



In Country Value Certification User Guidelines

# **Abu Dhabi Local Content Program (ADLC)**

February 2020

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## 1. INTRODUCTION

In 2019, the Abu Dhabi Department of Economic Development (ADDED) had launched the Abu Dhabi Local Content Program (ADLC) with the following objectives:

- **GDP Growth:** Supporting GDP growth through sourcing more goods and services within Abu Dhabi, increasing foreign direct investment in Abu Dhabi and increasing the private sector and SME's contribution to the GDP;
- **Human Capital Development:** Creating additional employment opportunities for Emiratis in the private sector and developing the skills of the local workforce;
- **Technology Adoption:** Increasing spending on research and development (R&D), increasing competitiveness of the national industries, increasing technology development and use.

In February 2020, a Memorandum of Understanding (MoU) was signed between ADDED and the Abu Dhabi National Oil Company (ADNOC), to enhance cooperation and broaden the scope of the program to the overall Emirate level (UAE). Under the terms of the agreement, the ADDED's ADLC Program and ADNOC's In Country Value Program (ICV) was integrated and standardized to produce a unified "*In Country Value (ICV)*" certificate that will now be applicable for the Abu Dhabi Government's commercial evaluation process of goods and services procurement. It is likely that more Private and Semi Government entities (referred to as Participating Entities) may join the unified ICV certification platform subsequently.

The unified initiative is aimed at standardizing the approach followed by both the entities and any other entity that may join the ICV Certification Committee towards building a common platform for the ICV certification process and issuance of a unified ICV certificate which will enhance the ease of doing business for the Companies. The integration reflects the drive to consolidate efforts among government and semi-government entities to support the growth of the private sector and direct government spending towards the development of local content across United Arab Emirate.

The Companies wishing to participate in government tenders and take part in ADLC Program should apply for an ICV certificate through Certifying Bodies identified by ADDED or as available in the unified ICV website.

The previous ADLC formula (implemented by ADDED) had now been modified for the calculation of the ICV Score. The formula is divided into the following attributes, where the amount spent across the UAE level (previously at Abu Dhabi level) will now be considered as added value. The calculation methodologies are explained in detail in the relevant sections.

- a) Goods Manufacturer - Industrial Suppliers
- b) Third Party Spend i.e. for Services Providers/Non-Industrial Suppliers
- c) Investments
- d) Emiratization
- e) Expatriate Contribution
- f) Bonus – i) Revenue from outside UAE , ii) Emirati Head count and iii) Investment Growth

Certifying Bodies (CBs) are a group of private entities which underwent and passed the selection process performed by the ADDED and ADNOC jointly in order to audit, score and certify the applying Companies (any legal entity, which intends to participate in tender with Abu Dhabi government/Semi government entities as notified by ADDED). The CBs are required to score the applying Companies using the Agreed Upon Procedures

(AUPs) designed jointly by the ADDED and ADNOC in order to produce an ICV certificate. To undergo the ICV certification process, companies must present their financial statements and other requested documents to the CBs. Issuing an ICV certificate will help companies gain an advantage in the governmental tendering processes.

Names and contact details of empaneled Certifying Bodies are available at the ADDED's website. (<https://idb.added.gov.ae/incentives/adlc/cbs>)

ADLC Program engagement will be governed by the following principles:

- Integrity;
- Objectivity;
- Independence;
- Professional competence & due care;
- Confidentiality;
- Professional behavior; and
- Technical standards.

## 2. DEFINITIONS

- a) Participating Entities – All the entities who have implemented the unified approach for issuance of In Country Value certificate are jointly referred to as “Participating Entities”.
- b) ICV Certification Committee – The Committee (comprising of the authorized representatives of all the Participating Entities) to oversee and govern the ICV certification process that is carried out by the Certifying Bodies.
- c) Company (s) – The Suppliers or Entities who wishes to acquire an ICV certificate.
- d) Empaneled Certifying Body – A Company who has been authorized by the Participating Entities for verification of Company’s ICV certificate application and issues the ICV certificate.
- e) Audited Financial Statements -Company's financial statement that has been prepared and audited by an independent certified public accountant in accordance with IFRS (International Financial Reporting Standards)
- f) ICV Certificate Template – It means the template which the Company will be required to fill to calculate the ICV score as per the predetermined formula.

## 3. GENERAL INSTRUCTIONS

- i. In Country Value (ICV) certificate needs to be obtained for each Company, which intends to participate in a tender with Abu Dhabi government/Semi government entities as notified by DED & ADNOC;
- ii. Companies will possess an ICV certificate issued by any of the empaneled Certifying Bodies. Companies who do not possess the ICV certificate will be allowed to participate in Abu Dhabi government tenders, however, their ICV score which has a weight of 40% in the commercial evaluation will be considered as “zero (0)” in the bid evaluation;
- iii. All figures entered in the ICV certificate template should tally with Company’s latest audited Financial Statements. The audited financial statements shall be as per the International Financial Reporting Standards (IFRS), and shall not be older than 2 years from the certification year i.e. for ICV certification in 2020, the audited financial statements to be considered shall not be older than 2018.
- iv. For newly established companies (less than 10 months old), who do not have audited financial statements, the management accounts for a period of up to 10 months can be used for ICV calculations. Any management accounts for a period of 10 months or more will be required to be audited;
- v. The ICV certificate shall be valid for a period of 14 months from the date of issuance of Audited Financial Statements. The companies can get recertified during the validity of the ICV certificate if he chooses to, using the same audited financial statements, but the validity of 14 months from the first issue will remain the same;

