respect local laws and customs.
- A Muslim is required to pray five times a day. Friday is the Muslim holy day and businesses and retail outlets are closed on this day. The PwC UAE working week runs Sunday through Thursday.
- During the holy month of Ramadan, all Muslims must fast from dawn to dusk and may only work six hours a day. International assignees are not required to fast, but should not eat, drink or smoke in public. Ramadan ends with a three day celebration and holiday called Eid Al Fitr.
- Emiratis are tolerant of a wide range of religions.
- Public displays of affection are frowned upon. Cohabitation, adultery and homosexual behaviour are illegal.
- Swearing or making rude gestures is considered an obscene act and offenders can be prosecuted.
- Residents can obtain liquor licenses to consume alcohol in private homes. Alcoholic drinks are served in licensed hotels and clubs, but it is a punishable offence to drink or be drunk in public.
Section 3
Gender

- The constitution of the UAE states that women and men are equal.
- UAE women are active participants in the workforce, but play a limited role in political and commercial decision making. Some segregation remains, buses and banks, for example, have separate sections for women.
- Foreign businesswomen are treated with professional respect and face few of the challenges and restrictions seen in, for example, the neighbouring Saudi Arabia. Nevertheless, sensitivity to the cultural nuances of the respective Emirate is advisable.
- Women should dress conservatively, particularly in Sharjah and Ajman where Islamic law is rigorously enforced.
- It is important to be aware that a large number of non-Emirati Muslims work in managerial positions in the UAE, some of whom may hold less liberal views than Emiratis.
Section 3
Accommodation

- A prospective international assignee will need to consider that their living arrangements in the host country may well be quite different from those that they are used to at home.
- The type and stock of property differs from country to country as does the proportion of income that is typically spent on accommodation.
- In the UAE, properties are predominantly apartments or the larger and more expensive villas.
- Rental prices have rocketed with the influx of expatriates over the last five years. The housing market remains strong in Abu Dhabi, but has recently begun to cool in Dubai.
- The PIP package comprises a housing allowance. The extent that this will need to be supplemented from other earnings/income depends on the choice of property
- International assignees receive assistance with home searches from a local relocation consultant. The consultant will provide guidance on neighbourhoods, budget and availability of suitable accommodation. In the UAE it is standard practice to pay rent 12 months in advance and the firm has a loan facility for this purpose.
- It is important to be aware that a huge amount of construction is taking place across the region. Building work continues in and around many of the residential areas. These are typically 10 to 30 minutes drive from the office.
- As with other major cities, decisions need to be made quickly to secure property in a fast moving market.
Section 3
Schooling

- The education system consists of primary schools, middle schools and high schools. The public schools are government-funded and places at public schools are not open to non-Emirati’s.
- There are also many fee paying private schools which are internationally accredited and offer a UK/US/European curriculum. Securing places in the English speaking schools in Abu Dhabi has traditionally been difficult with waiting lists in most schools. Given the number of English speaking schools in Dubai the position is less acute.
- The cost of these schools differs dependent on their ranking in local league tables.
Section 3
Driving & Security

It is important to note that unless you are a citizen of one of the countries listed below you will need to take a series of driving lessons (as many as 40) and pass a practical and theoretical test in a local driving school before you receive a local driver’s license. A temporary driver’s license will be issued while driving lessons are being taken.

Australia, Austria, Bahrain, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, South Korea, Kuwait, Netherlands, New Zealand, Norway, Oman, Poland, Qatar, Romania, Saudi Arabia, South Africa, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States.

The UAE has a zero tolerance policy on drinking and driving. If you are in the slightest doubt, take a taxi.

Driving standards in the UAE have been highlighted as a matter of concern. The government are increasing their efforts to address this and have launched the “Safety Awareness. For the Emirates Campaign”. More details can be found at: www.gulftraffic.com/safety.html.

Security

• Generally the crime rate is low in the UAE and the political situation stable.
• The foreign office of many countries suggests that female visitors should take care when walking or travelling alone and are advised to use a reputable taxi company, particularly when travelling at night.
• It also notes that driving standards are not always as disciplined as they might be in other parts of the world and urges pedestrians to exercise caution when crossing roads.
• As with other countries, there is felt to be some threat of terrorism towards western interests in the region. Visitors are advised to remain attentive to security awareness.
• You may visit PwC’s Global Security website to get an up-to-date security assessment http://networkintegratedsecurity.pwcinternal.com/uk/politicalrisksecurity/PRScontent.nsf/vwGetDoc/9C93BED94F7B028680257603003E5DA9RXWL-7UFFBS-EN.
What next

Interested in exploring an international assignment to the UAE further?

- Contact your local Global Mobility team who will be able to guide you through your role in the international assignment process and produce indicative cost estimates.

- Or you can also visit the Global Mobility website www.globalmobility.pwc.com, or if you are UK based visit www.gm.pwc.com (both provide a good source of information about the international assignment programme and related processes).