The Institute of Chartered Accountants of India
Kuwait Chapter

Jagruti

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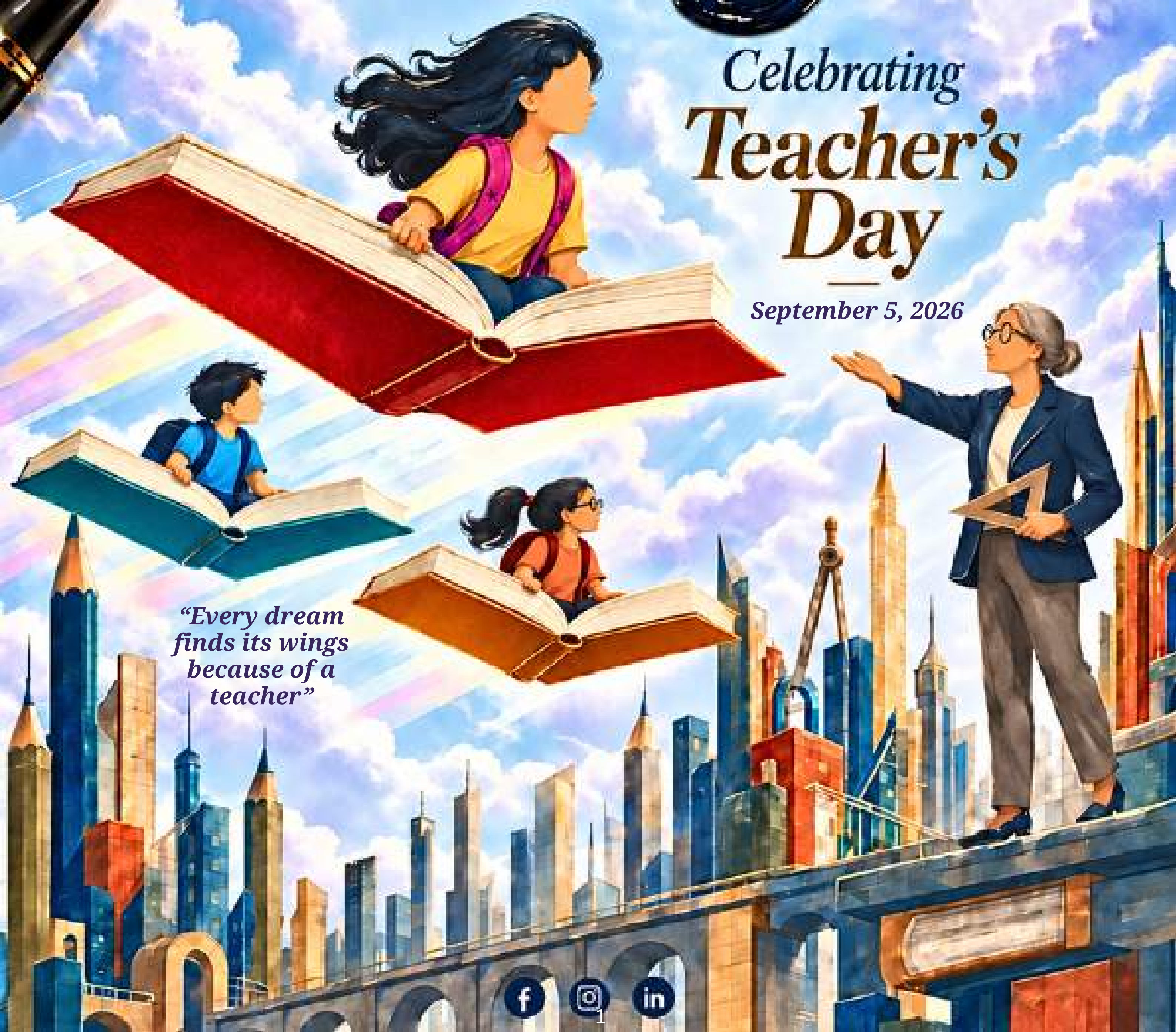
Celebrating Teacher's Day

September 5, 2026



"Every dream finds its wings because of a teacher"

Jagruti- September 2026
Our Contributors

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Table of Contents

From the

Editor's Desk

Dear Reader,

This edition, I wanted to push beyond my comfortable boundaries and take the challenge of learning how to design the visuals of this newsletter in its entirety. From choosing the colours for the layouts to adding text boxes, I have truly enjoyed putting this edition together, one page at a time.

A publication can only come to life with the help of its contributors, which is why I'd like to take this moment to thank every person who set aside time from their schedules, to share an idea/perspective/insight.

This edition is themed "Teacher's Day". Across these pages, we celebrate the many forms that teaching and learning can take, from the knowledge shared by 'mentors' across diverse topics to the stories and experiences of those who have embraced the role of 'mentees'. Putting this edition together also made me realise that teaching and learning does not always have to be formal. Sometimes, it is a conversation with a colleague, advice from someone more experienced, or even a mistake that teaches us what to do differently next time. In one way or another, we are all learning something from someone.

With that, I leave you with the many voices and perspectives that make this edition special. May we never lose the curiosity to learn from one another, no matter where life takes us. Happy Teacher's Day.

CA Sonia Titus Enamakel
Editor of the Month
ICAI Kuwait Chapter Committee Member

Chairperson's Message

“Learning is not attained by chance; it must be sought for with ardor and attended to with diligence.”

A Chartered Accountant is, by the very nature of our profession, a lifelong learner, and in time, a teacher. Our profession calls upon us to constantly update, adapt and remain curious about what lies ahead. This continuous cycle of learning, applying and sharing is what makes our profession truly special. For every CA student, articleship was where textbook knowledge met the realities of business. But it was not only about what we learnt but who taught us along the way. It would not be wrong to say that the mentor-mentee relationship is one of the enduring strengths of the CA profession.

As we celebrate Teachers’ Day, let us recognise that teaching takes many forms. Our greatest teachers may never have stood before us in a classroom. They taught us through their experience, their examples and their willingness to guide us. The activities of the ICAI Kuwait Chapter this month have sought to reflect this same spirit of learning and giving back. Through our professional programmes, community initiatives and engagement with students, we continue to create platforms where knowledge is shared, experience is exchanged and the next generation is encouraged to learn and grow.

Perhaps that is one of the most beautiful aspects of being a Chartered Accountant: we never stop being students, and we never stop having something to teach. This Teachers’ Day, let us celebrate those who taught us, those who continue to teach us, and the privilege we have to become teachers for the generation that follows. We were once guided by others. Today, we have the privilege to guide those who will carry the profession forward.

We learn. We grow. We share. And through that cycle, our profession moves forward.

CA Venkata Ramana Badida

Chairperson, ICAI Kuwait Chapter

"Teaching is the profession that creates other professions."

Global Capability Centres (GCC) in India: Where Companies Can Build Their Global Future

When people in Kuwait and in the Gulf think about doing business in India, the first images that may come to mind are a vast and growing consumer market, Indian professionals working across the Gulf, major infrastructure projects, pharmaceuticals, automobiles, textiles and technology. Beyond these, another India is emerging, less visible to the casual visitor and increasingly important to global business.

By Her Excellency,
Mrs. Paramita Tripathi
Ambassador of India to Kuwait

Across Bengaluru, Hyderabad, Mumbai, Chennai, Pune, Delhi-NCR and a growing number of smaller Indian cities, teams of Indian engineers, scientists, accountants, designers, software developers and business professionals are working every day on products and services used around the world.

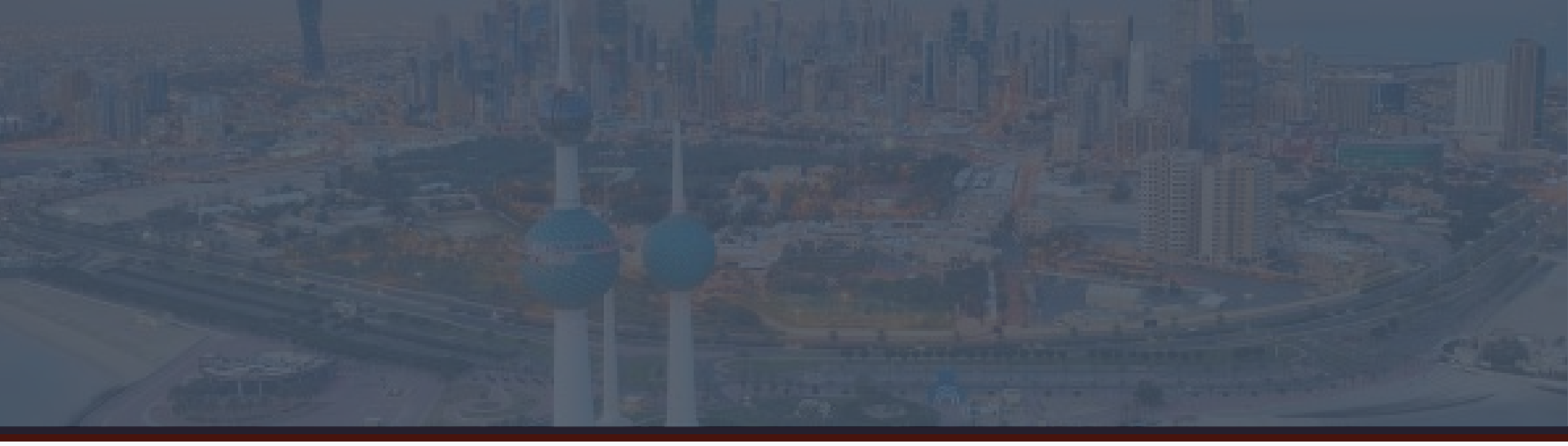
These are India's Global Capability Centres, or GCCs, which could become an important new bridge between India and Kuwait and the Gulf Region.

A GCC is no longer simply a low-cost back office. The best centres today work on artificial intelligence, cybersecurity, financial analytics, semiconductor technology, engineering, product design, digital platforms, research and global business strategy. India has more than 1,700 such centres, employing almost 2 million professionals. For Kuwaiti or Gulf companies looking to become more international, this offers an interesting proposition: India can become the place where they build the capabilities needed for their next stage of growth.

The Mega-Cities and Beyond

India's strength lies partly in the extraordinary variety of its cities.

Bengaluru is perhaps the best-known example. It has become a global centre for software, AI, engineering & deep technology. Hyderabad has developed strong capabilities in technology, pharmaceuticals, healthcare and aerospace. Mumbai is India's financial capital and naturally suited to banking, investment, insurance and financial analytics. Pune brings together engineering, manufacturing, automobiles, technology. Chennai has deep expertise in automobiles, electronics, industrial engineering and digital services.



Delhi-NCR combines technology and professional services with proximity to India's government and regulatory institutions. And then there is the next layer of India.

Cities such as Ahmedabad, Jaipur, Kochi, Thiruvananthapuram, Coimbatore, Kolkata, and Indore are increasingly attracting technology and business operations. For a company, this means that India is not one talent market but many, each with different skills, costs, cultures, and areas of expertise.

This is particularly useful for a Kuwaiti or a Gulf company. It could, for instance, have financial analytics in Mumbai, engineering in Pune, technology in Bengaluru, and specialised operations in Ahmedabad, Kochi, or Jaipur.

Close familiarity between Kuwait/Gulf and India

Kuwaiti traders and businesses have been investing and operating in India for centuries. Companies such as Alghanim Industries, Alshaya Group, Asiya Investments and Agility Logistics have established a presence in the Indian economy. Alghanim Industries' Kirby India, for example, has manufacturing facilities in Hyderabad, Haridwar and Halol.

There are examples also from the wider Gulf Region. UAE-based DAMAC Group established a shared services and capability centre in Noida, supporting functions such as finance, human resources, sales operations, commercial activities and digital initiatives. It is developing another centre in Pune.

What is changing in India is the nature of the opportunity. A Kuwaiti company operating in India traditionally needed factories, shops, hotels, warehouses or investment assets. Today, it can also build a team that works for the company globally.

The significance of such a move goes beyond the number of employees in the centre. It represents a change in thinking: India is now not merely a market, but an attractive place from which to run and grow an international business.

What India offers that is difficult to replicate

Perhaps India's greatest advantage is its people. Every year, millions of young Indians enter the workforce.

Among them are engineers, scientists, doctors, finance professionals, software developers, designers, and management graduates. Many have studied or worked internationally and are comfortable operating across cultures and timezones. But numbers alone do not explain India's attraction. Over several decades, India has developed an ecosystem around this talented workforce, investing in universities, technology companies, start-ups, professional services firms, research institutions, tech parks, and increasingly sophisticated digital infrastructure.

This makes it possible for a company to start small and grow quickly.

As an example, a Kuwaiti business might begin with 50 specialists in India. With expansion in international operations, that team can grow from 500 to 5,000. It can move from accounting and customer support to data science, product development, engineering, and research. The Alshaya Group's GCC in Bengaluru is an excellent example.

That journey, from support function to strategic capability, is one of the defining features of India's GCC story.

A natural fit for Kuwaiti companies

Kuwaiti companies have strong expertise in sectors such as energy, banking, investment, logistics, retail, real estate, and hospitality. India offers complementary strengths in technology, engineering, analytics, pharmaceuticals, digital services, and a large pool of skilled professionals. Imagine a Kuwaiti bank using India for cybersecurity, digital services, and AI.

A logistics company developing its global digital platform from Bengaluru. An energy company using Indian engineers and data scientists to improve operational efficiency. A Kuwaiti investment company building a research and analytics team in Mumbai or GIFT City. These are not distant possibilities. The building blocks already exist.

There is also an important financial connection emerging through GIFT City in Gujarat, India's international financial centre, which is developing capabilities in international banking, capital markets, insurance and financial technology. India and Kuwait have already established institutional cooperation between Kuwait's Capital Markets Authority and India's International Financial Services Centres Authority in April 2024.

A relationship entering its next chapter

India and Kuwait have a relationship that is much older than today's business statistics, built through trade, seafaring, pearls, dates, textiles and, above all, people. Generations of Indians have lived and worked in Kuwait, while Kuwaiti businesses have developed relationships in India. The next chapter of that relationship can be built around something new: ***knowledge & capability.***

For Kuwait, establishing a GCC in India need not mean moving jobs away from Kuwait. It can mean creating an additional arm of a Kuwaiti enterprise, one that draws on India's talent while supporting the company's operations in Kuwait and other international markets. And for India, Gulf investment brings something equally valuable: international capital, entrepreneurial experience and access to markets where Indian talent and technology can create new value. The most interesting question, therefore, is not whether India can provide skilled people at competitive cost. That question has largely been answered. The more important question is: ***What could a Kuwaiti company build in India that it could not build as easily anywhere else?***

The answer could range from a technology centre to a global research team, from an investment-analytics platform to an engineering hub. India's GCC story is ultimately a story about people. It is about talented young Indians working on global challenges, and about international companies discovering that the capabilities they need for tomorrow can be built in Indian cities today. For Kuwait and the wider Gulf, that makes India more than an investment destination. It makes India a potential partner in building the future. ***For any clarification or further information, please send an email to amb.kuwait@mea.gov.in***

GCCs in India

Why India: World's leading GCC destination, supported by a large pool of skilled professionals, tech ecosystem, competitive costs and growing capabilities in AI, digital technology and engineering.

Scale: More than **1,700 GCCs** (over half of the world's GCCs), over **2,000** centres projected by 2030. Nearly **2 million professionals**, expanding beyond traditional IT services to advanced research, product development, and innovation. Generating close to **$100** billion in revenue.

Why Kuwait: Offer another model for building technology and specialised capabilities in India, and support operations across the Middle East in areas such as AI, software development, cybersecurity, finance, analytics and engineering.

The Bigger Shift

India's GCC story is moving from "low-cost outsourcing" to "global innovation & technology hub".

Multi-nationals are now increasingly using their Indian centres to design products, develop tech and drive innovation for worldwide markets.