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- vi. Upon appointing a Certifying Body, Companies must not change the Certifying Body for that year's ICV certificate without proper justifications and prior approval from appropriate authority;
  - vii. The figures reported in the ICV Certification Template (ICV Template) should relate to the figures in Company's audited financial statements and supporting documents. The different scenarios with respect to the consideration of financial statements are as per the flow chart (captured in Annexure 1);
  - viii. The Company's ICV Template will consider all the costs while providing goods or services for all clients (including governmental entities) and revenue earned during the financial year;
  - ix. All the figures reported in the ICV Template will be in AED (if in USD then conversion rate of 1 USD = 3.6725 AED will be used) unless specified otherwise;
  - x. In case the Companies are unable to provide the consumption details (listing by vendor and by invoice), purchases made during the year can be considered. In such a case, the differential of opening and closing stock should be adjusted as "others" to tie it back to consumption figure in the books of accounts. The "others" shall then be split into the same ratio of 'total inside UAE costs' and 'total outside UAE costs'.
  - xi. Assumptions and calculation methodologies utilized in preparing the ICV Template must be consistent with the guidelines;
  - xii. Companies should have all the documentation which supports the reported cost figures. The numbers will need to stand up to scrutiny by an empaneled Certifying Body. Appropriate authority has the right to conduct a quality review of each of the Certifying Bodies' ADLC engagements and review reports prepared by them. Companies & Certifying Bodies will be required to share the requested information to the appropriate authority;
  - xiii. Any gross negligence or willful default by Companies in their submissions will result in appropriate punitive measures by appropriate authority, including being banned from participating in Abu Dhabi government/Semi government future tenders;
  - xiv. The Companies will strictly follow the ICV Template which can be downloaded from DED's Website, in order to generate their ICV score / certificate. Companies will fill the figures and other details, in the non-shaded areas of the ICV Template;
  - xv. When the bids are submitted by agents on behalf of the principal, the agents will submit separate ICV certificates for the agent and the principal. The combined average ICV score of the agents and principal will be considered for commercial evaluation as under:  
  
$$\{(The\ sum\ of\ all\ ICV\% \ of\ agents\ and\ principles) / (The\ total\ number\ of\ agents\ and\ principles)\}$$
  - xvi. When the bid is directly submitted by the principal, principal's ICV certificate score will be considered;
-

- xvii. For the purpose of ICV Score calculations, the following will be considered for the different types of companies:

Type of Company	Consideration for ICV
LLC in mainland UAE	Within UAE
Free Zone companies	Goods Manufacturer - Within UAE
Offshore Company	Outside UAE
Representative Office	Based on Parent company
Branch Office in mainland UAE	Within UAE

- xviii. Companies are encouraged to amend their existing cost codes appropriately to separately capture specific costs required by ICV. This ensures that certification is smooth and cost effective for future years. For example, Company's could have a separate code for Emirati payroll costs, training costs, manufacturing costs – overseas, etc.
- xix. The Company shall register in the [www.aejobs.ae](http://www.aejobs.ae) portal which is a platform for Emirati job seekers and companies offering jobs. The companies are provided a period of 14 months from ICV certification to register in the portal. The companies who fail to register within 14 months will not receive the credit for Emiratization and Expat contribution in the next renewal of their ICV certificate.

## 4. ADLC PROGRAM FORMULA

- i. Any Company holding an Industrial License in Abu Dhabi (or equivalent license in other Emirates) will be considered as a Goods Manufacturer with following attributes;
  - a) Goods Manufacturer costs;
  - b) Investment in UAE;
  - c) Emiratization
  - d) Expatriate Contribution;
  - e) Bonus – Revenue from outside UAE, Emirati Head counts & Investment Growth
- ii. Any Non-Manufacturing company will be considered as a Service Provider with the following attributes:
  - a) Third Party Spend costs;
  - b) Investment in UAE;
  - c) Emiratization
  - d) Expatriate Contribution;
  - e) Bonus – Revenue from outside UAE, Emirati Head counts & Investment Growth
- iii. Companies engaged in both “Goods Manufacturer” and “Service Provider” should have two ICV certificates; one as “Goods Manufacturer” and the other as “Service Provider”;
- iv. A Company who is an agent/trader will be considered as “Service Provider”. However, an agent for only one principal good manufacturer in UAE, will be considered as Goods Manufacturer;
- v. Companies will submit their relevant ICV certificate (i.e., either manufacturer or service provider) in the commercial bid, as requested in the tender by the Abu Dhabi government/semi government entity;
- vi. The formula for calculation of ICV certification components along with the weightage for each of the attributes is detailed below:



- vii. The ICV Template for Company's submission, consists of an Excel file with dedicated sheets/tabs dedicated to each of these attributes, wherein the Company must fill the figures as explained in the subsequent pages of the guidelines.
- viii. Throughout these User guidelines, the page number headings corresponds to the separate tabs which have been incorporated into the "ICV Certificate Template" that is used to calculate the ICV% of the Company.

