



SBC Global
Alliance

*A global association of leading independent
accountancy firms providing audit, tax,
accounting, assurance and business advisory
services around the world*

*Paul Tutin
Chairman and Managing Partner
Streets Chartered Accountants
SBC Global Alliance*





SBC Global
Alliance

Our 1st Global Conference

*Thursday 10th – Saturday 12th October
2019*

*The Rembrandt
London*





SBC Global
Alliance

Founders

SBC Global Alliance was founded in November 2017 by Streets Chartered Accountants, a leading UK Top 40 Accountancy practice, with Berdugo Metoudi in Paris and Costanzo & Associates in Milan joining the association

STREETS[®]
CHARTERED ACCOUNTANTS



COSTANZO & ASSOCIATI
CONSULENTI DI IMPRESA



SBC Global
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*ASNAF are our exclusive ASEAN member firms.
Across the ASEAN region and throughout Asia
including Australia and New Zealand*



ASNAF
INTERNATIONAL



SBC Global
Alliance

Since inception...

SBC Global Alliance is the 21st leading international association, with over \$150 million combined annual income

ASSOCIATIONS OF
INDEPENDENT FIRMS

FEE INCOME (USDm)

YEAR-END



Notes: Data relating to alliance and correspondent member firms might be included, data relating to non-exclusive member firms is not included. Source: International Accounting Bulletin.



SBC Global
Alliance

*Over 35 members
across Europe, the
US and Asia*

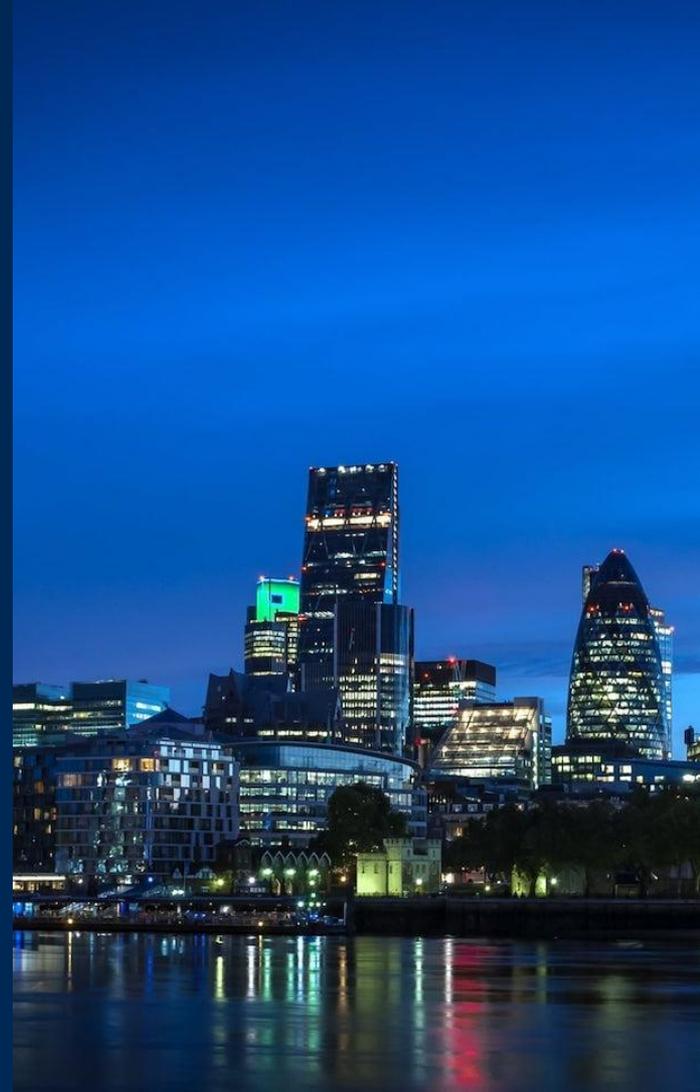




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Reason for formation...