Location	Approx. number of GCCs	Companies
Bengaluru	487+	JPMorgan Chase, Goldman Sachs, Microsoft, Google, Walmart
Hyderabad	270+	Wells Fargo, Goldman Sachs, Charles Schwab, Microsoft
Delhi NCR (Gurugram, Noida, Ghaziabad, etc.)	270+	American Express, Barclays, BlackRock
Mumbai	200+	Citi, JPMorgan Chase, Morgan Stanley
Pune	175+	Deutsche Bank, Barclays, BNY Mellon
Chennai	160+	Citi, HSBC, Standard Chartered, Wells Fargo

TEACHER'S DAY SPECIAL

A Lesson I Still Carry

"Always think like the owner"

Whilst doing any work as a professional, be it practice or service, always think like you are the owner. It will lead to better audit observations, better tax suggestions, better suggestions whilst working in industry.

CA Nilesh Vikamsey, Past President - ICAI, '17 -'18

"Love All, Serve All"

This tenet has guided me since childhood as a practical spirituality. At its core: How can I see all people equally? How can I add value in every interaction? At its heart, on the love side, it means recognizing that everyone, regardless of age, title, status, or background, is a leader in their own right. When we approach people with respect and an open mind, they become our greatest teachers. I am still learning to practice this fully. The journey itself continues to transform me each day.

CA Sriram Gopalakrishnan, Past Chairperson - ICAI Kuwait Chapter, IFRS Advisory Leader & Audit Partner, RSM Kuwait

"The Lesson That Stayed With Me"

When I stood in the 8th Standard as the topper of my school, I was filled with the pride of having achieved something special. But my Guru, Shri Kasipathi, noticed something more subtle, a change in my behaviour. One day, he gently spoke to me: "You have achieved well, but remember success can sometimes bring ego along with it. Never allow that to change who you are." I listened quietly. Then he told me a line that became a lifelong lesson: ***"If Ego is in, You are Gone. If Ego is Out, You will Go On."***

With passage of time, I began to understand the deeper meaning of those words. Achievement may open doors, but humility keeps you moving forward. The less room you give ego, the more room you make for growth. That brief advice in my 8th Standard became a compass for life. With gratitude, to my Guru, Shri Kasipathi, for teaching me a lesson that no textbook could ever teach.

CA Venkata Ramana Badida, Chairperson, ICAI Kuwait Chapter, CFO - GIG Takaful Kuwait

TEACHER'S DAY SPECIAL

A Lesson I Still Carry

"Small Things Done Consistently Create Big Differences”

During my early years, a senior once told me, “Excellence is not built in a day; it is built through the small things you choose to do every day.” This lesson continues to remind me that greatness is not always about making extraordinary moves; it is about bringing sincerity and consistency to ordinary tasks.

CA Ivpreet Singh Nanda, **ICAI AI Committee**

"Three Ts - Try, True, Trust", My Pillars of Success

- *Try - for boundless horizons and new opportunities.*
- *True - to your values and service.*
- *Trust - in the Almighty's grace and your parents' eternal blessings.*

CA Mudassar Nath, ***Head of Finance - Al Rajhi Bank***

"If your dreams don't scare you, they are too small."

This line stayed with me because it reframed fear as a sign of ambition rather than a reason to retreat. It made me realise that comfortable goals were quietly limiting me. Since then, I measure my goals by how much they stretch me, not by how safely I can reach them. I have taken on responsibilities before feeling fully ready and learned to treat uncertainty as part of growth. A little fear, I now believe, means I am aiming in the right direction.

CA Suresh Devendran, ***Head of Business Development & Investments, Al Babtain Group***

TEACHER'S DAY SPECIAL

A Lesson I Still Carry

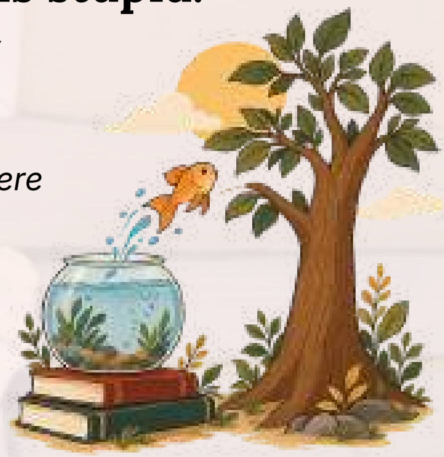
"Take every challenge as an opportunity"

It was during my CA Articleship, the office assistant decided to quit. Then our principal said: "I can easily replace the post with another diploma holder. I place this challenge before you. If you are willing, you can make it as an opportunity." Our Principal's insight led us to slowly learn Microsoft office during the office hours. We got valuable hands-on experience (at that time computers were not very common), free of cost and eventually we became experts in the work. Those words have taught me that sometimes, what appears to be a difficult situation may actually be a unique opportunity waiting to be discovered. I still remember those magical words and how we overcame that tough situation by simply changing the perspective.

CA Sindumol Thomas, Assistant Manager, Boubyan Capital

"If you judge a fish by its ability to climb a tree, it will live its whole life believing that it is stupid."

My father often reminded me of this quote, commonly attributed to Albert Einstein, and the lesson behind it: everyone has their own strengths, even when they are not immediately visible. Someone who struggles where you excel may shine where you cannot. That thought taught me never to belittle or judge people - at home, in a classroom, or at work. Humility is remembering that no one is good at everything, and kindness is helping others discover what they are good at. Appreciate, encourage, and let people grow.



CA Martin Jacob, Senior Auditor - Gastronomica ME

"Give whatever you can, to whomever you can, but never give expecting it to come back to you."

My mentor once shared this simple thought with me, and it has stayed with me ever since. Over the years, I have realised that whether it is our time, knowledge, support, or an opportunity, the true value of giving lies in doing it without keeping an account of what should come back to us.

CA Joseph Peter, ICAI Kuwait Committee Member, Manager Risk Consulting - PKF Kuwait

Before Building Institutions, What Selling Purses Taught Me About Business: A Chartered Accountant's Early Lessons

By Prof. (CA) J.K. Shah

Founder and Chief Managing Director of J.K. Shah Classes

Understanding the Art of Negotiation

The early experience of selling ladies' purses in 1978 taught me a lot of things. Customers used to bargain a lot and hence, when the cost was around Rs. 10 and the fair price was Rs. 15, I used to quote Rs. 30 or 40.

One day, a lady came and when I quoted Rs. 30, she put a counter offer of Rs. 8. My brother was infuriated at her. He used to literally shout at anyone who bargained too much and one fine day, I told him: ***"Don't you think you are wrong? If you can ask 2x or 3x the fair price, why can't the customer also, say, ask for 0.5x?"*** He immediately understood my point, that customer is the king/queen here.

Respect as the First Rule of Business

I would never get annoyed or angry when anyone used to put a counter offer of Rs. 8 or Rs. 10. I used to politely reply: "Ma'am, have a look at my shirt. Have a look at my shoes. Do you think I would overprice it and cheat you?" I used to bring them to around Rs. 15 at least.

You have to be polite when you want to say that something is not possible. You should never get annoyed. That summarises the first rule of entrepreneurship I learnt - respect your customers and talk to them politely. But, I had always been ethical as well.

Ethics Over Easy Profits

Once, when the fair price was Rs. 15, I quoted Rs. 50, assuming that some sort of hard bargaining would happen. That lady didn't bargain at all and without any hesitation, she bought the purse for Rs. 50.
A few seconds later, I told her with my clean heart: ***"Sorry, ma'am, the actual price of this was Rs. 15 and I thought you would bargain heavily - hence I had quoted Rs. 50. Please take it for Rs. 15 as I would not feel right to overcharge you."***

She paid Rs. 20! She was so happy and applauded my integrity. To be a successful entrepreneur, it is important to stay honest and ethical. Most importantly, one should always respect your customers. Else, no one will respect you!

Indian Economy: Building a Strong Foundation for Viksit Bharat 2047

By CA Sourabh Ajmera

ICAI WIRC - Chairman

India today stands at a defining juncture in its economic journey. "Viksit Bharat 2047" represents an ambitious national vision to transform India into a developed nation by 2047—one that is economically resilient, socially inclusive, technologically advanced, environmentally sustainable and globally competitive.

This vision goes beyond achieving a higher GDP or building a larger economy. It is about creating strong institutions, enduring capabilities and an ecosystem that fosters innovation, investment, enterprise and inclusive growth. As we move towards the centenary of our Independence, the foundations we strengthen today will determine the strength and character of the India we envision for tomorrow.

The 7.8% real GDP growth recorded in the first quarter of FY 2026–27 is an encouraging reflection of the resilience and underlying strength of the Indian economy. Domestic demand, investment, manufacturing and services continue to provide important momentum to the growth story. Such resilience assumes significance because a developed economy is not built merely during periods of favourable global conditions; it is built by creating robust institutions and systems capable of withstanding economic cycles and external uncertainties. India aspires to become a $30–40 trillion economy by 2047, supported by sustained GDP growth of 8% and above. Achieving this ambition will require not only capital and infrastructure, but also institutional credibility, sound governance, human capital and a strong professional ecosystem. It is here that the Chartered Accountancy profession assumes a larger significance.

Chartered Accountants: Enabling Growth and Building Trust

The transformation of the Indian economy is also transforming the nature of professional responsibility. Chartered Accountants have traditionally been regarded as custodians

of financial accuracy, compliance, accountability & trust. These responsibilities remain fundamental, but the expectations from the profession are evolving rapidly. The CA of the future must be equally comfortable with finance and technology, compliance and strategy, assurance and analytics, governance and innovation.

A strong economy ultimately rests on trust. Investors must have confidence in financial information; businesses must operate within sound governance frameworks; governments must be able to rely on credible financial systems; and citizens must have confidence that resources are being utilised responsibly. Chartered Accountants occupy a unique position within this trust architecture. Through audit, assurance, taxation, financial reporting, risk management, governance and professional advisory services, the profession contributes directly to the credibility and integrity of India's economic ecosystem.

As India progresses towards Viksit Bharat, this role can extend significantly further. Chartered Accountants can become partners in enterprise creation, catalysts for formalisation, advisors to MSMEs, facilitators of investment, enablers of good governance and trusted professionals in the digital economy.

For MSMEs and family-owned businesses in particular, CAs can move beyond being compliance professionals to becoming long-term growth partners—supporting financial planning, access to capital, taxation, digital transformation, internal controls, succession planning, governance and business expansion.

In doing so, the profession can help individual enterprises become more efficient, transparent, resilient and globally competitive, thereby strengthening the broader economic foundation of the nation.

Building a Future-Ready Profession

The India of 2047 will require professionals who understand the economy beyond their immediate areas of practice. The opportunity before the CA profession extends well beyond traditional accounting and compliance.

The economic landscape is being reshaped by technology, capital markets, international business, sustainability, cybersecurity, data protection, artificial intelligence and emerging business models.

Chartered Accountants can bring financial insight, professional judgement and risk awareness to these evolving areas, helping businesses and institutions make informed decisions and create sustainable long-term value.

This transformation also presents an opportunity to take Indian accountancy to the world. India's growing presence in global business, Global Capability Centres, cross border services & technology-led enterprises

is creating new avenues for Chartered Accountants to deliver high-value professional services across jurisdictions.

The CA fraternity can increasingly serve as a bridge between Indian enterprise and global capital, global standards and global markets. However, as the scope of the profession expands, its foundation must remain unchanged: ethics, independence, integrity and sound professional judgement. Technology may transform how professional services are delivered, but it cannot replace the trust and responsibility that lie at the heart of the profession.

The future-ready CA, therefore, will not be defined merely by technological proficiency, but by the ability to combine professional expertise, technology, strategic insight and ethical judgement.

The Foundation Begins Today

Viksit Bharat 2047 may be a long-term national vision, but its foundation is being created every day, in our businesses, institutions, classrooms, boardrooms, government offices and professional practices.

For the CA fraternity, this means recognising that our contribution to nation-building is not confined to large initiatives or headline achievements. It is reflected in the quality of advice we provide to an entrepreneur, the governance frameworks we help establish, the financial discipline we bring to an organisation, the knowledge we share with the next generation and the integrity with which we discharge our professional responsibilities.

As Chartered Accountants, we are privileged to stand at the intersection of finance, business, regulation and public interest. This unique position carries both a responsibility and an opportunity to participate meaningfully in India's transformation.

The foundation of a developed India will not be built by one institution, one sector or one generation alone. It will be built through collective effort, sustained commitment and responsible participation by every stakeholder. As we look towards 2047, let us therefore aspire to build not merely a larger economy, but a stronger, more resilient and more inclusive India, an India founded on trust, transparency, technology, innovation, inclusion and ethical growth.

The India we envision for 2047 will ultimately be shaped by the choices we make today. As a profession entrusted with an important part of the nation's financial and economic architecture, the Chartered Accountancy fraternity must continue to stand ready—not merely to witness this transformation, but to enable it, strengthen it and contribute meaningfully to building Viksit Bharat.

August Snapshot

Changes to MSME Classification and Payments

The Indian Parliament passed the MSME (Amendment) Bill, 2026 enabling the Centre to notify MSME Classification Thresholds based on investment and turnover. The changes also address payment-dispute mediation and invoice settlement through TReDS.

India Celebrates 80th Independence Day

India marked its 80th Independence Day, with celebrations at the Red Fort commemorating 150 years of Vande Mataram and highlighting youth aspirations for 2047.

New e-commerce export framework introduced

On August 5, India notified a framework allowing registered exporters to procure Indian-made goods and sell them to overseas buyers through inventory-based e-commerce operations, creating a new route to global markets for manufacturers, artisans and MSMEs.

S&P affirms India's sovereign rating

In August, S&P Global Ratings affirmed India's BBB/A-2 sovereign credit ratings with a Stable Outlook, following its upgrade of the long-term rating to BBB in 2025.

SEBI introduces new stock-market closing auction

SEBI introduced a 20-minute closing auction session from Aug 3 for stocks with derivative contracts, replacing the earlier VWAP-based closing-price mechanism for those securities.

Taxation Laws Bill passed by Parliament

The Bill exempts tax on income of FIIs and BIS from investments in government securities. It also provides exemptions to certain foreign companies engaged in businesses of diamonds and electronics manufacturing.

Sources: PRS Legislative Research | PIB | SEBI | S&P Global Ratings | Government of India

August Snapshot

Economic Indicators

7.8% Real GDP Growth Q1 FY 2026 - 27	**10.3%** Nominal GDP Growth Q1 FY 2026 - 27	**5.25%** RBI Repo Rate August Policy Review
4.82% Retail Inflation August, Year on Year	**5%** Unemployment Rate August 2026	

Parliament & Legislation

12 Bills Passed 20 July - 13 August 2026	**19** Parliamentary Sittings 20 July - 13 August 2026

Business, Trade & Technology

24.5B UPI Transactions August 2026	**$9.41B** Overall Trade Deficit August 2026

Sources: MoSPI, RBI, Ministry of Commerce & Industry, and PRS Legislative Research.

Ramblings and Ruminations: The Teachers We Never Really Stop Having...

By Dr (CA) Kaizar Shakir

Past Chairperson - ICAIKC,
CFO and Director of People, Dar Gulf Consult for Engineering Consultancy

Every Teacher's Day, as the years pass, my debt of gratitude to my teachers seems to grow rather than diminish. Ironically, many of those teachers whom we hardly valued when we were young are now among the most cherished people in our memories. Sadly, many are no longer around to hear us say thank you.

Ours was a very different era. Classes were crowded, the syllabus was sacred and learning often meant memorising, mugging up and reproducing everything in the examination hall. We had little choice in what we learnt and even less freedom to question why. It was largely a one-way street: listen, learn and, if necessary, do or die!

And yet, we didn't turn out quite so badly. The credit goes to our teachers, not necessarily for what was contained in the textbooks, most of which we have conveniently forgotten, but for the values they instilled, the character they helped build and the many lessons in life that were never written in any syllabus. Today, education has changed dramatically.