		GOODS	SERVICE	FORMULA	Bonus (Maximum up to 5%)
Goods / Services	(GM) Goods Manufacturing	50%	N/A	$\{ \text{Manufacturing cost incurred with in UAE} + (\text{Emirati Cost} + \text{Training}) + (0.6 * \text{Expat cost}) \}$ <div>Total Cost</div>	<div>Total Annual revenue from outside UAE</div> <div> <math display="block">\frac{\text{Total Annual Revenue (revenue from inside + outside customers) Excluding Re-Exports}}{\text{See Note \# below}}</math> </div> <div>Note (#) – to be confirmed with concerned Ministry adherence to WTO stipulations</div> <div>plus</div>
	(TPS) Third Party Spend	N/A	50%	$\frac{\sum \text{Value of good \& services procured per vendor \& subcontractor} \times \text{ICV of the vendor \& subcontractor} + \text{Emirati Cost} + 0.6 * \text{Expat cost}}{\text{Total Cost}}$	<div>No. of Emiratis</div> <div>100</div> <div>plus</div> <div> <math display="block">\frac{\text{Growth in Assets NBV in last 2 years}}{\text{NBV of 1<sup>st</sup> year}}</math> </div>
Company	(I) Investment	25%	25%	<div> <math display="block">\frac{\text{Net Book Value of Assets in UAE}}{\text{Net Book Value of Total Assets}}</math> </div> <div>Basic 10%</div> <div> <math display="block">+ \begin{matrix} \text{AED 5 Million to AED 50 Million} - 5\% \\ \text{AED 50 Million to AED 100 Million} - 5\% \\ \text{AED 100 Million to AED 150 Million} - 5\% \end{matrix}</math> </div> <div>Top Up 15%</div>	
	(E) Emiratization	15%	15%	<div>Up to AED 200K Salary &amp; benefits – 2%</div> <div>Above AED 200K till AED 20M –progressive</div> <div>Above AED 20M – 15%</div>	
	(EC) Expat contribution	10%	10%	<div>In terms of head counts, progressive increase as follows:</div> <div> a) 1 to 5 – 1 to 3%      b) 6 to 50 – 4 to 6%  c) 51 to 200 – 7 to 9%    d) Above 200 – 10% </div>	

## 5. ICV TEMPLATE INSTRUCTIONS

### 5.1. ICV Score Summary

**Applicability – Applicable for all Suppliers**

Page 1  
ICV Summary

The Company is required to fill the following:

#### a) Section A -Company General Information

The screenshot of the Company General Information from the ICV Template is as seen below:

IN-COUNTRY VALUE CERTIFICATE REVISION 3			
A. COMPANY GENERAL INFORMATION			
Name (as per License)		License No.	
Address (as per License)		Contact Person Details	
		Name	
		E-mail	
		Office	
		Mobile	
Company Type (Select from drop down list)		Company based in (Select from drop down list)	
Financial Year End date (mm/dd/yyyy)		Audited Financial Statement Issue date (mm/dd/yyyy)	
Company Business			

Companies are required to add the following details in the Template:

- i. Name of the Company (legal entity) as per the Chamber of Commerce license;
- ii. Industrial/ Commercial license number ;
- iii. Address of the Legal entity as per the license;
- iv. Contact Person details:
  - Name
  - E-mail
  - Office Tel number
  - Mobile number
- v. Company's Classification (according to the Federal Ministry of Economy standards) - choose the appropriate type from the drop-down list:

- Small Medium Enterprise (SME) in UAE
- Non-SME in UAE
- International Company

For selection of SME/Non SME, please be guided by as per SME definition in website of National Program for Small and Medium Enterprises and Projects (<https://www.uaesme.ae/About/SMEDefinition>).

vi. Company based in - choose the appropriate type from the drop down list:

- Within UAE
- Outside UAE

Note – Goods Manufacturers in Free Zone should choose “Within UAE” and Service Providers in Free Zone should choose “Outside UAE”

- vii. Financial Year – Company shall fill the end date of the Financial year based on which the ICV certification is being applied for. An ICV certificate cannot be issued 2 years after this date. The date shall be entered in (mm/dd/yyyy) format.
- viii. Audited Financial Statements Issue date – The Company to enter the date of issuance of the Audited Financial Statements. The ICV certificate will be valid for 14 months from this date. The date shall be entered in (mm/dd/yyyy) format.
- ix. Company Business - Choose the appropriate type from the drop-down list:
- Goods Manufacturer
  - Service Provider

#### b) Section B – ICV Score Details

The screenshot of from the ICV Template is as seen below:

IN-COUNTRY VALUE DETAILS		
Description	Applicability	Overall ICV Component
Goods Manufactured	N/A	N/A
Third Party spend	N/A	N/A
Investment	Yes	0.00%
Investment - top up	Yes	0.00%
Manpower - Emiratization	Yes	0.00%
Manpower - Expats	Yes	0.00%
Additional Bonus (Revenue from outside UAE + Emirati Head counts + Investment growth )	Yes	0.00%
TOTAL ICV SCORE		0.00%

ORIGINAL CERTIFICATE ISSUE DATE		ICV SCORE VALID TILL	
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This section is protected, and the Company is not required to enter any information in this section. The results are auto calculated based on the figures entered by the Company in subsequent pages.