- *As previous members of other associations or networks, we felt that our needs were not being met or provided for.*
- *Existing networks or associations focus more on the development of the organisation as opposed to the business of the members and the generation of new clients and mutual business.*
- *Members in country were not comparable or well placed to service the needs of clients operating internationally, in terms of technical expertise and service provision.*
- *In addition the more established associations tend to expend members fees on more administrative matters or the development materials which have not mutually benefited the membership overall.*
- *The association has been established to meet and support the growing needs of those who are looking to or already trade, invest or undertake business overseas or globally.*



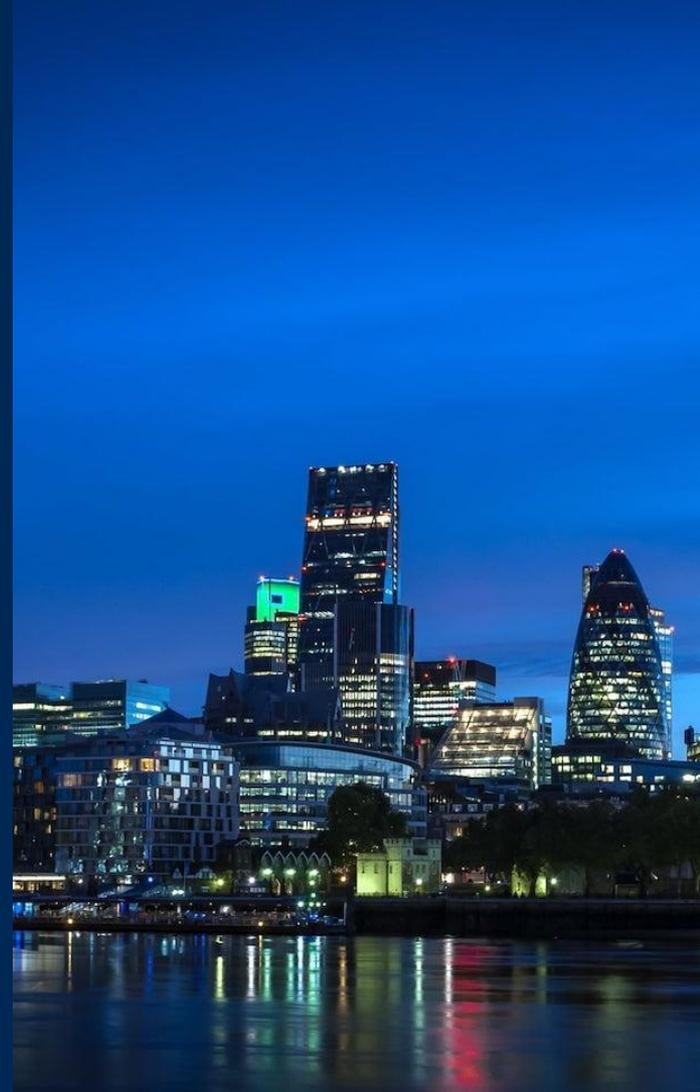


SBC Global
Alliance

What sets us apart...

SBC Global Alliance seeks to differentiate itself from others:

- *Members operate with shared values around independence and integrity.*
- *All strive to provide individuals, businesses and organisations they work with the highest level of professionalism, a personal approach and expert knowledge, all delivered in a timely and efficient manner.*
- *The association has been established to meet and support the growing needs of those who are looking to, or already trade, invest or undertake business overseas or globally.*
- *We believe that the commercially minded approach and manner of our members is well placed to meet the needs of clients operating internationally.*



Our services

SBC Global Alliance and its members provide advice and support to individuals, businesses and organisations with the following services:

✓ Assurance

✓ Cross border accounting, audit, tax and compliance

✓ In country Tax advice and compliance

✓ Transfer pricing

✓ Cross border VAT

✓ In country VAT

✓ Repatriation of profits

✓ Business Sales and disposals

✓ Succession planning

✓ Forensic accounting

✓ In country investment

✓ In country advice on business ethics, practices and culture

✓ Access to in country market intelligence, government agencies and other professional advisers

✓ Support to other professional advisers, including accountancy firms and tax advisers looking for in country advice

✓

Sectors

SBC Global Alliance member firms offer businesses, organisations and individuals advice and support based on an in-depth understanding of the sector they work within. Clients benefit from the combined and shared knowledge of members working in specific sectors across the globe.