Children have choices from an early age. Curiosity and questioning are encouraged; information is available at the click of a button and Artificial Intelligence is rapidly finding its way into classrooms.

AI can explain, calculate, translate and teach with extraordinary speed. It may even know more facts than the teacher standing before the class.

But there is something a human teacher can do that no machine can truly replace: *'teach you how to become human'***.**

A teacher sees the hesitation in your eyes, recognises potential you may not see in yourself, knows when to push you, when to encourage you and, importantly, teaches you how to get up after you fall.

A machine can provide an answer. A teacher can teach you how to find your own. When I look back at my own life, I realise that my teachers have been many.

My parents and grandparents were my first teachers. My siblings taught me things that no classroom could. My school teachers taught me academics, but also discipline, values, friendship, competition and the difference between right and wrong.

My years with the Services brought another set of teachers. The officers who trained us taught me leadership, discipline and resilience. They taught me that when things go wrong, you don't sit down and complain.

You get up and carry on.

My university professors taught me academics, but also some wonderfully practical lessons. One taught me how to punch holes in papers properly for filing.

At the time, it seemed hardly worth learning. Looking back, I realise that life has given me plenty of papers to punch, file and occasionally lose!

More importantly, those years taught me to stand before a crowd, lead and speak without fear. Whatever stage fright I had gradually disappeared, a lesson that proved invaluable much later in life. Then came my professional career and another important teacher, my boss when I was pursuing my CA. He gave me independent charge, recognised potential in me, trusted me and gave me opportunities to prove myself.

From him I learnt a lesson I have carried throughout my career: ***there is no shortcut to success.***

And the classroom never really ended.

My spouse and children became teachers in their own way, teaching me patience, compromise, humility and occasionally the wisdom to accept that I may not always be right.

Friends, colleagues, acquaintances and even strangers have all left behind lessons. Some have taught me what to do, others, equally usefully, what not to do.

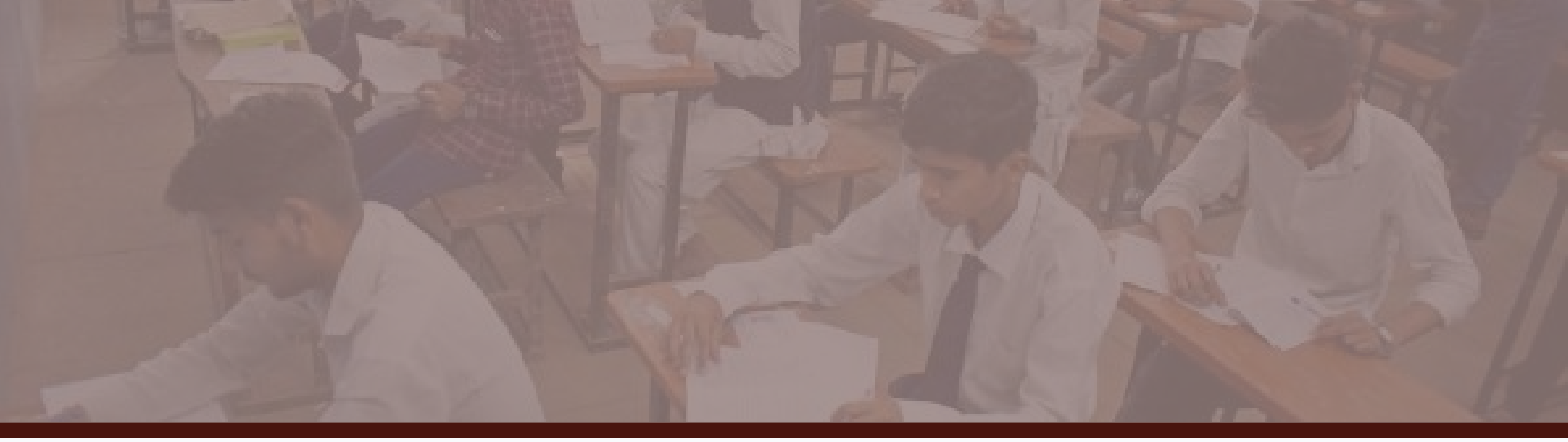
There have also been teachers of another kind, those who have guided my spiritual and moral journey.

The teachings and guidance of religious and spiritual leaders from within and outside the community have continually reminded me of the larger purpose of knowledge and life.

The universal values of humanity, brotherhood, patriotism, peace and prosperity for all, together with the constant encouragement to seek knowledge of both this world and the hereafter, have been an important part of that journey.

Nature, circumstances and life itself continue to teach me every single day. Perhaps that is the real meaning of being a student.

We don't graduate from learning. We merely change classrooms. The syllabus keeps changing, the examinations come without warning and there is rarely an answer sheet at the end.



Today we have more information than any generation before us. But information is not knowledge, and knowledge is not wisdom. The real challenge is knowing what to believe, what to question and what to learn from it.

That is where the human teacher will always matter.

Anyone who teaches you even a single letter has given you something you did not possess before. For that alone, we owe them a debt of gratitude.

As for me, I have been fortunate to have had countless teachers, far beyond the walls of any classroom. I have also been far from the ideal student and still have a very long way to go. But perhaps that is the point. The day we believe we have nothing more to learn is probably the day we have learnt the least.

So today, my heartfelt gratitude goes to every teacher who has shaped me, corrected me, encouraged me, challenged me and sometimes frightened the living daylights out of me!

And to those who taught me through love, example, experience and life itself, thank you. I am what I am because of all of you.

Although, as an old joke goes, when I called my teachers today and said,

“**I am what I am today because of you**,”

They apparently replied:

“Don't blame us. We tried our best!”

Happy Teacher's Day.

Editor's Corner - Teacher's Day Special

The CA's Learning Evolution

What we heard in school	What we hear professionally
Do not copy	Preserve your independence
Show me your working	Document your judgement
Check your answers	Obtain a Maker-Checker Sign-Off.
Don't jump to Conclusions	Obtain Sufficient Appropriate Audit Evidence
Check your Calculations	Reconcile the Numbers
Ask if you don't understand	Schedule a Walkthrough
Learn from your mistakes	Perform Root Cause Analysis, Implement Preventive Controls

Why GIFT City's True Future Lies with the Global Indian

How many members of the ICAI Kuwait Chapter, or for that matter, any senior Indian finance professional across the GCC, have actually opened a foreign currency account, invested in an Alternative Investment Fund (AIF), executed a treasury transaction, or managed family wealth through GIFT City today?

For a community of decision-makers who advise multinational corporates, manage regional capital flows, and direct private family wealth, the honest answer for most is likely: **very few.**

That stark disconnect captures the central paradox of India's International Financial Services Centre (IFSC). GIFT City has successfully built the physical runway, attracted over 1,200 entities, and established world-class regulatory foundations. But its next phase of growth cannot be driven by policy circulars alone, it requires earning the active confidence of the globally resourceful Indian diaspora.

By CA Rabin Gonsalves

Past Chairperson - ICAIKC, Assistant General Manager - Finance, Gulf Bank

Phase One Achieved: Proving the Platform Works

When India set out to create its first International Financial Services Centre, skepticism was widespread. Critics questioned whether an Indian onshore jurisdiction could offer the speed, flexibility, and regulatory independence required by international markets. Over the last decade, GIFT City answered those doubts with several decisive, structural victories:

The Unified Regulator (IFSCA): The enactment of the IFSCA Act in 2019 and the establishment of the International Financial Services Centres Authority in 2020 replaced a fragmented web of domestic regulators (RBI, SEBI, IRDAI, PFRDA) with a single statutory body. This created an agile, single-window regulatory regime, benchmarked against international standards.

The GIFT Nifty Breakthrough: In a historic migration, the flagship Indian equity derivative contract, formerly SGX Nifty,

relocated its liquidity base from Singapore to GIFT City. GIFT Nifty has since logged single-day trading volumes exceeding **$23.4 billion** and cumulative turnover topping **$2.9 trillion**, proving conclusively that global institutional investors will happily transact through GIFT IFSC when market infrastructure and competitive regulation are aligned.

Ecosystem Expansion: GIFT IFSC banking assets have crossed **$111 billion** across international banking units (IBUs), alongside functional verticals in aircraft leasing, ship financing, foreign currency settlement systems, and the India International Bullion Exchange (IIBX). These milestones proved that India can build and operate a credible international financial center. Yet, any objective observer must concede a simple truth: **GIFT City has only completed its setup phase. It has a long way to go to reach its true potential.**

The Unlocked Thesis: Why the Diaspora Holds the Key

Now that the runway is built and the proof-of-concept is complete, the challenge shifts from institutional infrastructure to **retail, wealth, and private capital adoption.** GIFT City cannot compete with Singapore on common-law history, nor can it compete with Dubai on global lifestyle appeal or rival one of the oldest financial centers like London, which has stood the test of time. To achieve exponential scale, GIFT City must drop the offshore turf war and focus on its most natural, highly resourceful constituency: **the globally mobile Indian diaspora.** Non-Resident Indians (NRIs), Overseas Citizens of India (OCIs), and global Indian family offices manage hundreds of billions across North America, the GCC, Europe, and Southeast Asia. On paper, GIFT City offers them the ideal bridge back to India:

1) No INR Depreciation Risk: Multi-currency accounting (USD, EUR) protects capital from INR volatility.

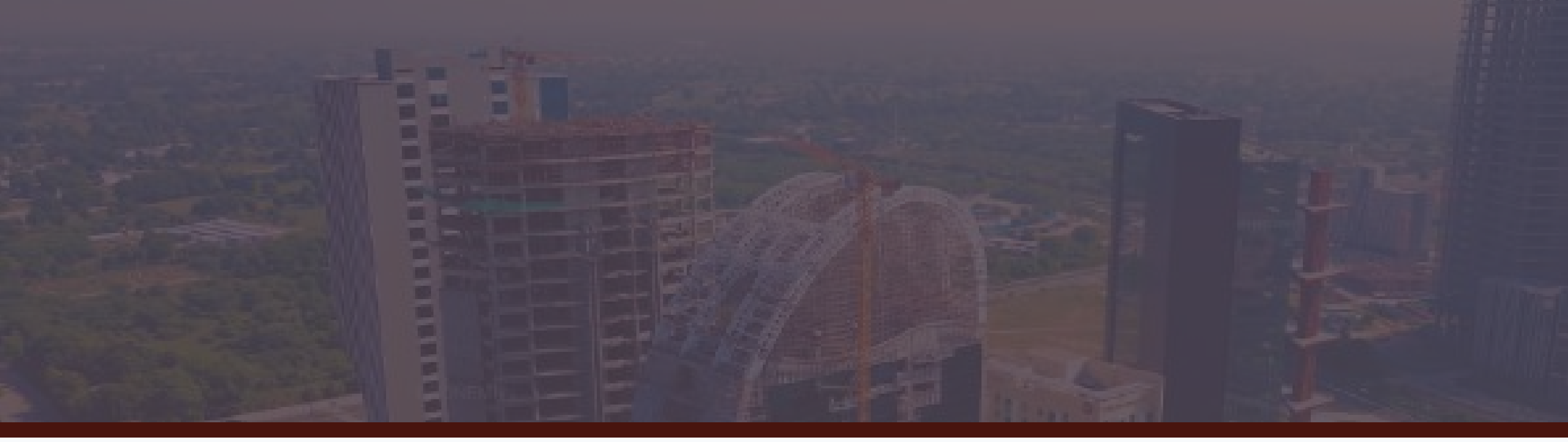
2) Frictionless Tax Mechanics: 0% capital gains tax on specified IFSC trades and zero domestic withholding tax.

3) Domestic Rules Exemptions: Investments bypass restrictive NRO account paperwork and domestic foreign exchange caps under the Liberalised Remittance Scheme (LRS). So why hasn't diaspora capital flooded in? **Because operational infrastructure does not automatically equal personal institutional trust.**

The Four Friction Points Holding Back Diaspora Capital

If GIFT City is to become the natural wealth sanctuary for global Indians, IFSCA must resolve four core trust deficits:

1. Legal & Judicial Predictability: Global wealth managers favor Singapore, Dubai, and London because their financial courts operate on centuries-old common law. Wealthy Indian families require absolute certainty that cross-border trust structures, estate successions, and contractual disputes



will be settled swiftly without domestic bureaucratic interference or retroactive tax code changes.

2. Onboarding & Digital Friction: Setting up an IFSC bank account or investing in a GIFT-domiciled fund remains far more tedious than opening an account with a global private bank. A global Indian expects a one-click digital experience, not endless forms & tax validations.

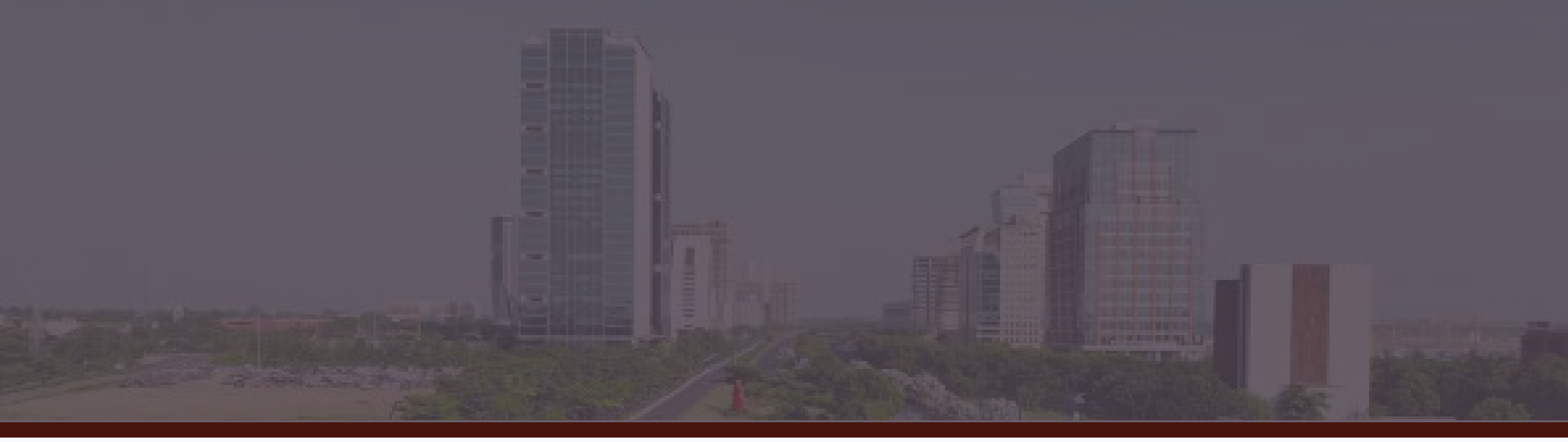
3. Depth of Multi-Asset Products: A modern family office requires global asset allocation. To win primary capital allocations, GIFT City must build deep, liquid secondary markets for foreign currency bonds, global ETFs, and direct international equities alongside its Indian product suite.

4. Home-Country Tax Disconnects & Cross-Border Asymmetry: While India exempts non-residents from domestic capital gains, withholding taxes, and income taxes on specified IFSC investments under Section 10(4D), those earnings remain fully taxable in an investor's country of residence. For NRIs in major Western tax jurisdictions (such as the UK, US, Canada, or Australia), a "zero tax" rate in India creates a tax paradox: because no Indian tax is withheld, there is no foreign tax credit to offset domestic liabilities back home. Combined with compliance burdens like FATCA for US-based investors, GIFT City's domestic tax exemptions often fail to translate into net savings for overseas taxpayers without refined bilateral treaty integration.

The Domino Effect: Win the Diaspora, Open the World

Focusing on the diaspora is not a restricted strategy, it is GIFT City's most logical bridge to global institutional capital. I propose a four-phase strategy to achieve this transition:

Phase	Strategic Stage	Core Objective & Market Impact
01	Diaspora Onboarding	Establish deep trust through seamless digital onboarding, V-CIP, and clear wealth structures for NRIs/OCIs.
02	Capital Allocation	Wealthy diaspora families allocate primary savings, private trusts, and Family Investment Funds (FIFs) to GIFT City.
03	Market Liquidity	Multi-currency inflows deepen secondary trading liquidity, fund management bases, and product offerings.
04	Global Institutional Inflow	Wall Street firms, global PE funds, and sovereign capital follow the liquidity, cementing GIFT City as a premier global hub.