The Certifying Body will indicate the validity date of the ICV score as per point viii above.

This page will bear the signature of the Companies' authorized signatory (or Power of Attorney (POA) / senior), designation, company stamp, date, Certifying Body representative's signature, CB designation, CB stamp and date.

This Page duly signed by the authorized executive or Company's POA and Certifying Body representative will be considered as the Company's ICV Certificate. This certificate will be submitted by the Company along with the commercial bid of a tender to the procuring government entity; or when requested by any of the Company's clients.

## 5.2. General Questionnaire

**Applicability – Applicable for all Suppliers**

Page -IA  
General Questionnaire

All Companies are required to fill in the questionnaire based on the reported financial year.

Below is the extract from the questionnaire, the complete questionnaire to be duly filled will be submitted along with the certified ICV Score sheet in the commercial bid of any tender. The information provided in the Questionnaire will not be considered for ICV calculation or evaluation.

GENERAL QUESTIONNAIRE	
<b>NOTE:</b>	
<b>1</b>	The below questionnaire duly filled shall be submitted along with Page 1 (certified ICV summary sheet).
<b>2</b>	All the details below shall be as per the last financial year.
<b>3</b>	The below details are being collected for Information only. It will not be considered as part of ICV calculation.
<b>1. Name &amp; address of the Company</b>	
<input type="text"/>	
<b>2. Registration number</b>	
<b>ADNOC Commercial Registration Number</b>	
<input type="text"/>	
<b>Company License Number</b>	
<input type="text"/>	
<b>3. Briefly describe the area of business</b>	

### 5.3. Goods Manufacturers

**Applicability-Applicable only for Goods Manufacturer**

Page -2  
Goods Manufactured

Below is the extract of Evaluation Scoring Matrix Template excel sheet:

GOODS MANUFACTURED															
TOTAL GOODS MANUFACTURED ICV%															
S.No.	Goods Description	TOTAL COST													
		WITHIN UAE									OUTSIDE UAE				
		Third party cost								Internal cost (AED)	Third Party Cost			Internal cost (AED)	TOTAL ICV (AED)
		Goods Manufacturer				Service Provider					Name	Procured Cost (AED)	ICV %		
		Name	Location	Procured Cost (AED)		Name	Location	Procured Cost (AED)	ICV%	ICV value (AED)				ICV value (AED)	
								-				-	-		
								-				-	-		
								-				-	-		

The Company is required to fill the following:

i. Goods Description

The Company must list out all the goods/services procured by the Company in the previous financial year in broad categories. If there are multiple goods falling under same or similar category, it can be combined as one-line item in the template.

Note - Training cost for Employees shall not be included in the Third Party Spend (shall be included in Emiratization or Expat tabs)

ii. Total cost

Companies will provide the breakdown of total cost for each good listed in the table. The breakdown will be as seen below:

#### Level -1

Total cost will be split into:

- Within UAE cost – All costs incurred within UAE
- Outside UAE cost – All costs incurred outside UAE

TOTAL COST														
WITHIN UAE								OUTSIDE UAE						
Third party cost								Internal cost (AED)	Third Party Cost				Internal cost (AED)	TOTAL ICV (AED)
Goods Manufacturer				Service Provider					Name	Procured Cost (AED)	ICV %	ICV value (AED)		
Name	Location	Procured Cost (AED)		Name	Location	Procured Cost (AED)	ICV%							

#### Level -2

“Within UAE” & “Outside UAE” cost shall be further split into:

- Third Party Cost - All cost paid to third party companies
- Internal Costs -Only Depreciation / Amortization cost of Assets to be considered

WITHIN UAE								
Third party cost								Internal cost (AED)
Goods Manufacturer			Service Provider					
Name	Location	Procured Cost (AED)	Name	Location	Procured Cost (AED)	ICV%	ICV value (AED)	

### Level -3

Third Party Cost – Within UAE is further split to:

- **Goods Manufacturer- All cost paid to industrial license holders**
  - The Company shall enter the name of the Manufacturer, Location of the Manufacturer (one of the seven Emirates in UAE) and the cost of purchases from the Manufacturer.
  - The cost of purchases from UAE Manufacturer will be considered as 100% incurred 'within UAE'
- **Services Provider- All cost paid to service providers that is company holding a license other than Industrial license**
  - The Company to enter the name of the Agent/Service Provider, Location of the Service Provider (one of the seven Emirates in UAE), cost of purchases and ICV% of the Service Provider.
  - In case of "Within UAE" cost will be calculated by multiplying cost of purchases from the Agent/Service Provider with '50%' or 'ICV% of the Agent/Service Provider', whichever is higher.