Aerospace and Defence

Energy, Oil and Gas

Financial Services

Healthcare

Manufacturing

Not-for-profit / Charities

Real Estate

Automotive

Communication

Food and Drink

Insurance

Media and Entertainment

Pharmaceuticals

Technology

Education

Fashion

Government and Public Sector

Logistics

Mining

Retail

Tourism & Leisure

SBC Global Alliance offers member firms:

Access to technical advice, support and services internationally

Enabling you to support and look after the growing needs of clients, investing, trading and developing business overseas

New business opportunities

The opportunity to develop your business through access to potential clients looking for overseas and in country advice

Assurance

Assurance that member firms offer and deliver client service and advice in a timely, efficient and professional manner and with integrity



Competitive advantage

The capacity to compete with larger firms and to create a competitive advantage with direct peer groups

Sharing knowledge

The potential for sharing best practice with other member firms around practice development and service provision

International growth

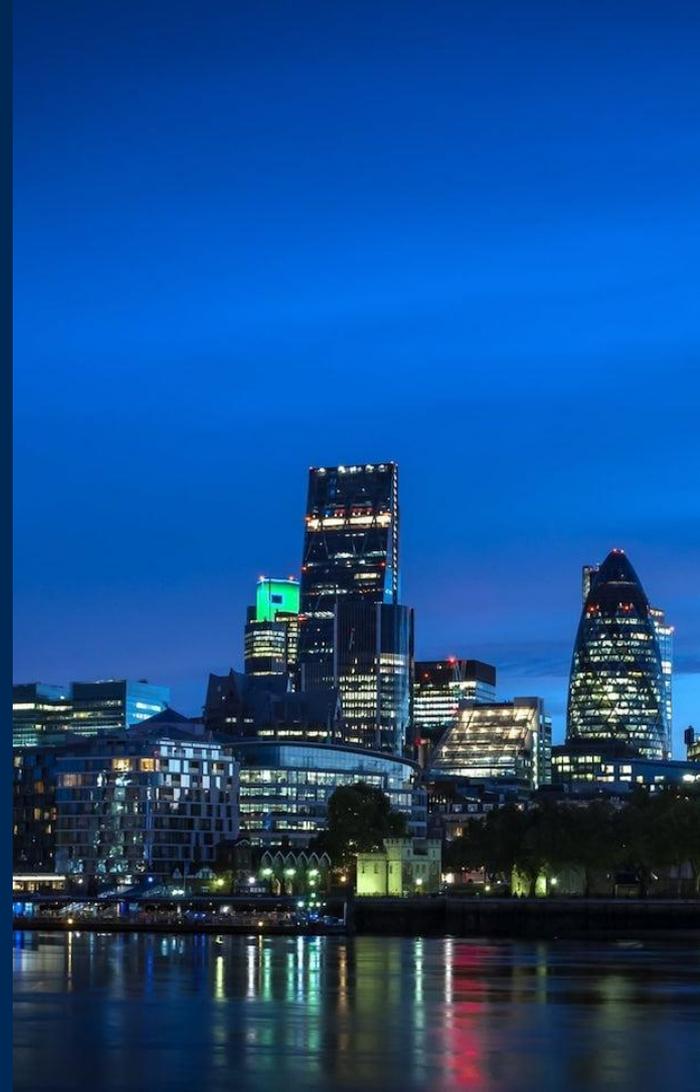
The benefit to enhance and build on their standing and reputation both at home and overseas



SBC Global
Alliance

Looking forward...