Today, global Indians occupy senior leadership positions across Wall Street investment banks, Silicon Valley venture firms, and global pension boards.

Once these leaders trust GIFT City with their personal family wealth and private trusts, recommending the platform to their corporate boards and institutional investment committees becomes natural. Earning the confidence of the diaspora creates an irreplaceable credibility stamp, making it infinitely easier to sell GIFT City to non-Indian institutional capital worldwide.

Actionable Imperatives for IFSCA & Policymakers

1. Establish a Dedicated Diaspora Wealth Desk:
Launch a fast-track, unified digital portal specifically tailored for NRIs and OCIs to set up multi-currency bank accounts, Family Investment Funds (FIFs), and private wealth trusts.

2. Issue a Statutory Tax & Regulatory Guarantee:
Provide long-term statutory assurances that protect IFSC-domiciled diaspora assets from sudden policy shifts or retroactive tax adjustments.

3. Engage Diaspora Financial Networks Directly:
Shift marketing away from generic international trade expos toward targeted roadshows with Indian professional bodies, business councils, and family office syndicates across the GCC, US, UK, and East Asia.

Conclusion:

GIFT City has already built the platform, empowered an independent regulator, and proved its execution capacity through GIFT Nifty. But financial hubs are not built on concrete and contracts alone, they are built on confidence.

GIFT City does not need to emulate Singapore, Dubai, or London. By fulfilling its destiny as the secure, tax-neutral, and frictionless financial home for the global Indian diaspora, it will create an unstoppable momentum.

Once you establish deep trust with the Global Indian, the rest of the world will naturally follow.

Interviews - what companies look for in people?

The Right Person

There are many schools of thought of as to what is the best way to interview a candidate. People conduct several tests that get them to the final rounds. Stress interviews, case studies, the works are thrown at candidates and finally when they are on the job, one discovers that there is a gap. The candidates have their own expectations and finally it ends in a separation, and ***often times it is the candidate quitting the company not the firm asking the person to leave.***

Looking Beyond Education and Experience

So, what is the magic sauce of finding the right person? Let me start by saying that there are no perfect candidates. Only ones who come close. Beyond the usual list of education, experience and a suitable fit for the role, I look for a number of behavioral traits as well. And, this starts with a good culture fit. I look for people with good energy and drive. Some people are the extroverts and some are introverts and both have energy and drive that one has to discover in the interview process.

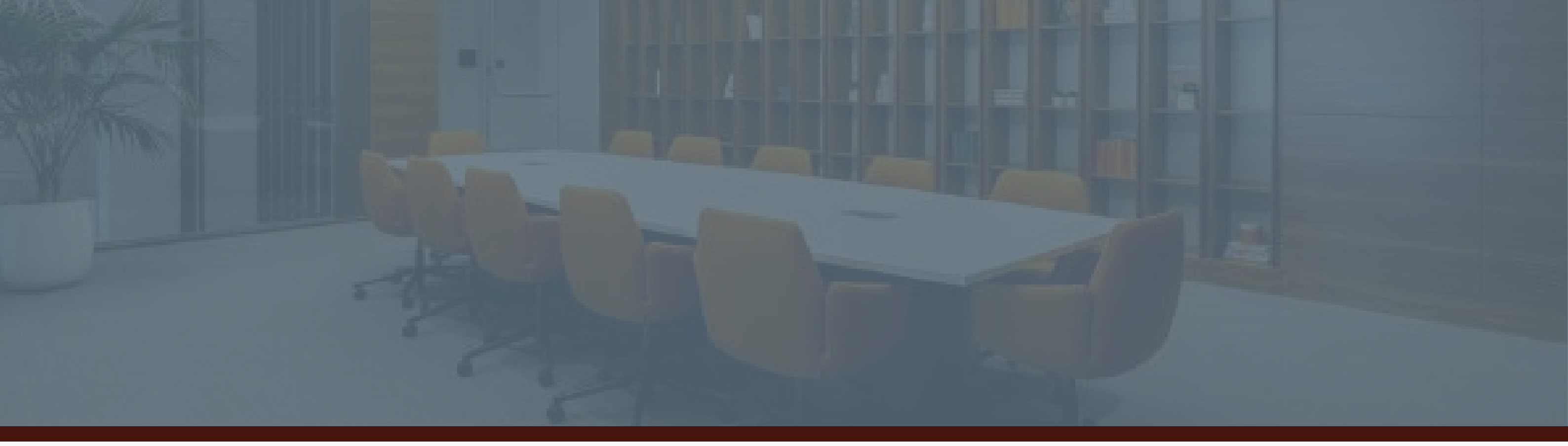
Personally I have a bias for people with a firm hand shake. It makes me more comfortable knowing the person is confident. I don't hold it against them if they don't. I ask for the war stories of their success in the past two years of something that they have done that beat all odds and made them succeed and feel on top of the world.

By S.V. Nathan

Ex- Chief Talent Officer - Deloitte India, Ex- Country Leader - PWC Acceleration Centres, Co-Founder Vidwon

I believe that it gets the best out of an applicant. Through their narrative, I discover their inner drive and their sense of achievement orientation. I also look for good communication skills.

Are they articulate and clear? Not just a lot of English, but simplicity in getting to the point. Something they say that gets me glued, the effectiveness. Through gentle questioning, I gauge their sense of decision making and their focus on execution, as that is most important in our world. Through their enunciation, I look for the sense of teaming and their commitment to the task on hand. I also look at the body language of the candidates and notice the way they sit and



speak, to check if they are comfortable in the interview. And do they carry conviction?

The Importance of Interviewer Preparation

I believe that interviewers need to be far more prepared than the applicants. Many times I set aside some time before I meet people as I want to be mindful of the situation. It is as important for me as for the applicant. Does not happen all the time, ***but I sincerely try.***

Years ago, when I was interviewed I recollect a boss of mine who interviewed me took great care of all of us who came to his firm. He was so courteous that we all wondered if he was just a handyman about the place. Came to know later he was the biggest boss around. It taught us all a lesson.

The Qualities That Make Candidates Shine

Of the best candidates I have selected in my career, I have found that apart from all the above, I have looked for passion. And this is a quality that has never failed me.

I have always stood by my decision to hire a candidate who had this element, I have found that they shine in organizations, each time, every time.

Lastly, I look for someone who apart from the above has a sense of humor and is positive. Now, as you can see, it is a lot to ask of someone to watch out for in candidates!

August Snapshot

Non-Oil Business Activity Accelerates

Kuwait's non-oil private sector recorded its strongest improvement since February during August, with business activity and new orders expanding significantly. Kuwait's Purchasing Managers' Index climbed from 50.8 in July to 53.6 in August, reflecting faster expansion in non-oil business activity, new orders and output.

Economic Courts Take Shape

On August 20, Kuwait's Ministry of Justice published details of proposed specialised economic courts designed to streamline banking, investment and commercial disputes through faster, increasingly digital procedures.

Airport Commercial Contracts Advance

On 13 August, Kuwait's civil aviation authority secured conditional approval for seven airport tenders worth KD 7.006 million, covering advertising, baggage handling, cafés and other terminal operations.

Kuwait Tenders Major Gas Processing Facility

On 23 August, Kuwait Gulf Oil Company tendered an onshore gas plant for the Dorra field, valued at over KD 1 billion ($3.3 billion). If awarded as planned, it would represent Kuwait's largest oil and gas contract in more than a decade.

Listed Firms Approve Interim Dividends

By the end of August, ten Boursa Kuwait-listed companies had approved interim dividends totalling KD 306.74 million for the first half of 2026.

Sovereign Debt Auction Draws Strong Demand

On 19 August, Kuwait issued KD 100 million in five-year Treasury bonds and public debt Tawarruq at a 3.375% uniform yield. Bids reached KD 387 million, equivalent to 3.87 times the amount offered.

Sources: S&P Global; Ministry of Justice; MEED; Arab Times; Boursa Kuwait; Central Bank of Kuwait.

August Snapshot

🏛 Business and Economic Dashboard

KD 53.29B
Stock Market Capitalisation
Boursa Kuwait's total listed market value at August-end, up approximately KD 872 million during the month.

3.50%
CBK Discount Rate
Rate in effect during August 2026.

KD 2.2B
Oil-Sector Contract Awards
Approximately 129 contracts awarded by Kuwait Oil Company during H1 2026.

AA-
Sovereign Credit Rating
Fitch affirmed Kuwait's rating with a Stable Outlook on Aug-7.

KD 1.78B
Stock Market Trading Value
Total value of shares traded on Boursa Kuwait during August 2026.

0.3087
KWD per US dollar
August 2026 monthly average, secondary data source.

KD 1.36B
Listed companies' net profits
Combined H1 2026 earnings of 131 listed companies, up 7.94% year-on-year.

+1.6%
All-Share Index
August's monthly gain in Boursa Kuwait's All-Share Index.

KD 395M
Real Estate Sales
The Property sales in July went up 24% month-on-month, as reported in September's review.

Sources: Boursa Kuwait; Central Bank of Kuwait (CBK); Kuwait Oil Company (KOC); Fitch Ratings; Kuwait Clearing Company; Kuwait Real Estate Union.

To the Young Professionals Aspiring to Build a Career in Banking

By CA Sanket Mokashi

Deputy General Manager - Finance, Burgan Bank

As the banking industry in

Kuwait and the broader Middle East undergoes rapid transformation, there has never been a more exciting — yet challenging — time to build a career in finance or audit. From digital innovation and changing regulations to regional growth opportunities, young professionals who plan their careers strategically will be best positioned for success. The following advice reflects both industry realities and the skills needed to thrive in the years ahead.

1. Build Strong Technical Foundations: A solid understanding of financial and audit principles is essential. Knowledge of accounting standards (IFRS), financial analysis, risk assessment, and internal controls provides the foundation for advanced banking skills. Article-ship and early audit experience help develop and strengthen data analysis and problem-solving skills, while using tools like Excel, Power BI, and AI-based analytics enhances the ability to interpret data and make informed decisions.

2. Loyalty to the Profession and Integrity: Staying loyal to the profession is key. Banking and audit professionals often face situations where they must make tough or unpopular decisions. Maintaining integrity and strong ethics builds long-term trust, opens doors for career growth, and prepares individuals for future leadership roles.

3. Embrace Digital and Analytical Skills: Digital transformation is reshaping banking across Kuwait and the Middle East. Skills in data analytics, AI, fintech platforms, digital payments, and cybersecurity are becoming essential. Understanding how tech drives banking operations, from improving customer service to managing risks, will distinguish top professionals. Incorporating new digital tools into daily routines ensures readiness for emerging trends.

4. Pursue Certifications and Continuous Learning: Professional qualifications such as CFA, ACCA, CPA, FRM, and CIA enhance credibility and career opportunities.

Courses in regulatory compliance, ESG finance, and digital banking help professionals remain competitive. Maintaining an open mind, being willing to learn from colleagues, seniors, and peers, and continuously updating skills ensures relevance in a rapidly evolving industry.

5. Develop a Customer-Centric Mindset: Modern banking requires more than numbers; it demands understanding and delivering value to clients. Professionals who combine analytical thinking with empathy and insight into customer needs can contribute to better products, improved services, and stronger client relationships.

6. Cultivate Strong Professional Networks: Networking is vital for career growth and sustainability. Participating in industry events, conferences, and professional associations helps professionals gain mentorship, industry insights, and access to career opportunities.

7. Gain Practical Experience Early: Hands-on exposure through internships, rotational programs, or early audit roles accelerates learning and bridges the gap between theory and practice. Early experience in audit, credit analysis, or operations builds a strong foundation for a career in banking.

8. Stay Informed on Regulatory and Market Trends: The banking landscape in Kuwait and the GCC is constantly evolving. Awareness of regulatory changes, fintech innovations, and emerging banking trends enables professionals to navigate change effectively and contribute strategically to their institutions.

9. Foster Soft Skills and Professionalism: Beyond technical expertise, success requires communication, teamwork, ethical judgment, problem-solving, and cultural awareness. These skills are particularly important in audit, risk, and client-facing roles across Kuwait and the Middle East.

10. Adaptability and Agility: The industry is evolving rapidly, and professionals must be able to integrate new technologies and processes into their daily work. Adaptability ensures continued relevance and positions individuals as proactive contributors to their organizations.

11. Embrace a Growth Mindset: Banking will continue to evolve — from AI-driven advisory services to sustainability linked finance. Viewing one's career as a journey of continuous development, curiosity, and resilience allows professionals to navigate challenges and seize emerging opportunities in Kuwait and the broader Middle East.

For young finance and audit professionals aspiring to build a career in banking, success depends on ***technical expertise, integrity, adaptability, continuous learning, and a customer-focused approach***. Applying these principles, along with hands-on experience and strong professional networks, enables individuals to build a solid foundation, earn trust, and advance in Kuwait's dynamic and rapidly evolving banking sector.

Entrepreneurship Through Four Decades: The Mughal Mahal Story

The Early Days

Let me begin with a disclaimer, when I set out to become an entrepreneur, I was not a novice to the restaurant and catering field. I already had years of experience working in and successfully heading food service sections in major international hotel chains across India, Iran, and the UK in the 1970s and early 80s.

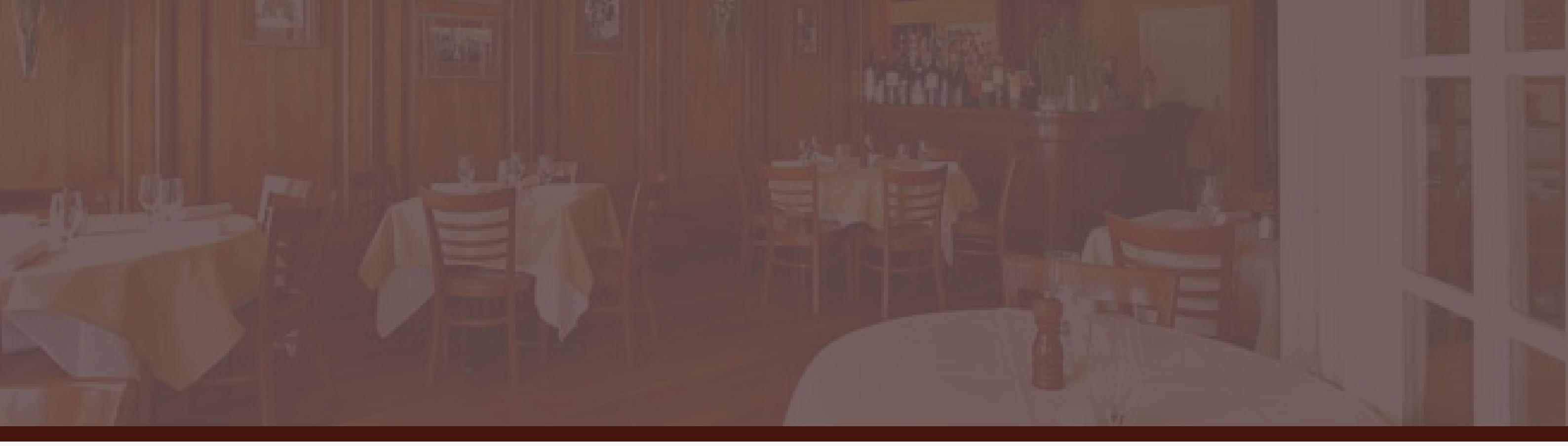
It was while working as Food & Beverage Controller at Hilton International in Kuwait & Catering Manager at Kuwait Oil Co. that I noticed a gap in the country's restaurant line up and decided to capitalize on this limitation by stepping out of my comfort zone and venturing into entrepreneurship. In my interactions with the public and a survey of the market, I observed that while there were quite a few high-end dining out venues in Kuwait, mainly within 5-star hotels, ***there was a significant shortage of such high-quality but affordable restaurants in town.*** In particular, I noticed that although there was a sizable Indian population in the country, there were no Indian fine dining outlets, especially none that specialized in providing authentic Indian Mughlai cuisine.

