



Strategic Employee Benefit Valuation in the UAE

Aligning Compliance, Risk, and
Financial Clarity

Submitted by:
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Executive Summary

Overview

In the UAE, employee benefits are no longer just an HR concern — they're a strategic financial obligation. With rising expectations from auditors and regulators, businesses must align their end-of-service benefits (EOSB) and compensation practices with IAS 19 and UAE labor law.

This white paper highlights how actuarial valuation transforms compliance into a strategic advantage, using insights from our work with a multi-entity group in the Gulf region.

Why EOSB Valuation Matters Today

Under UAE law, employers must provide EOSB to eligible employees. However, simply estimating gratuity liabilities can lead to:

- Financial misstatements
- Audit complications
- Over or under-provisioning
- Compliance risks, especially in multi-entity or multinational setups

Actuarial valuation, as required by IAS 19, offers a more accurate and legally sound approach.

Common Challenges Faced by UAE Businesses

- Inconsistent gratuity provisioning across business units
- Limited HR-finance data integration
- Unclear assumptions around salary growth and attrition
- Lack of clarity on GCC national pension contributions
- Free zone-specific compliance complexities (DIFC, ADGM)

Case Insight: Multi-Entity Valuation (Pharma Sector)

A leading pharmaceutical group operating in the UAE, KSA, and Oman approached RJAC Gulf Partners for a compliant EOSB valuation.

Our team:

- Standardized and validated employee data across regions
- Built actuarial models to align with IAS 19
- Delivered audit-ready reports and forward-looking projections

Result:

Improved compliance, reduced audit effort, and clear visibility on future obligations.

RJAC Gulf Partners' Approach

- Data Collection Templates
- EOSB Plan Review
- Market-Aligned Assumption Setting
- Actuarial Valuation and IAS 19 Report
- Support for Audit, Budgeting, and Board Reporting

Strategic Benefits of Actuarial EOSB Valuation

- Enhances accuracy in financial statements
- Helps CFOs with budget forecasting
- Builds trust with auditors and investors
- Reduces risk of regulatory penalties
- Supports HR with benefit planning insights

About RJAC Gulf Partners

RJAC Gulf Partners is a UAE-based actuarial and compliance consulting firm offering:

- End-of-service benefit valuation
- IAS 19 reporting
- Gratuity funding strategies
- Employee benefit digital dashboards
- HR and finance alignment consulting

We serve corporates, insurers, and healthcare organizations across the Gulf region.

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