- Increasing our representation in Europe, especially in Western Europe including Spain, Germany and Scandinavia.
- Gaining greater coverage in the USA and South America.
- Developing business between member firms, this to include working on strategic partnerships between members to generate international and local business.
- To achieve a top 20 world ranking.

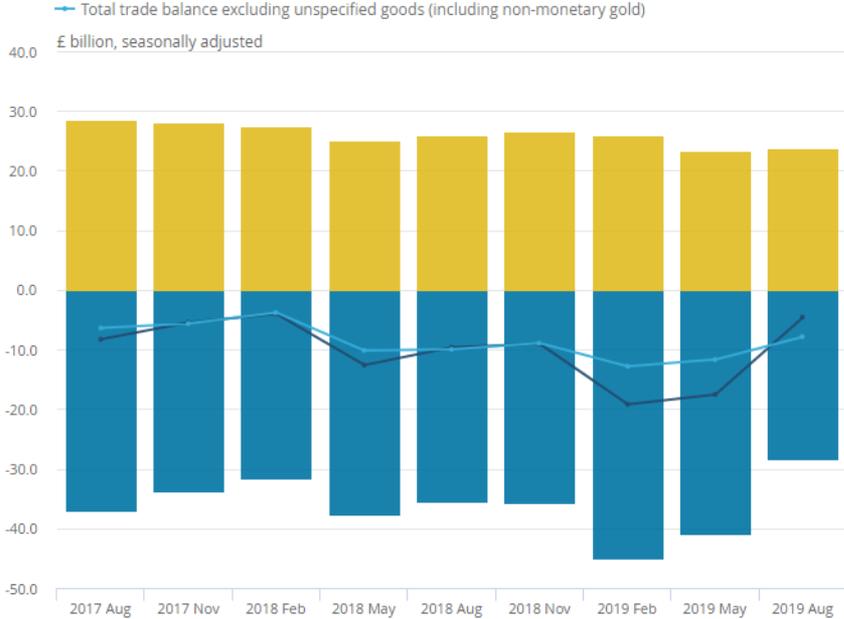


A Global Trade Perspective for the UK

Allie Renison
Head of Europe and Trade Policy
Institute of Directors

SBC Conference Presentation
11th October 2019

UK's trade performance to date

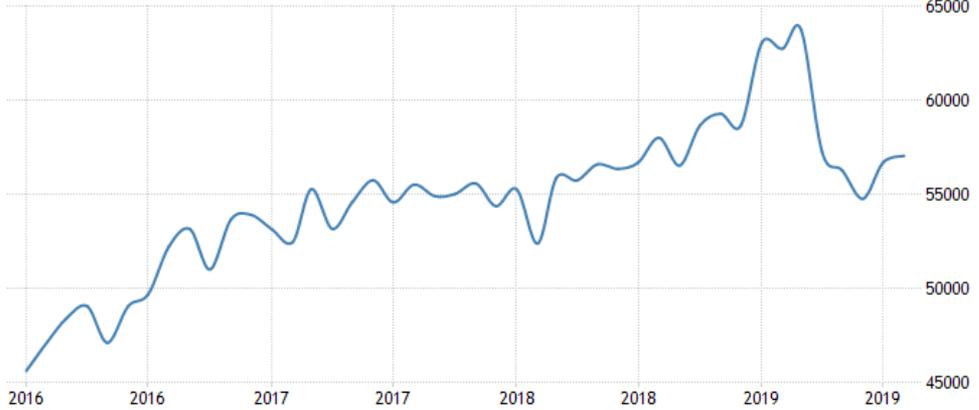


Source – ONS (Oct 2019)