By Mr. Ashok Kalra

Owner and Co-Founder of Mughal Mahal Chain of Restaurants

The Opening of Mughal Mahal

The opening of the first Mughal Mahal restaurant in downtown Kuwait's Sharq area in 1985 closed that vacuum by providing guests with a fine-dining venue that served authentic Indian Mughlai cuisine. I admit that I was indeed quite lucky to have the unreserved assistance of my two partners, Mukesh Kumar and Jatinder Suri, & the full support of our Kuwaiti sponsors, from the very beginning of Mughal Mahal. It was this strong partnership that continues to this day that underpins the success of the Mughal Mahal Group over the years. Today, Mughal Mahal has become a byword when it comes to Indian fine-dining in Kuwait, successfully owning and operating a chain of ***12 high-end dining venues across Kuwait.*** As the brand celebrates 40 years of providing fine quality food, elegant ambiance, and excellence in service, we feel truly proud of what we have achieved over the years.



The Entrepreneurial Leap

I recall quite vividly that in the early days, after moving from the financial safety and stability of a well-paid job to the uncertainty and risks involved in operating one's own business, I used to often sit by myself at the end of a long day to wonder if I had made the right choice. The success of Mughal Mahal today is an affirmation that the entrepreneurial decision I made long back was indeed the right one.

Entrepreneurship challenges you both physically and mentally, especially in the early days of starting out. As a potential entrepreneur, finding the right idea, gathering market data, building up on the opportunity, finding the right location, timing your entry, and gathering the funds to operationalize your venture, might be some of the initial challenges you face.

But believe me, these issues are just the beginning of your entrepreneurial trials.

Navigating the Challenges of Business

Once your business launches new challenges arrive. Among others, you will need to proactively address market competition, adapt to economic changes and social trends, meet regulatory norms, adroitly manage staff, assuage egos, and overcome time constraints. Many of these challenges come up abruptly, either singly or together, but they all pop up at one time or another on your entrepreneurial journey. Managing these issues quickly and efficiently will be vital to the viability of your enterprise, and to your success as an entrepreneur.

Perseverance Through Adversity

Perseverance, resilience, and the ability to learn from mistakes are vital to the success of an entrepreneur. At Mughal Mahal we realized the importance of perseverance first-hand after the Iraqi invasion in 1990. Following the invasion we had to abandon everything that we had painstakingly built over the years and leave Kuwait. But rather than give up, on returning to Kuwait after the liberation of the country, we decided to not only rebuild what we had lost, but to also build even bigger. Since then we have opened nearly a dozen new outlets across Kuwait and even expanded to UAE. Our number of daily 'covers', a metric used to measure business volume in the restaurant sector, has risen sharply, as has customer satisfaction, proven through several independent surveys.

The Importance of Timing

To me entrepreneurship means seeing an opening in the market that no one else is meeting, and having the business acumen, to not only seize the new opportunity, but the resourcefulness to develop it and market it at the right moment. Timing is critical to the success of any innovative venture. Launch too early and you risk running out of resources before the market is ready to

accept the value proposition of your product. On the other hand, launching too late can mean missing the opportunity, allowing competitors to enter and establish themselves, capture market share, and build brand loyalty, ahead of you.

The Entrepreneur's Mindset

As an entrepreneur, you need to be passionate about the idea behind your entrepreneurial drive, persistent in your pursuit of the opportunity, willing to learn from mistakes, and resilient enough to pick up and move on when you fall down. Your entrepreneurial drive, and the success of your entrepreneurship, will depend on possessing these capabilities, or on your willingness to develop these abilities.

But make no mistake, entrepreneurship is no smooth-sailing.

It comes loaded with turbulence, with frequent and sometimes multiple challenges buffeting you at the same time. Your ability to keep a cool head will be key to your success, and to that of your business.

Editor's Corner
Teacher's Day Special

If CA Subjects Were Teachers...

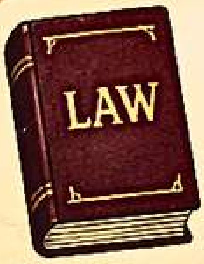
Same Subjects, Different Lessons

Accounting

Doesn't get fooled by a rosy picture on the outside; sometimes even the biggest asset comes with the biggest liability.

Auditing

Even the most confident explanation needs a second glance.



Law

Knowing your rights is important. But understanding your responsibilities is equally essential.

Costing

Before you say yes to something, think about what you're really saying no to.

Tax

You can't avoid every burden. But you can certainly plan for it.

Global Internal Audit Standards- Raising the bar for internal audit in a changing risk landscape

For Internal Auditors, standards are not just reference material kept aside for quality assessments. They shape how we plan our work, engage with stakeholders, assess risk, document evidence, communicate observations and, most importantly, demonstrate the value of internal audit.

In practical terms, 2025 is the year in which many internal audit functions had to move from understanding the new framework to implementing it in their audit methodology, charters, quality programs and stakeholder reporting.

This change should be viewed as more than a technical refresh, particularly from the perspective of internal audit in Kuwait. It is a timely reminder that internal audit is expected to be independent and objective, but also relevant, risk-based, practical and forward-looking.

By CA Arun Mohan

Internal Audit Group
Warba Bank

The New Format and Structure of GIAS

One of the most visible changes is the way the professional framework has been reorganized.

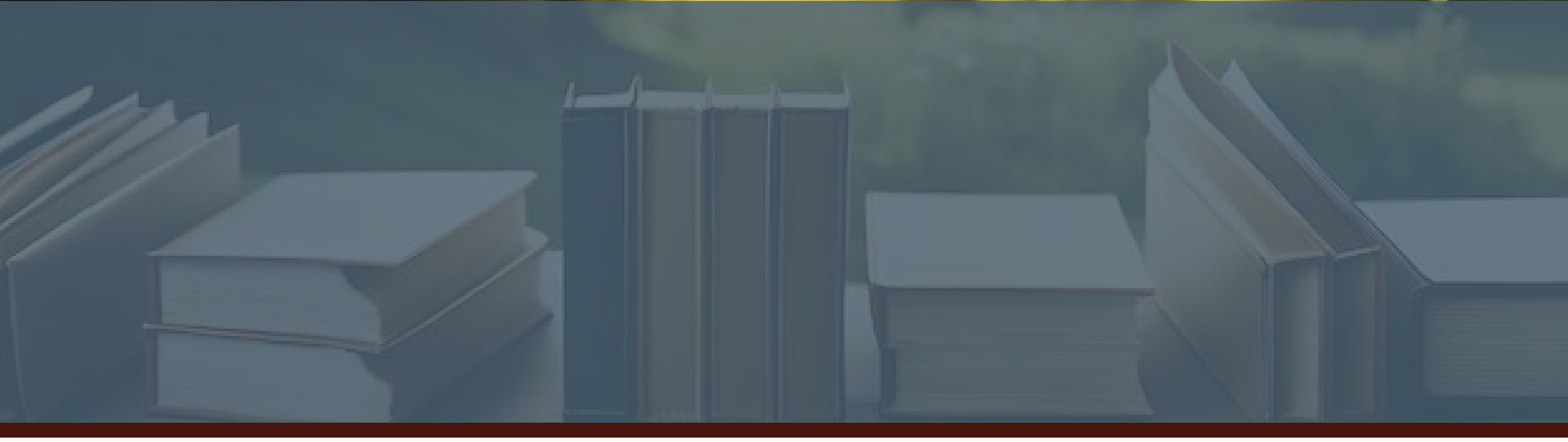
The earlier 2017 IPPF was familiar to most practitioners through its Definition of Internal Auditing, Code of Ethics, Core Principles, Standards, Implementation Guidance and Supplemental Guidance.

The updated IPPF is simpler to navigate and more integrated in its presentation. The new IPPF is now built around three main elements:

1. GIAS: Mandatory and applicable to internal auditors and internal audit functions.

2. Topical Requirements: Mandatory when applicable to specific assurance engagements in a particular risk area.

3. Global Guidance: Recommended guidance that supports internal auditors in applying the Standards and improving practice.



Key Changes from the Previous IPPF

The first key change is the stronger emphasis on purpose. Internal auditing is described as helping an organization create, protect and sustain value by providing independent, risk-based and objective assurance, advice, insight and foresight. This language is important. It moves internal audit beyond the narrow perception of being only a control-checking function. It recognizes that audit work should support better governance, stronger risk management and more informed decision-making.

The second change is the clearer linkage between the internal audit function and the board or audit committee. The Standards are more explicit about the board authorizing the internal audit function, positioning it independently and overseeing it effectively. For many organizations, this will require a closer look at the internal audit charter, functional reporting lines, access rights, resource discussions and the way the Chief Audit Executive communicates with the audit committee.

The third change is the more integrated format of ethics, governance, management and engagement performance. Earlier, practitioners often referred separately to the Code of Ethics, Attribute Standards and Performance Standards. The new structure brings these expectations together in a more practical sequence, from the purpose of internal audit to the behavior of auditors, governance of the function, management of the function and execution of engagements.

The **fourth change** is the introduction of Topical Requirements as a mandatory element when applicable. This is a significant development because internal audit functions will not only follow general standards but may also need to apply additional baseline requirements for specific high-risk topics. For example, The IIA has already released the Cybersecurity Topical Requirement, issued in February 2025 and effective in February 2026. For banks, this direction is highly relevant because areas such as cybersecurity, third-party risk and business resilience are no longer peripheral audit topics; they are core risk areas.

The fifth change is the practical focus on evidence of conformance. Each standard includes examples of evidence that may support conformance. This will help during internal and external quality assessments, but it also raises the documentation expectations for internal audit functions. It is no longer enough to say that the function is risk-based or independent. The function should be able to demonstrate it.

Impact on Internal Audit Functions

The immediate impact on internal audit functions is the need to review their methodology and governance documents.
The internal audit charter should be checked against the new Standards, especially around purpose, mandate, board authorization, independence, scope and commitment to conformance. This is one of the first practical steps any

internal audit function should take. The audit plan will also need to show a clearer link with the organization's objectives and risks. In a banking environment, traditional audits over branches, operations, credit files and finance remain important. However, the risk universe has expanded. Internal audit plans should also remain responsive to digital banking, cybersecurity, data governance, outsourcing, cloud adoption, anti-money laundering controls, fraud risk, model risk, operational resilience and regulatory reporting.

Challenges for Internal Auditors

The new Standards are being implemented at a time when the risk landscape is becoming more complex. This makes the role of internal audit both more important and more demanding.

Data analytics

Data analytics is one of the biggest opportunities for internal auditors, but it is also one of the biggest practical challenges. Audit teams are expected to move from sample-based testing to broader coverage, exception analysis and continuous monitoring. In reality, data may be incomplete, inconsistent, stored across multiple systems or difficult to access. In banking, even a basic test may require understanding product behavior, core banking fields, customer segments, transaction codes and regulatory classifications. Without proper data understanding, analytics can create false comfort.

Artificial intelligence

Internal auditors will increasingly need to audit AI-enabled processes while also learning how to use AI responsibly in their own work. Questions around data quality, model explainability, bias, privacy, cybersecurity, accountability and human override will become more common. AI can help auditors process information faster, but it cannot replace professional skepticism, ethical judgment or accountability.

How a CA Can Contribute

In the banking sector, CAs can add value in several areas. They can review credit processes with an understanding of financial analysis, collateral, provisioning and portfolio monitoring. They can support audits of treasury, regulatory reporting, capital adequacy and liquidity risk by combining technical knowledge with control thinking. As internal audit becomes more data-driven, CAs should also invest in data analytics, process automation and technology risk awareness. We do not all need to become programmers. However, we do need to understand how data flows through systems, how reports are generated, where manual interventions occur and how system controls can fail.

Conclusion

For Chartered Accountants, this is an opportunity. The profession has always stood for trust, discipline and public interest. The new Standards raise the bar. It is now for internal audit functions, and for professionals like us, to rise with it.

Leading with Courage: Empowerment Beyond Titles

Breaking Barriers in the Travel Industry

I've come to understand that Leadership is not defined by authority or titles. It is shaped by courage, clarity, and the willingness to take responsibility. In the travel industry long dominated by men at senior decision-making levels, success often arrives hand in hand with the ability to withstand the many trials and tribulations in a demanding work environment.

The travel industry presents a unique paradox for women leaders. It is an industry built on connection, adaptability, and human experience, qualities women excel in, yet leadership roles have historically remained elusive.

By Najida Abdulla

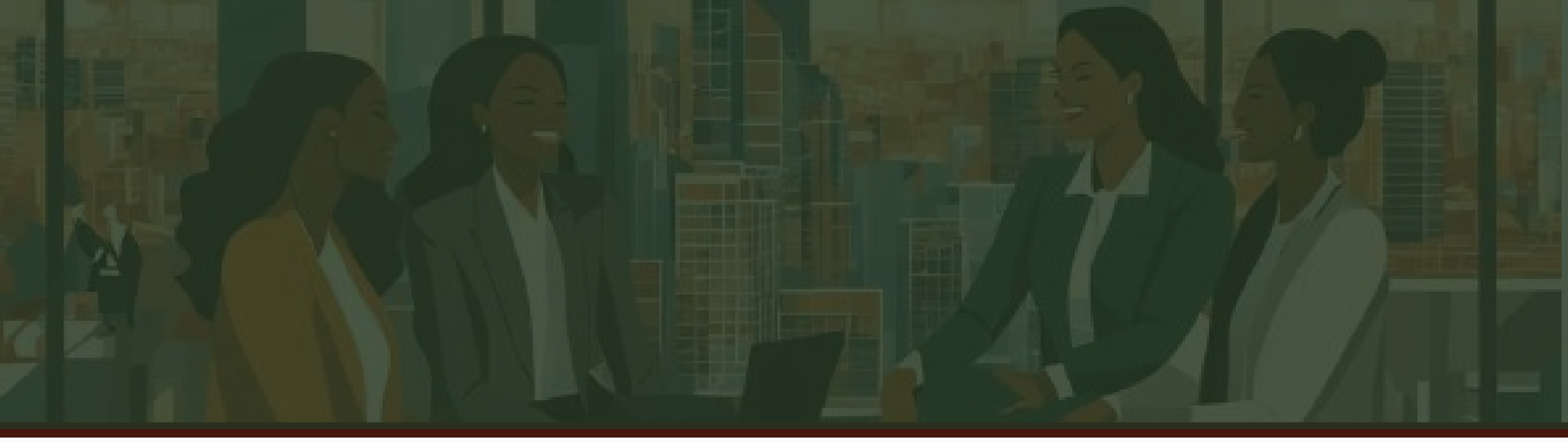
Director, ITL World Kuwait

What Women Bring

Stepping into positions where no woman had led before requires more than confidence; it requires conviction. I learned early that waiting for perfect certainty is often the greatest risk of all. Leadership demands informed action, the courage to decide, to move forward, and to stand accountable even without a roadmap. In an industry shaped by rapid change, global uncertainty, and evolving consumer behavior, progress belongs to those who challenge convention. Women bring a powerful leadership lens, one that balances strategy with empathy, commercial acumen with long-term vision. When applied with intention, this perspective does more than drive business outcomes; it transforms teams, cultures, and the way leadership itself is defined.

Integrity, Perseverance and Empowerment

Integrity and perseverance have been constant companions throughout my journey. Setbacks are inevitable in any leadership role, but especially so in environments where women are still the exception rather than the norm. I've come to see perseverance as strategic endurance, the discipline to adapt, recalibrate, and rise



stronger with each challenge. Empowerment is not about avoiding obstacles; it is about building the resilience to navigate them. Knowledge has been my greatest equalizer. Continuous learning builds credibility and confidence, particularly in high-stakes industries like travel, where decisions carry immediate and visible impact.