Goods Manufacturer			Service Provider				
Name	Location	Procured Cost (AED)	Name	Location	Procured Cost (AED)	ICV%	ICV value (AED)
							-
							-
							-
							-
							-
							-

For Third party Service Providers for Utility and other Services in UAE, the following shall be considered:

Type of Company	Consideration for ICV
Water / Electricity	80%
Fuel	ICV of the provider
Rent paid for Property/Land from individuals or Companies	80%
Telecom Providers	As per the ICV of the provider

Type of Company	Consideration for ICV
UAE Government charges – Directly paid to Government or through Government licensed entities	100%
Payment to Governmental charges- Directly paid to Government or through Government licensed entities	100%
ADNOC Group Companies except ADNOC Distribution, ADNOC Drilling, ADNOC Logistics & Services and Borouge	80%
ADNOC Distribution, ADNOC Drilling, ADNOC Logistics & Services and Borouge	ICV of the Company

“Outside UAE” cost shall be further split into:

OUTSIDE UAE					
Third Party Cost				Internal cost	TOTAL ICV
Name	Procured Cost (AED)	ICV %	ICV value (AED)	(AED)	(AED)

- Third Party Cost - All cost paid to third party companies
- Internal Costs -Only Depreciation / Amortization cost of Assets to be considered

In this Section, the company shall provide the name of the Manufacturer/ Agent/ Service Provider, cost of purchases and ICV% of the Manufacturer/ Agent/Service Provider

iii. The following will not be included in the Total cost:

- Sponsorship fees;
- Management Fee/ Board Fee;
- Charity amount/ expenses for Corporate Social Responsibility ; and
- Any fines and penalties imposed by the government entities.

iv. While considering the vendors from Free Zone, the following shall be noted:

- “Goods Manufacturers” based in Free Zone will be considered as “Within UAE”;
- Service Providers” based in Free Zone will be considered as “Outside UAE

v. ICV Calculation

The ICV is calculated as follows:

$$\left\{ \frac{(\text{Total I C V value}) + \text{Emirati cost (Page-5)} + 0.6 \times \text{Expat cost (Page-6)}}{(\text{Total Cost})^{\#}} \right\} \times 0.5$$

(#) Total Cost includes all cost except the items mentioned in (iii) above and shall be calculated from total cost in Page 2 (Goods Manufacturing), Page 5 (Emiratization) and Page 6 (Expat contribution)

### 5.4.Third Party Cost (Service Providers)

**Applicability – Applicable only in case of Service Providers**

Page -3  
Third Party Cost

Below is the extract of the ICV Template :

THIRD PARTY SPEND					
TOTAL THIRD PARTY ICV%					
Goods / Services Description	Vendor Name	Cost of Procurement (AED)	Location	Vendor ICV%	In Country Procurement Value (AED)
					-
					-
					-
					-
					-
					-

i. Goods/Services Description :

The Company must list out all the goods/services procured by them in the previous financial year in broad categories. If there are multiple goods falling under same or similar category, it can be combined as one-line item in the template. For example – different specifications of valves procured could be combined as one-line item titled “Valves”.

Although, it is recommended that all goods/services procured should be listed to achieve higher ICV scores, Companies may provide the details of a combined set of selected goods/services procured and include it as “others” with zero (0) ICV score.

Note - Training cost for Employees shall not be included in the Third Party Spend (same to be included in Emiratization or Expat tabs)

ii. Vendor Name:

The Company will indicate the “Vendor name” who has supplied the goods/services

iii. Cost of Procurement:



The Company will provide the Cost of Goods/Services purchased from the vendors.

iv. Vendor ICV%:

The Company will indicate the ICV% of the vendors. This should be backed up with ICV certificates of vendors issued by one of the empaneled Certification Bodies. The vendor's ICV% will be considered as zero (0) if they do not have a valid ICV certificate. For the purpose of ICV calculation only, a vendor who is based in UAE mainland will be automatically granted 10% ICV score.

All operating costs like Water / Electricity, Fuel, Rentals of property/equipment, Telecom and Government charges shall be considered in the Third Party spend. Vendors from whom such services are procured will have their ICV's as under:

Services	ADLC%
Water / Electricity	80%
Fuel	ICV of the provider
Rent paid for Property/Land from individuals or companies	80%
Telecom Provider	ICV of the provider
UAE Government charges – Directly paid to Government or through Government licensed entities	100%
Payment to Governmental authorities in UAE	100%
ADNOC Group Companies except ADNOC Distribution, ADNOC Drilling, ADNOC Logistics & Services and Borouge	80%
ADNOC Distribution, ADNOC Drilling, ADNOC Logistics & Services and Borouge	ICV of the company

v. The following will not be included in the Total cost:

- Sponsorship fees;
- Management Fee/ Board Fee;
- Charity amount/ expenses for Corporate Social Responsibility ; and
- Any fines and penalties imposed by the government entities.

vi. While considering the vendors from Free Zone, the following shall be noted:

- "Goods Manufacturers" based in Free Zone will be considered as "Within UAE";
- "Service Providers" based in Free Zone will be considered as "Outside UAE"

vii. Depreciation/ Amortization cost of Assets can be considered in the table with 100% ICV

viii. ICV Calculation

The ICV Score is calculated as:

$$\left[ \frac{[ \text{Goods/Services 1} \times \text{ICV\% of Vendor 1} + \text{Goods/Services 2} \times \text{ICV\% of Vendor 2} + \text{Goods/Services 3} \times \text{ICV\% of Vendor 3} + \dots \text{Goods/Services n} \times \text{ICV \% of Vendor n} ] (\text{Page -3}) + \text{Emirati cost (Page-5)} + 0.6 \times \text{Expat cost (Page-6)}}{(\text{Total Cost})^\#} \right] \times 0.5$$

(#) Total Cost includes all cost except the items mentioned in (iii) above and shall be calculated from total cost in Page 2 (Goods Manufacturing), Page 5 (Emiratization) and Page 6 (Expat contribution)

## 5.5. Investment

Applicability – Applicable for all Companies

**Applicability – Applicable for all Suppliers**

Page -4  
Investments

ICV Summary

i. Below is the extract of ICV Template:

INVESTMENT		
UAE Assets Net Book Value (AED) in previous Financial Year		
<b>Owned Assets Description</b>	<b>Net Book Value (AED)</b>	<b>Location</b>

ii. The Company shall fill the UAE Assets Net Book Value (AED) in the previous Financial Year. This figure is used to calculate the Bonus for *Investment Growth* (refer section 5.9)

iii. Owned Assets Description:

Fixed Assets owned by the Company as per the Audited Financial Statements along with the location (i.e., Inside UAE or Outside UAE) shall be reflected in Page – 4.

Fixed Assets will include the following categories:

- Property, plant and equipment (including any ERP costs);
- For IT companies, software development costs will also be included;
- Capital work in progress; and
- Investment property;

All intangibles (except the NBV of software costs) must be excluded from the overall value of fixed assets and investment properties.

The investments outside the UAE shall also be reflected appropriately in the ICV Certificate Template.

In case the Company has revalued their property, plant and equipment, the value of the property, plant and equipment will be reduced by the extent of the balance in the revaluation reserve at the balance sheet date.

iv. Net Book Value:

For all the assets listed, Company will provide the Net Book Value as per the audited financial statements.

v. Location:

The Company shall select one of the locations from the value list – “Inside UAE” or “Outside

vi. ICV Calculation

The ICV is calculated as follows:

$$\frac{\text{Net Book Value of Assets in UAE}}{\text{Book Value of Total Assets}} \times 0.1 \text{ (weightage 10\%)} \text{ Net}$$

plus

**15% on progressive basis from Asset NBV of AED 5 Million to AED 150 Million.**

## 5.6.Emiratization

Applicability – Applicable for all Companies

**Applicability – Applicable for all Suppliers**

Page -5  
Emiratization

i. Below is the extract of ICV Template:

EMIRATIZATION					
Direct Staff	Number	ANNUAL Salary + Benefits (AED)	Donations to Sondoq Al Watan/ Government Universities (AED)	ANNUAL Training Expenditure (AED)	Total (AED)
Emiratis					

ii. Company must fill the following for Emirati employees, who are on Company's payroll:

- Number - Average Number of Emirati employees in Company's payroll (Wage Protection System – "WPS" where applicable) in the year as per Ministry of Human Resources and Emiratization (MOHRE) statistical report.
- Annual Salary + Benefits (AED) - Salary + Benefits as per the Financial Statements (includes all benefits paid to direct Emirati staff including salaries, allowances and other benefits). Only salary and benefits of those Emiratis who are included in the Wage Protection System (WPS) shall be considered in ICV.
- Donations to Sondoq Al Watan / Government Universities (AED) - Donations made to Sondoq Al Watan or any of the universities listed in <https://www.adek.gov.ae/en/Education-System/Higher-Education/List-of-Higher-Education-Institutions-in-Abu-Dhabi>; The donations made to above shall be considered as part of Emiratization.
- Free Zone companies who are not registered in the WPS system, will provide documentary evidence from Free Zone authority on the details of employees, in order to consider the number of employees and salary / benefits in the calculations.
- For other companies such as PJSC etc. company must submit stamped payroll records for employee data from management for consideration in the calculations.
- Annual Training Expenditure (AED) - Training Expenditure (includes spend by Company on external training provided to direct Emirati staff. Cost incurred on internal training courses shall not be included). Only expenditure included in Audited Financial Statements shall be considered for ICV.
- Any sponsorship/management fees paid to Emiratis outside of WPS will not be considered.
- Salary of Emirati owners of the Company (as per ownership in the License) who are part of the WPS can be included, however it shall be capped to a total of AED 120,000/- monthly per owner. Bonuses or other benefits shall be excluded from the calculations.
- Shared employee costs will be considered as per the financial statements. Where an Emirati's cost is being charged off by a group entity, consider these costs as part of the overall employee cost.