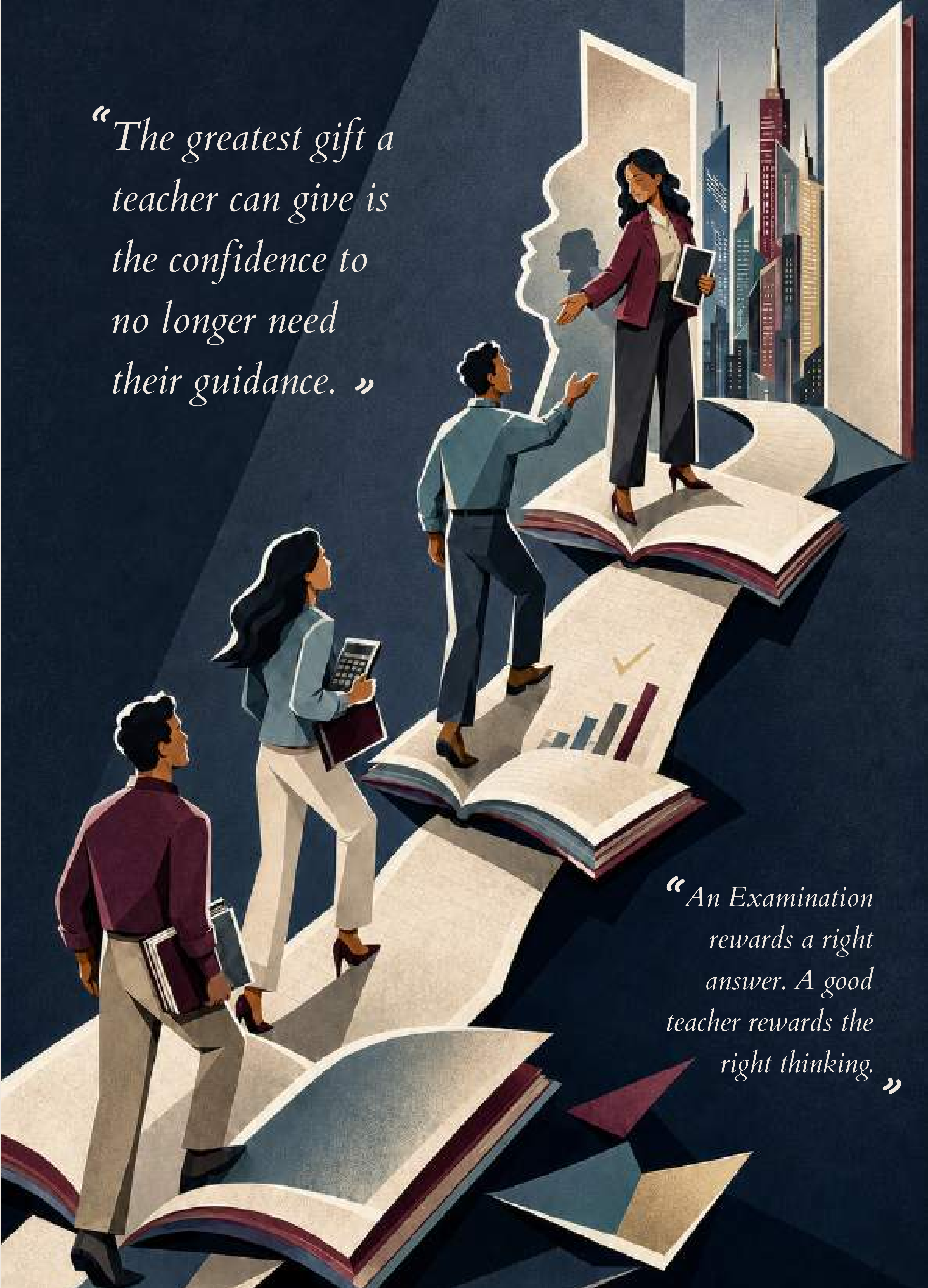
Building the Next Set of Women Leaders

Leadership should not feel like a solitary climb, rather it should feel like a collective ascent. To the next generation of women entering the workforce, particularly in dynamic industries like travel: invest deeply in your skills, seek knowledge relentlessly, and don’t be afraid to take calculated risks early in your career.

Build networks with intention, find mentors who challenge you, and trust your voice even when it feels unheard. Most importantly, do not wait for permission to lead - confidence grows through action, not approval.

Leading with Purpose

Leadership is not about perfection; it is about presence, purpose, and the courage to create space for others as you rise. Because leadership is not measured by how safely we arrive, but by how boldly we choose to lead, especially while the road is still being written.


"The greatest gift a teacher can give is the confidence to no longer need their guidance."
"An Examination rewards a right answer. A good teacher rewards the right thinking."

Kuwait's New Commercial Concealment Law: From Legal Prohibition to Practical Compliance

By CA Ketan Puri

Associate Director, BDO Kuwait

Part One – What the New Law Changes

Kuwait has introduced Decree-Law No. 78 of 2026 on Combating Commercial Concealment, creating a dedicated framework to address arrangements through which a person conducts an economic activity without the required legal entitlement, licence or permitted ownership structure. The explanatory note states that economic activities should operate within a regulated framework supporting market stability, transparency, fairness and equal opportunity. Significantly, the law does not only target the person conducting the prohibited activity; it also extends liability to those who enable it and, in certain cases, to persons responsible for the actual management of a legal entity.

Article 1 provides the foundation. "Commercial concealment" broadly means enabling a natural or legal person to engage in an economic activity that he or she is prohibited from undertaking under Kuwait's laws, whether independently, with others, or by circumventing prescribed foreign ownership percentages. "Economic activity" is also widely defined & covers commercial, investment, industrial, agricultural, service, professional and other profit-generating activities requiring licences or approvals.

Article 2 is the central prohibition. It prevents a person from conducting an economic activity without the necessary licence, outside the scope of an existing licence, or through another person who enables that activity. It also prohibits any natural or legal person from facilitating such conduct through commercial concealment, including by allowing another person to use a trade name, licence, approval, commercial registration or another enabling mechanism.

Article 5 widens accountability. The person responsible for the actual management of a violating legal person may face the same penalties where that person knew of the violation, failed to perform management duties resulting in the violation, or contributed to it. The legal person can also be jointly and severally liable for financial penalties or compensation where an employee commits the violation in its name

or for its benefit. The law therefore links the prohibited arrangement directly with management oversight and corporate accountability.

Penalties under Articles 3 and 4

Article	Trigger	Imprisonment	Fine
Article 3	Violation of Article 2	1 to 3 years	KWD 10,000 to KWD 100,000, or an amount equal to the profits generated, whichever is greater; either penalty may also be imposed
Article 4	Violation of Article 11, including obstruction, refusal to provide information, or misleading information	Up to 6 months	Up to KWD 10,000; either penalty may also be imposed

Fines are imposed separately for each violating person or each violating activity. The other provisions reinforce the enforcement framework. **Article 6** requires, upon conviction, confiscation of funds or profits generated from the offence and the tools or means used, together with permanent closure and cancellation of the licence; a violating foreigner is also subject to deportation after execution of the penalty. **Article 7** doubles penalties for recidivism within five years. **Article 8** permits settlement before a final judgment, subject to payment of at least half of the maximum prescribed fine, rectification of the violation and regularisation of legal status; settlement is unavailable for repeat offences. **Article 9** permits qualifying non-perpetrator reporters a reward of up to 10% of fines collected. **Articles 10** and **11** strengthen inspection powers and prohibit obstruction or incorrect or misleading information. **Article 14** provides that the law takes effect six months after publication in the Official Gazette.

Part II – Why Businesses, Especially SMEs, Should Act Now

The practical impact is not confined to large corporate groups. Smaller and medium-sized businesses may face greater exposure where they rely on informal operating arrangements, licence sharing, nominee-style structures, side agreements, or models in which the person exercising commercial control is not fully aligned with the person appearing on the licence or corporate records. Under the new framework, such arrangements may potentially create criminal, financial and operational consequences.

Businesses should use the transition period to undertake a structured compliance review.

1. Review the legal and beneficial operating structure: Map shareholders, partners, authorised signatories, licence holders, actual managers, profit recipients and persons exercising day-to-day commercial control. The aim is to identify gaps between legal form and commercial reality.

2. Review licences and permitted activities: Confirm that every activity actually performed is covered by the relevant commercial licence and approvals, and that no person or entity is effectively conducting business through another party's licence, trade name or registration.

3. Examine contracts and financial flows: Side agreements, management arrangements, profit-sharing mechanisms, unexplained payments, powers of attorney and related-party arrangements should be reviewed for indications that a person is exercising rights or carrying on activities beyond what the legal structure permits.

4. Involve legal counsel early: Because the law creates criminal exposure and turns on licensing, ownership and actual management, any potentially non-compliant structure should be reviewed by qualified Kuwait legal counsel. Where restructuring, ownership changes, licence amendments or contractual revisions are required, corrective action should be completed before the law becomes effective.

5. Document governance and remediation: Boards and management should retain evidence of reviews, advice obtained, decisions taken and remedial measures implemented. This is particularly important given Article 5's focus on management knowledge, failure of duties and contribution to a violation.

The Message is Clear:

Commercial concealment is now a formal compliance and enforcement risk. Businesses should identify any mismatch between legal form and commercial substance, obtain appropriate legal advice and regularise their position before the new enforcement framework becomes fully effective.

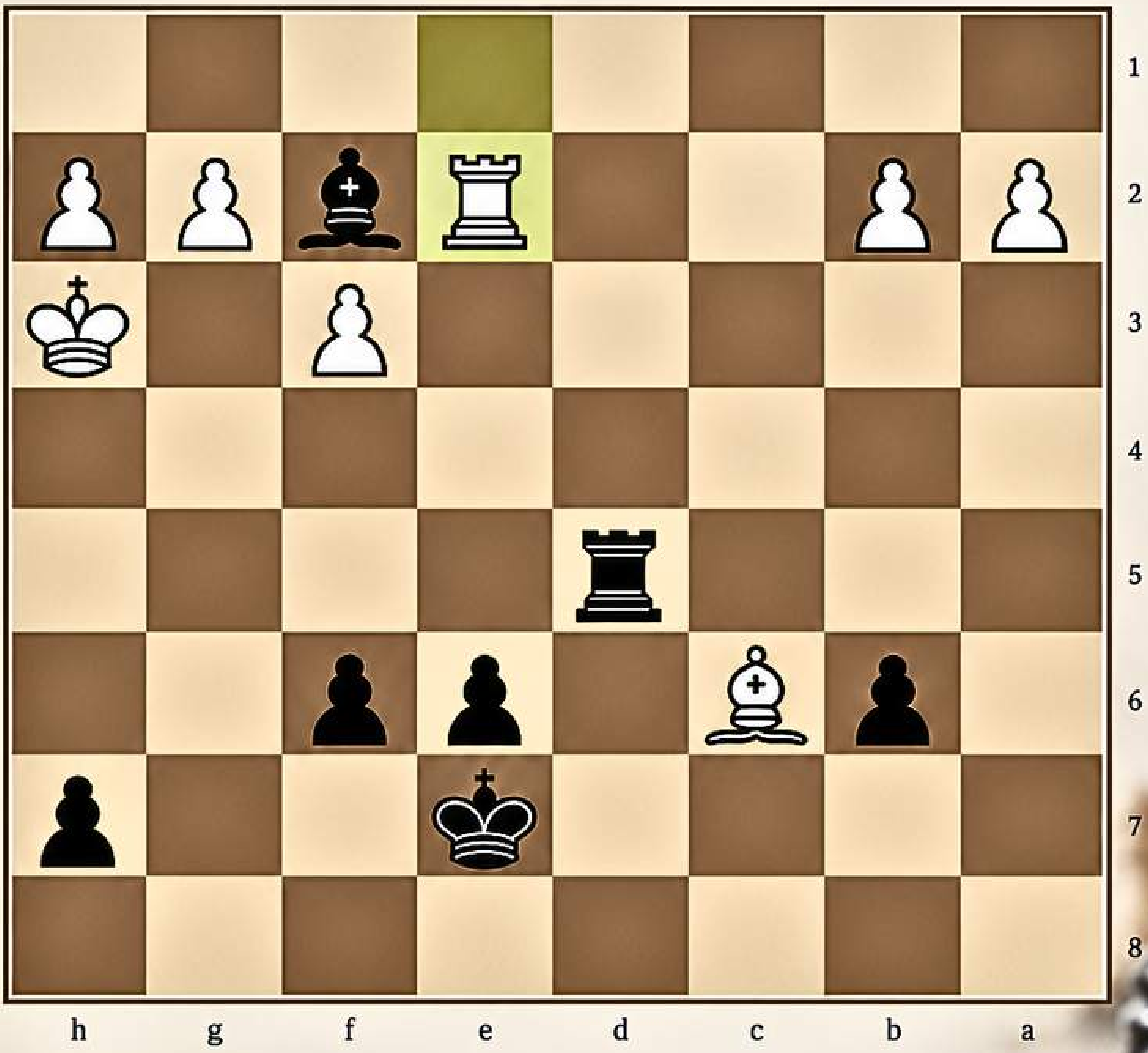
Source note: *Decree-Law No. 78 of 2026 on Combating Commercial Concealment and its Explanatory Note (English translation supplied for this article). This article is a general compliance overview and does not constitute legal advice.*

YOUR MOVE!

A Chess Challenge, Black to Move!

Two Moves. One Checkmate. Can you find it?

Solution at the end of the page.



Puzzle Contributed by:

CA George Kottarathil,
Senior Associate,
Deloitte Kuwait

Solution: 1...Rh5+! 2.Kg4 Rh4#

Geopolitical Disruptions in 2026: Rising Risks to Business Performance and Valuations

The Business Impact of Geopolitical Disruption

Geopolitical tensions intensified during the first half of 2026, creating greater uncertainty across energy markets, global trade and investment activities. The developments have also increased the focus on how businesses should assess risk and value their business in an increasingly uncertain environment.

- On 28 February 2026, the United States and Israel launched military operations targeting Iranian facilities and capabilities. In response, Iran moved to close the Strait of Hormuz ("SoH"), a critical route for global oil shipments that carries about 25% of global seaborne oil trade. The developments triggered significant volatility in oil prices and increased uncertainty across energy markets.

- Uncertainty persists over the timing of a lasting resolution, with commercial shipping through the Persian Gulf and Strait of Hormuz facing continued disruptions. Insurance premiums, security surcharges, freight costs, more complex logistics, new verification, toll payments, and other logistical expenses remain elevated across affected trade routes.

- These developments can have a broader impact on businesses by increasing operating costs, disrupting supply chains and making investors more cautious. As a result, companies may face greater pressure on both earnings and valuations.

By Krishna Agrawal

Manager - Transaction Advisory Services at Protiviti Kuwait

Current status:

- The conflict remains unresolved by end of August 2026, with no durable political settlement or comprehensive US-Iran agreement in place. While direct military confrontation has largely paused, tensions remain elevated and commercial shipping through the Strait of Hormuz continues to face significant disruption.

- Diplomatic efforts involving Oman and Qatar are focused on de-escalation and establishing arrangements to facilitate the safe resumption of commercial shipping through the Strait.

Significant drop in monthly oil production

- GCC oil production experienced a sharp contraction following disruptions to the Strait of Hormuz, with Kuwait among the most severely affected producers.

- Kuwait's crude-oil output fell from ~ 2.5 mb/d in February to below 0.56 mb/d during April–May as domestic storage capacity filled, forcing output curtailment. This has also contributed to a 12.5% decline in Kuwait's overall GDP in Q1 2026 compared with Q1 2025.

Country Million barrels per day (mb/d)	Jan'26	Feb'26	Mar'26	Apr'26	May'26	Jun'26	Jul'26
Saudi Arabia	10.1	10.1	7.76	6.88	7.01	6.64	7.42
UAE	3.38	3.39	1.91	2.02	2.11	3.82	3.78
Kuwait	2.58	2.58	1.21	0.56	0.58	1.65	1.97
Qatar	1.27	1.26	0.24	0.19	NA	NA	NA
Oman	1.02	1.02	1.05	1.07	NA	NA	NA
Iraq	4.1	4.14	1.91	1.49	1.76	2.09	2.9

Source: Trading Economics.com/August 2026

Significant increase in crude oil prices

- Crude oil prices surged in March–April 2026 amid escalating geopolitical tensions in the Middle East.

- WTI surged from USD 60/bbl in early 2026 to around USD 113/bbl in April, then eased to USD 85/bbl by August as supply-disruption concerns moderated.

- Prices nevertheless remained elevated, reflecting continued geopolitical risks and uncertainty surrounding regional oil supply.

Source: Trading Economics.com/August 2026

Number of ships passing through the Strait of Hormuz

- Vessel traffic through the Strait of Hormuz collapsed to single-digit levels during March–May 2026, compared with a prior-year average of around 80–120 vessels per day. A temporary recovery in June proved unsustainable, with traffic weakening again in July, indicating that commercial shipping activity remains significantly below normal.

Valuation and Business Implications

Discount rate assumptions

Geopolitical uncertainty can lead investors to demand higher returns for taking additional risk. This can increase risk premiums and discount rates, which in turn can reduce the present value of future cash flows. At the same time, higher oil prices driven by geopolitical tensions may not necessarily continue over the

long term. Companies should therefore consider different scenarios when preparing cash-flow forecasts, including:

- **Base case:** Oil prices gradually return to more normal levels.

- **Upside case:** Oil prices remain elevated for a longer period.

- **Downside case:** Supply disruptions or weaker economic activity reduce prices and business volumes.

These scenarios should also consider potential delays, lower production or sales volumes and additional cash requirements.

<u>Wider economic and business impact</u>

Higher shipping, insurance and transportation costs can increase business expenses and contribute to inflation. Supply-chain disruptions can result in higher inventory requirements, delayed deliveries and slower collection of cash from customers.

Together, these factors can put pressure on profitability and cash flows and make business valuations more sensitive to changing market conditions.

<u>Valuation sensitivity</u>

- Prolonged or structural disruptions could have a material adverse impact on business operations, profitability and cash flows.

- Higher discount rates, weaker growth prospects and delayed investments could reduce recoverable amounts, increasing impairment risk for assets, CGUs and goodwill, particularly for businesses exposed to affected markets.

- Rapid changes in market conditions can also affect trading multiples and other valuation benchmarks. Companies should therefore regularly assess whether their valuation assumptions remain appropriate, particularly when geopolitical developments have a material impact on their operations or markets.

What this means for businesses and investors

The current environment highlights the importance of scenario analysis and regular reassessment of valuation assumptions. Rather than applying a blanket “geopolitical discount” to a company's value, businesses should assess how geopolitical developments specifically affect their revenues, costs, cash flows, funding requirements and risk profile. For investors and management teams, the key question is not simply whether geopolitical tensions will reduce valuations, but how and to what extent they affect the underlying business and its ability to generate future cash flows.

In an environment where geopolitical developments can change rapidly, valuations should remain flexible enough to capture both potential downside risks and

opportunities arising from changing market conditions.

Sectors most affected in the GCC

Geopolitical disruptions are affecting GCC sectors through higher operating costs, supply-chain constraints, operational disruptions and weaker demand, resulting in greater earnings and cash flow volatility. The key sectors significantly affected are highlighted below:

Rank	Sector	Impact	Main transmission channels
1	Oil & Gas	Very High	Production curtailments, export disruption, tanker availability, high SOH dependency, LNG shipping disruption.
2	Shipping & Logistics	Very High	Vessel rerouting, higher charter rates, insurance, delays, security costs, toll payments and more complex logistics.
3	Airlines & Aviation	High	Airspace restrictions, flight cancellations, higher jet-fuel & operating costs, increased volatility of earnings and cash flows.
4	Construction, Infrastructure	High	Imported materials, equipment delays, capex delays, & higher freight and project costs affecting project timelines, margins & cash flows.
5	Manufacturing	High	Imported raw materials/components, inventory shortages, higher logistics costs affecting earnings, margins, working capital & cash flows.
6	Tourism / Hospitality	High	Flight disruptions, lower business travel, reduced room occupancy, F&B revenues and ancillary income.
7	Retail & Consumer	Moderate to High	Higher import costs, inventory disruption and potential inflation

BRAIN BUZZ

TEACHERS DAY EDITION

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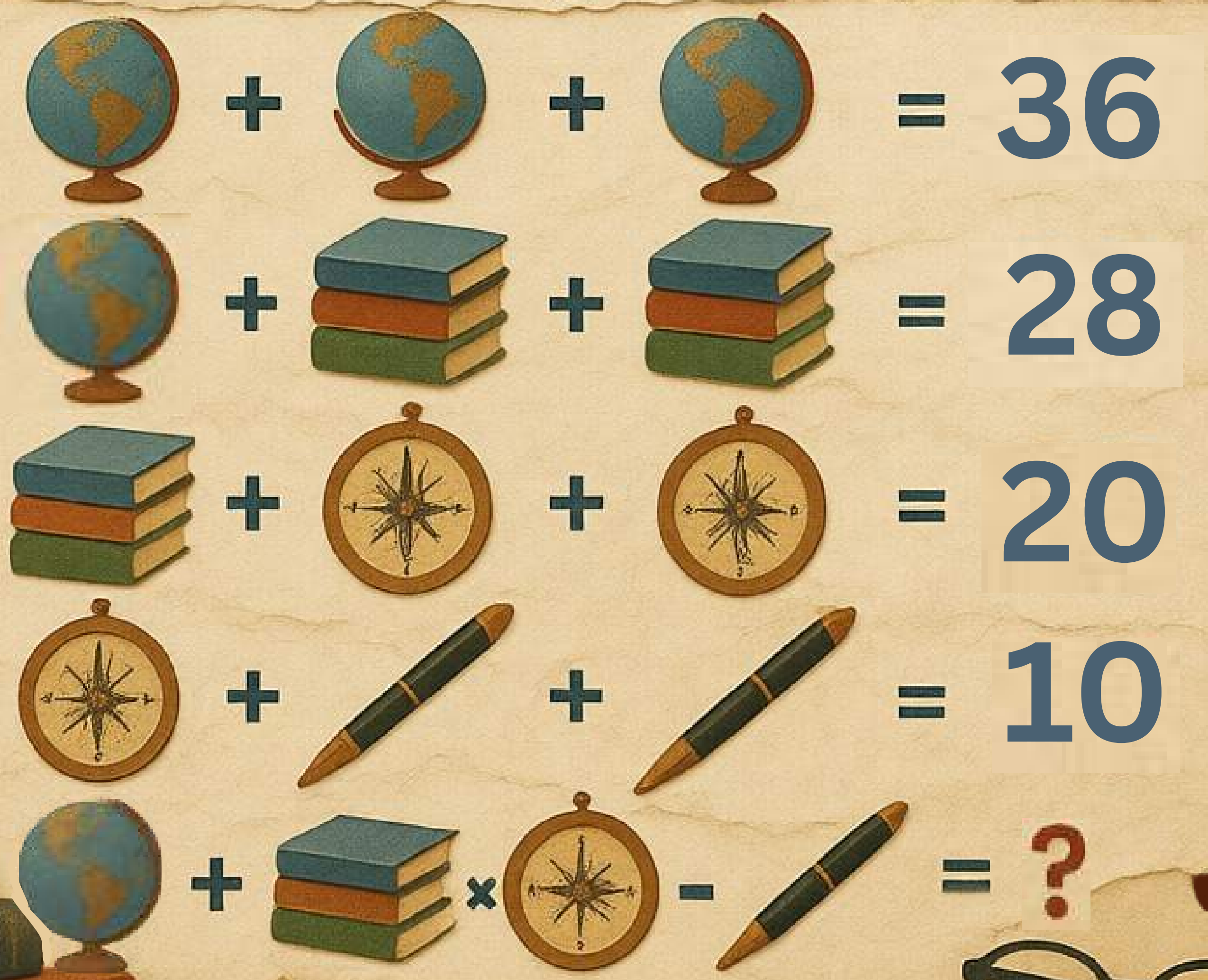
CRACK THE EQUATION



Solution: Fifty-eight

The Vacation Your Soul Has Been Waiting For

Good morning, Soul! How are you?" asked the Mind cheerfully. "I'm doing well," the Soul replied with a gentle smile. "Summer is here, and everyone seems excited about their vacations. What about you? Have you planned yours?"

The Mind's face brightened instantly.

"Oh yes! This year I'm travelling to Switzerland. I've always dreamed of seeing the snow-clad mountains, the emerald valleys, the crystal-clear lakes and the charming little villages that seem to have come straight out of a storybook. They say its beauty is so breathtaking that it makes fairy tales come alive. I simply can't wait!"

The Soul smiled.

"That sounds wonderful. Tell me, what do you hope this vacation will give you?"

The Mind paused for a moment.

"Peace," it replied.

"A break from routines, deadlines and responsibilities. A chance to breathe differently, think differently and simply exist without worrying about tomorrow. Every vacation feels like pressing a reset button. I come back refreshed, energized and filled with memories that remain close to my heart forever."

"That is beautiful," said the Soul. "If travelling makes you feel so alive, why don't you do it more often?"

By CA Swetha Ranjit

Finance Manager, Jotun Paints Kuwait

The Mind laughed.

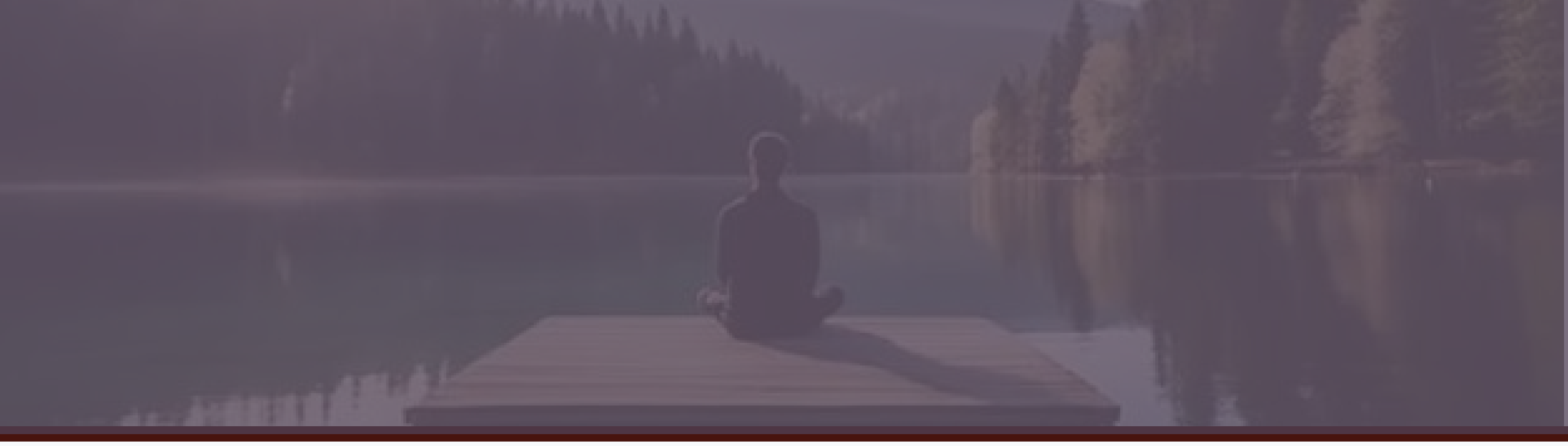
"I wish I could! Vacations need planning, time and money. First I have to work, earn and save. Only then can I reward myself with a journey like this. Until then, I settle for an occasional weekend getaway whenever life feels overwhelming."

The Soul nodded thoughtfully.

After a brief silence, it asked,

"Last week, you told me about the misunderstanding you had with your friend. You seemed deeply hurt. When you return from Switzerland, will that hurt disappear too?"

The Mind looked away.



"No," it admitted softly.

"The mountains may make me smile, and the lakes may calm my thoughts for a while, but they cannot erase the pain I carry within. Some memories simply return home with me."

The Soul smiled gently.

"Then perhaps your vacation changes your surroundings more than it changes you." The Mind looked puzzled.

"What do you mean?"

The Soul replied,

"I never really need a change of place to experience peace. Whether I am standing before the Alps or sitting quietly at home, my nature remains the same. I bloom wherever there is kindness, gratitude, compassion and love."

The Mind thought for a moment before asking,

"So... you never feel hurt?"

The Soul answered calmly,

"The hurt belongs to you, not to me. I simply observe. You hold on to words, expectations and disappointments. I hold on only to love."

The Mind wasn't convinced.

"But people do hurt us."

"Their actions may disturb your thoughts," the Soul replied, "but they cannot change who I truly am.

Look beyond people's behaviour and you will find that every person carries the same light within."

The Mind listened quietly.

The Soul continued,

"Have you noticed something? When someone's journey on earth comes to an end, it doesn't matter whether they were rich or poor, famous or ordinary, powerful or humble.

We all offer the same prayer - 'May the soul rest in peace.' We don't say, 'May the mind rest in peace.' We honour the soul because somewhere deep within, we know that peace is its true nature."

The Mind remained silent.

For the first time, it wasn't searching for an answer.

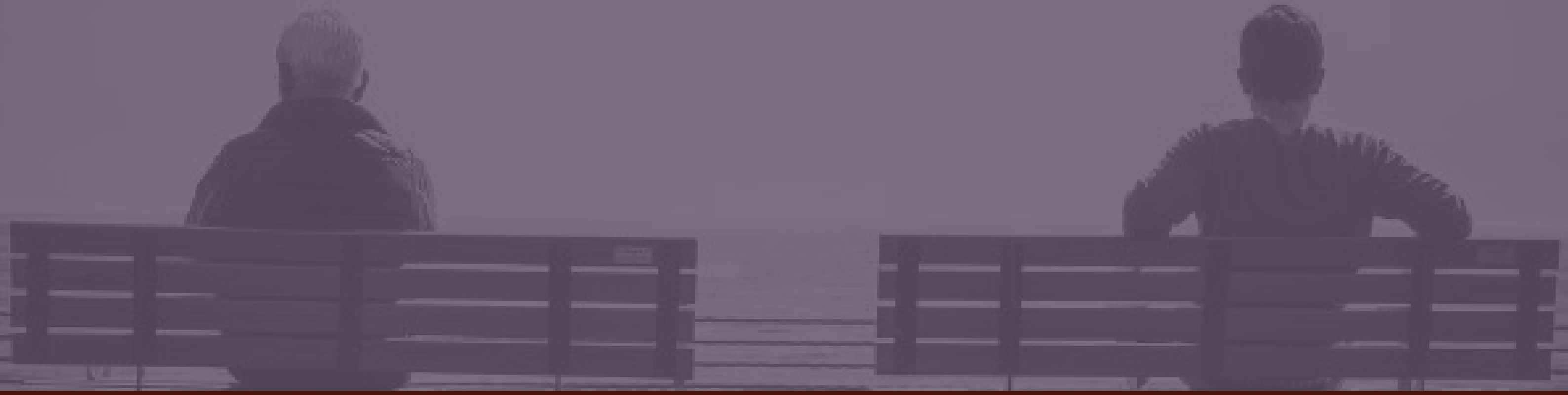
The Soul smiled.

"Travel. Explore the world.

Stand before magnificent mountains.

Walk beside peaceful lakes.

Watch the sunrise paint the sky."



"Create memories that will stay with you forever. Every journey has something beautiful to offer."

"But while your eyes admire nature, allow your heart to absorb its peace. Let every cool breeze carry away your anger. Let every flowing river teach you to let go. Let every mountain remind you to rise above resentment. Fill yourself with gratitude, kindness and love, for whatever you absorb is what you will radiate when you return."