However, this Emirati shall not be considered for calculation of total number of manpower (therefore, it shall not affect the Emirati bonus element of the ICV).

iii. ICV Calculation

With regards to Annual Salary, benefits & training for total Emirati employees, the ICV is calculated as follows

**Up to 200K AED – 2%**

**&**

**Progressive up to 20 M AED Annual Salary – 15%**

## 5.7. Expat Contribution

Applicability – Applicable for all Companies

**Applicability – Applicable for all Suppliers**

Page -6  
Expat Contribution

i. Below is the extract of ICV Template:

EXPATRIATES				
Direct Staff	Number	ANNUAL Salary + Benefits (AED)	ANNUAL Training Expenditure (AED)	Total (AED)
Expats				-

ii. Companies must fill the following for Expat employees, who are on Company's payroll:

- Average Number of Expatriate employees in Company's payroll (Wage Protection System - WPS where applicable) in UAE in the year as per Ministry of Human Resources and Emiratization (MOHRE) statistical report.
- Salary + Benefits (includes all benefits paid to direct Expatriate staff including salaries, allowances and other benefits) included in Audited Financial Statements. Only salary and benefits of those Expats who are included in the Wage Protection System (WPS) shall be considered in the ICV.
- Training Expenditure (includes spend by Company on external training provided to direct Expatriate staff. Cost incurred on internal training courses shall not be included). Only expenditure included in Audited Financial Statements shall be considered for ICV
- Free Zone companies who are not registered in the WPS system, will provide documentary evidence from Free Zone authority on the details of employees, in order to consider the number of employees and salary / benefits in the calculations.
- For other companies such as PJSC etc. obtain stamped payroll records for employee data from management for consideration in the calculations.

iii. ICV Calculation:

The ICV for Expat contribution is calculated as follows:

Number of Expats	ICV %
1 to 5	1 to 3%
6 to 50	4 to 6 %
51 to 200	7 to 9%
Above 200	10%

## 5.8.Revenue

The Revenue Sheet will enable the calculation of the Bonus for the ICV Score Calculation

Applicability – Applicable for all Suppliers

Page -7  
Revenue

- i. An extract of the ICV Certificate Template is shown below :

REVENUE		
S.No.	Revenue in last financial year	AED
1	From UAE Customers	
2	From Outside UAE Customers	
a.	✓ Re-Exports (export of goods without value addition)	
b.	✓ Exports excluding re-exports.	
Total		-

- ii. The Company needs to indicate the Revenue “from UAE Customers” and “from Outside UAE Customers” in AED.
- iii. Revenue from Free Zone companies will be considered as “from UAE Customers”.
- iv. With regards to “from Outside UAE Customers”, Company shall provide the breakdown as follows:
- Re-Exports – Revenue earned from re-exports i.e., when the imported goods are sold to outside UAE customers without any “value addition”
  - Exports excluding Re-exports – Revenue earned from outside customers after value addition within UAE by the Company



### 5.9. Bonus

Applicability – Applicable for all Suppliers

Bonus  
(Maximum upto 5%)

The Company's eligibility for bonus shall be calculated as follows:

#### a) Revenue from outside UAE

Only Company's who are based in UAE are eligible for this bonus:

$$\frac{\text{Total Annual Revenue from outside UAE customers excluding Re-exports}}{\text{Total Annual revenue (from inside + outside UAE)}} \times 5\%$$

*Note- The revenue earned from outside UAE - without any value addition; shall not be considered in bonus. Trading and commission earnings by agencies shall not be considered as revenue from outside UAE.*

*The revenue from outside UAE shall be considered only when the payment is received by the Company from outside UAE.*

#### b) Emirati Head count

Number of Emiratis who are enrolled in the WPS will be considered for bonus. It is calculated as follows:

**Number of Emiratis /100 x 5%**

#### c) Investment Growth

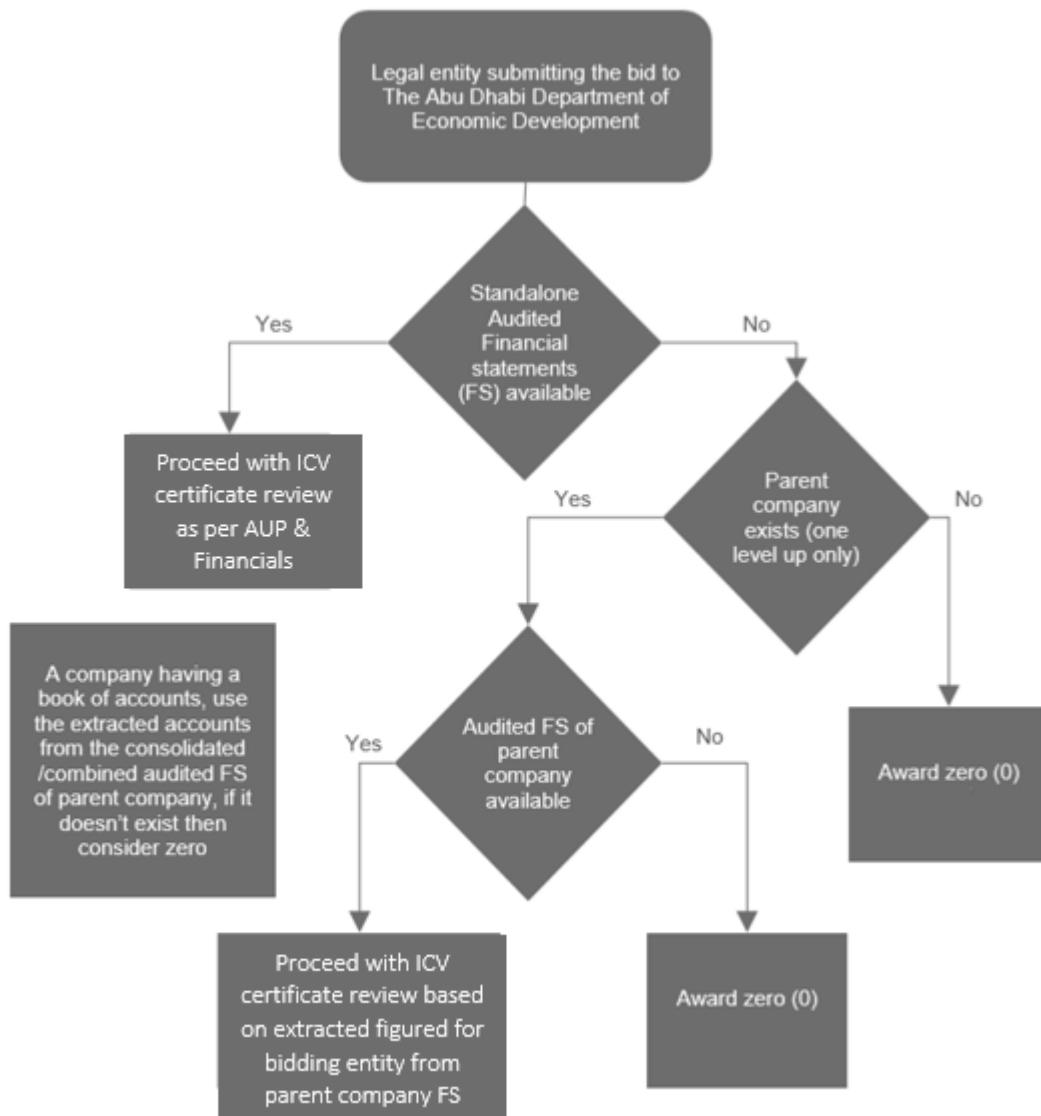
Growth % in Net Book value of Assets in last two Financial Years (current Audited Financial Statements versus Audited Financial Statements of previous year) is included in bonus . The formula is as under:

$$\frac{(\text{Net Book value of UAE Assets in current FS} - \text{Net Book value of UAE Assets in audited Financial Statements of previous year})}{\text{Net Book value of UAE Assets in audited Financial Statements of previous year}} \times 5\%$$


The total of all components - (a) Revenue from outside UAE Bonus, (b) Emirati Headcount and (c) Investment Growth shall not exceed 5%.

## 6. Final checks by Company

- i. After filling in the templates, the Company shall verify all details and ensure alignment with its Audited Financial Statements .
- ii. It is recommended that Companies engage their Finance department and other concerned employees to verify the figures.
- iii. The certificate becomes the ICV certificate valid till the date mentioned in the ICV certificate post the following:
  - Signed and stamped by the company's Power of Attorney or senior / authorized signatory &
  - Verified and signed and stamped by one of the ICV Empaneled Certifying Bodies

**Annexure 1 Scenario for Audited Financials**

## Annexure 2 ICV Certificate Sample

IN-COUNTRY VALUE CERTIFICATE REVISION 3			 <small>Ministry of Economy 19-03-2017 (Rev.3)</small>
A. COMPANY GENERAL INFORMATION			
Name (as per License)		License No.	
Address (as per License)		Contact Person Details	
<div style="border: 1px solid black; padding: 2px;">           Company Type  <small>(Select from drop down list)</small> </div>		Name	
		E-mail	
		Office	
		Mobile	
Financial Year End date (mm/yy/yyyy)		Audited Financial Statement Issue date (mm/yy/yyyy)	
Company Business		Company based in <small>(Select from drop down list)</small>	
B. IN-COUNTRY VALUE DETAILS			
Description	Applicability	Overall ICV Component	
Goods Manufactured	N/A	N/A	
Third Party spend	N/A	N/A	
Investment	Yes	0.00%	
Investment - top up	Yes	0.00%	
Manpower - Emirization	Yes	0.00%	
Manpower - Expats	Yes	0.00%	
Additional Bonus (Revenue from outside UAE + Emirati Head counts+ Investment growth )	Yes	0.00%	
TOTAL ICV SCORE		0.00%	
ORIGINAL CERTIFICATE ISSUE DATE		ICV SCORE VALID TILL	
C. FOR CASES OF RE-CERTIFICATION (*) (CERTIFYING BODY TO FILL THE DETAILS)			
Re-certification (*) No.		(*) When re-certified based on same financial statement used for Original ICV certificate	
Reason for this Recertification			
Signed by		Verified as per ICV Agreed Upon Procedures (AUP)	
On behalf of Supplier		On behalf of Certification Body	
Name:		Name:	
Designation:		Designation:	
Date:		Company:	
		Date:	
		Certificate issued based on Guideline Version: _____	