The Mind looked at the Soul with a gentle smile.

"Perhaps I have been planning vacations for my body and my mind all these years, but never for you."

The Soul smiled.

"I have never asked for expensive hotels or distant countries. I only ask for a few moments of silence... a heart willing to forgive... and a mind willing to let go. Give me these, and every place becomes beautiful."

The Mind closed its eyes for a moment. It suddenly realized that the greatest journey is not the one measured by miles travelled, but by the burdens left behind.

This summer, wherever your journey takes you, travel with joy.

Capture photographs, collect memories and embrace new experiences.

But before you return home, leave behind every grudge, every disappointment, every fear and every regret that has quietly occupied your heart. Because the greatest souvenir you can ever bring back from any vacation is not something you can hold in your hands.

It is a peaceful soul.

Perhaps we don't always need a vacation from life.

Sometimes, we simply need a vacation for our soul.

U.S. Treasury Yields and Why They Matter

Beyond Bonds: How Treasury Yields Shape Markets

By CA Narasimha Kuppam

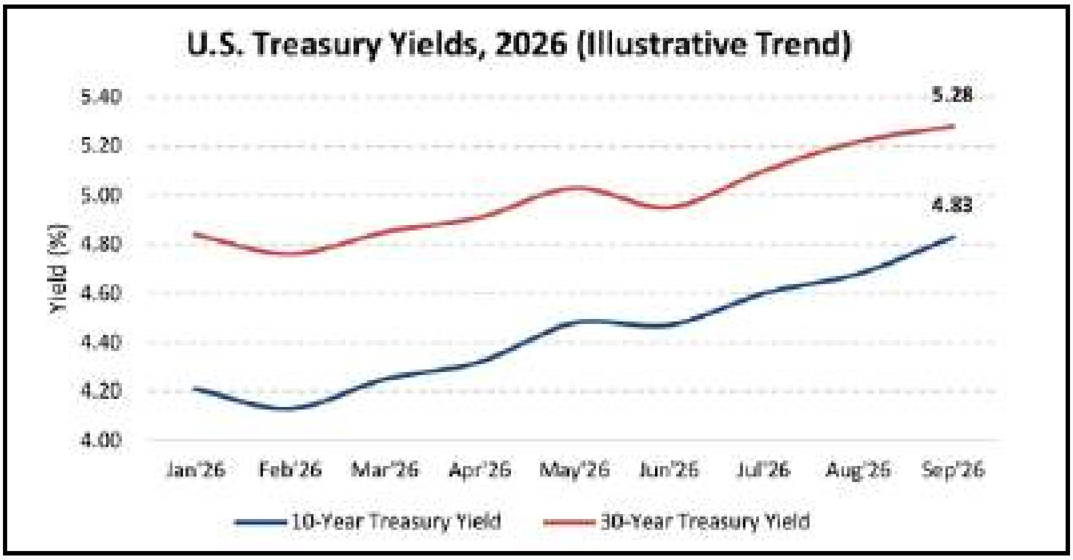
Assistant Manager – FP&A, JTC

There is a common misconception that bonds are the quiet, conservative corner of investing while equities are where the real action happens. The events of 2026 have offered a useful reminder that the opposite can sometimes be true.

When U.S. Treasury yields move sharply, the effects extend far beyond bond portfolios. Mortgage rates change. Corporate borrowing becomes more expensive. Equity valuations are reassessed. The dollar can strengthen, emerging-market currencies can come under pressure, gold can behave unexpectedly, and governments face higher debt-servicing costs.

The Treasury market is not simply another financial market — it is one of the world's principal reference points for the price of money.

In September 2026, that relationship became especially visible. Long-term Treasury yields rose amid concerns over inflation, government borrowing, heavy corporate issuance and geopolitical uncertainty. The 10-year Treasury yield closed at 4.83% on September 9, while the 30-year yield moved above 5%.



Illustrative path of U.S. Treasury yields through 2026, ending near reported September levels.

So the real question is not simply why bond prices fall when yields rise. It is: why are yields moving, what are they telling us, and why does almost every other market eventually listen?

The Basic Mechanics

A bond is essentially a loan: an investor lends money to the government in exchange for interest payments and the return of principal at maturity. Suppose a $1,000 bond pays a $50 annual coupon — a 5% coupon rate. If newly issued bonds begin offering 6%, investors will not pay $1,000 for the older 5% bond, so its price falls until its market yield becomes competitive. That is the basic reason bond prices and yields move in opposite directions.

The coupon is fixed when the bond is issued; the yield changes as the market price changes. Applied to the enormous Treasury market, this simple relationship becomes extremely powerful.

Why Treasury Yields Matter to Everything Else

The 10-year Treasury yield is often called the **"risk-free rate,"** but more importantly it is a benchmark for pricing many other assets.

Corporate bonds typically offer the Treasury yield plus a credit premium, and mortgage rates move with Treasury conditions. Equity valuations are affected too: if investors can earn more from safe government bonds, they may demand a greater return from stocks. Growth companies feel this especially, since their valuations depend heavily on future expected profits. When rates rise, those future profits are worth less in today's money — which is why Treasury yields can move stock prices even when nothing has changed about a company's current earnings. In simple terms, the Treasury yield helps set the price of almost everything else.

The Fed Sets One Rate; the Market Prices the Future

A common misunderstanding is that the Federal Reserve controls all U.S. interest rates. In fact, the Fed sets the federal funds rate — an important short-term rate — but does not directly dictate the 10-year yield. The bond market is constantly pricing its own expectations: if investors believe inflation will stay elevated, government borrowing will grow, or the Fed will hold rates higher for longer, they demand higher long-term yields. Conversely, the 10-year yield can fall before the Fed cuts rates if investors expect weaker growth ahead.

A simple way to think about it: the Fed controls the overnight price of money, while the bond market prices the expected future path of money.

What Actually Drives a Long-Term Yield

A long-term Treasury yield broadly reflects three things: expected future short-term rates, inflation expectations, and a term

premium — the extra compensation investors demand for locking money away for a long period amid uncertainty. This is why a rising 10-year yield does not automatically mean investors expect the Fed to raise rates; yields can rise simply because investors want more compensation for holding long-term debt, which has become especially relevant in 2026 as markets weigh inflation, borrowing needs and geopolitical risk.

Real Yields, Gold, and the Search for Safety

The real yield is the return investors receive after accounting for inflation. Because gold pays no interest, high real Treasury yields raise the opportunity cost of holding it. But geopolitical crises complicate this relationship: investors may buy gold for safety even while real yields stay high.

So the better question is not simply whether yields are rising, but why. A rise driven by stronger growth means something very different from one driven by inflation fears or worries about government debt.

Why the Dollar and Emerging Markets Care

Higher U.S. yields can attract international capital, since buying U.S. government bonds generally requires dollars — increasing demand for the currency. A stronger dollar creates problems for emerging markets, many of which borrow in dollars: if their local currency weakens, servicing that debt becomes more expensive in local terms, and capital may flow further toward U.S. assets.

A move in the Treasury market can therefore affect economies that never took part in the original Treasury auction.

Inflation, Oil and Geopolitics

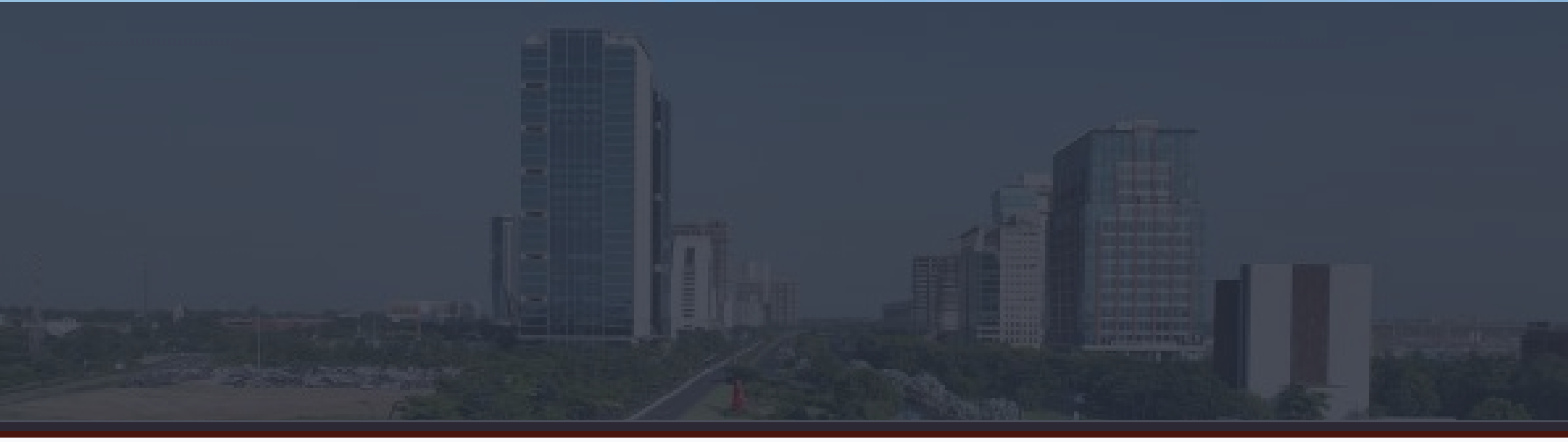
Bond investors care about expected inflation, not just today's reading. A temporary oil-price spike may have limited effect on long-term yields if the shock is expected to fade — but if higher energy prices feed into wages and broader expectations, long-term yields can rise significantly.

Conflicts such as the Iran-U.S. tensions and the Russia-Ukraine war can affect energy markets and supply chains, simultaneously lifting inflation and weakening purchasing power — a difficult stagflationary combination for central banks to manage.

Why Stocks Care

Higher Treasury yields hit stocks through two channels: a discount-rate effect, where higher rates reduce the present value of future cash flows, and an economic-growth effect, which can slow spending and investment.

Banks are a mixed case — higher rates can widen lending margins, but if rates climb too far, loan demand and bond holdings both take a hit.



The lesson: never read a yield without asking what's actually driving it. A rising yield could mean strong growth, rising inflation fears, heavier government borrowing, or investors demanding a bigger cushion for uncertainty.

The Bigger Picture

Bonds are often taught as an asset class. They are better understood as a language — one that speaks about inflation, growth, government borrowing, central-bank credibility, geopolitical risk, the value of the dollar, and increasingly, competition for capital between governments, companies and new technologies. Geopolitical conflict can affect oil prices. Oil can affect inflation. Inflation can affect rate expectations.

Those expectations affect Treasury yields, which affect the dollar, which affects emerging markets and equity valuations, which in turn affects fiscal policy. That is why the bond market deserves more attention than it usually gets. Stocks tell us what investors think a company is worth.

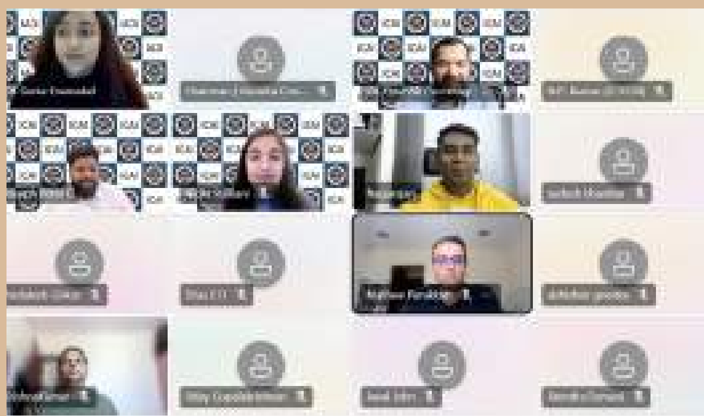
Bonds tell us what investors think money, time, inflation and risk are worth. And when the world's most important bond market changes its mind, almost every other market eventually has to listen.

ICAI KUWAIT CHAPTER IN THE SPOTLIGHT

August Highlights

Webinar on "Candlestick Decoded"

ICAI Kuwait Chapter hosted a webinar, "Candlestick Decoded – Reading & Understanding Candles for Smarter Stock Market Investing," in Q3 2026, featuring Investment Advisor Mr. Nagarajan M. Moderated by CA Sonia Enamakel, the session included a welcome address by CA Venkata Badida, Chairperson, practical insights on candlestick patterns & market behaviour, & an interactive Q&A led by CA Joseph Peter. CA Nidhi Puniani then delivered the Vote of Thanks. The session offered participants practical knowledge to better understand market trends and make more informed decisions.

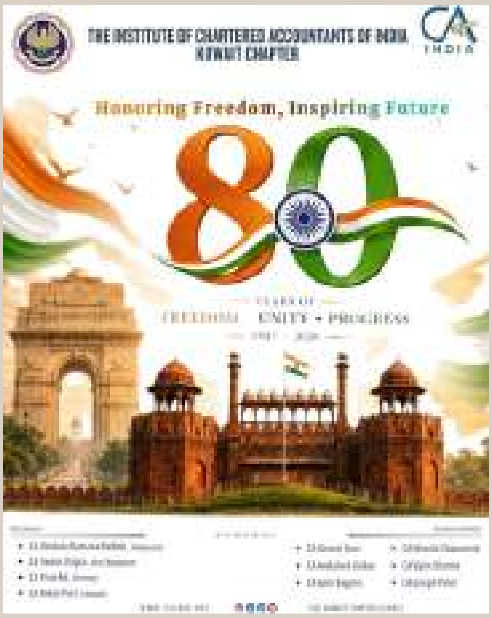


IFRS 18 - CPE Event in collaboration with KPMG Kuwait

The ICAI Kuwait Chapter hosted an insightful CPE session on IFRS 18 and related developments, moderated by CA Deeba Shahab. CA Venkata Ramana Badida, Chairperson, welcomed participants, while CA Shuja Khan introduced speakers Mr. Salman Bin Khalid, Partner, KPMG Kuwait, and CA Deepak Sharma, Manager, KPMG Kuwait, who shared practical insights, implementation challenges, and industry implications. The Q&A session was moderated by CA Ketan Puri, followed by the recognition of Jagruti's "Brain Buzz" winners and a raffle draw. CA Firoz Ali delivered the Vote of Thanks, concluding a highly engaging professional learning session.

ICAI KUWAIT CHAPTER IN THE SPOTLIGHT

August Highlights



80th Independence Day of India Celebration at the Indian Embassy

Representatives of the ICAI Kuwait Chapter attended the 80th Independence Day celebrations at the Embassy of India, Kuwait, on 15 August 2026. The celebration brought together members of the Indian community to commemorate the nation's independence and celebrate the enduring India–Kuwait relationship. The occasion featured the unfurling of the National Flag and a patriotic programme reflecting the spirit of unity and pride. The ICAI Kuwait Chapter was pleased to be part of this significant occasion alongside members of the Indian community and other distinguished guests.

ICAI KUWAIT CHAPTER

INVITATION TO SUBMIT ARTICLES

JAGRUTI: THE JOURNAL OF ICAI KUWAIT CHAPTER

Chartered Accountants and finance professionals are invited to contribute original, insightful and well-researched articles to **JAGRUTI, the official journal of ICAI Kuwait Chapter.**

Your perspectives can inform practice, influence decisions and contribute to the evolving accounting and finance landscape.

GUIDELINES

- Original & unpublished articles
- Recommended length: **1,500 – 2,500 words**
- Include **100-word** author profile and photograph
- Subject to review by Editorial Board

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ADVANCING THE PROFESSION IN KUWAIT

The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)

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16th - 18th DEC. 2026
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Corporate Discounts and Tie-Ups

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Since 1985

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THE CARE THE CONCERN THE CURE

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Before You
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A Word of Gratitude

For All Our Teachers

To the Parents who believed in us,

To the Faculty Member who simplified a subject,

To the Articleship Principal who demanded discipline,

To the Senior who corrected mistakes,

To the Client who taught us what textbooks could not,

To the Junior who showed us a new perspective,

To the Failures and Setbacks that taught us resilience,