UK's trade performance to date

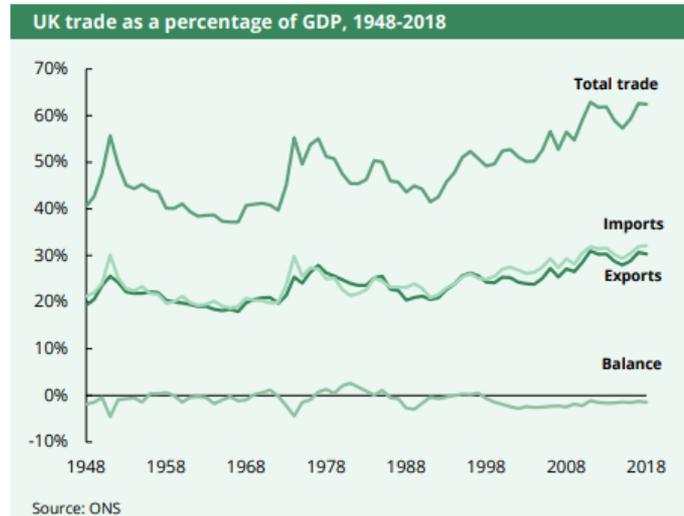


Exports Jan 2016-Oct 2019



UK's trade performance to date

- How do we think about trade balances?
- Imports can play havoc but are an important sign of domestic demand – particularly sensitive to exchange rate fluctuations
- Trade as a percentage of GDP is a (more?) important barometer



Trade Headwinds – Brexit and Beyond

Factors affecting the UK's future trade performance

- **Whither Brexit (and when?)**
- **UK economic performance and business uncertainty (investment)**
- **US-China trade tensions**
- **US trade tensions with everyone else**
- **EU trade moves**
- **EU economic performance**

UK Trade Trends – IoD snapshot

TABLE 2 - What form does your organisation's outbound engagement with non-UK markets take?

Direct exports (from your organisation to foreign buyer)	73%
Indirect exports (e.g. through overseas distributor or export management company)	26%
Licensing and/or franchising	10%
Local branch/office overseas	21%
Joint venture	9%
Through a subsidiary in another country	20%
Outsourced contract manufacturing (abroad)	5%
Strategic alliance	14%
Other (please specify)	9%
Don't know	1%

- | | | | |
|------------|----------------|---------------------|--------------------|
| 1) Germany | 5) Netherlands | 9) Canada | 13) UAE |
| 2) France | 6) Spain | 10) Sweden | 14) Poland/Austria |
| 3) USA | 7) Belgium | 11) Denmark | 15) India |
| 4) Ireland | 8) Italy | 12) China/Australia | |

CHART B: Is your (primary) organisation's mode of outbound foreign market entry primarily in:



TABLE 3 - Geographical Market Penetration

Europe (EU)	84%
Europe (non-EU, including Russia)	35%
Asia	46%
Middle East (inc Gulf and Turkey but not including North Africa)	36%
North America	52%
Central America and the Caribbean	12%
South America	17%
Africa	26%
Australasia/Oceania	31%
Don't know	0%

UK Trade Trends – IoD snapshot

TABLE 5 - Which markets are most important overall for your business now, where has your business seen the most growth over the past 2 years, and which do you expect to see the most growth in for your business over the next 5 years?

	Most revenue now	Most growth in past 2 years	Expected growth next 5 years
EU	63%	43%	39%
Europe (non EU, including Russia)	12%	9%	12%
North America	25%	21%	29%
Asia	17%	21%	31%
South America, Central America	3%	4%	6%
Middle East (including Gulf and Turkey)	10%	10%	17%
Africa (including North Africa)	6%	7%	11%
Don't know	5%	12%	14%

TABLE 8 - Which regional market would your (primary) organisation be most likely to look at first if it were to begin selling its products and/or services outside of the UK?

EU	36%
Non-EU European countries (Norway, Iceland, Switzerland, Turkey, Russia)	3%
Middle East and North Africa (including the Gulf)	3%
North America (USA, Canada, Mexico)	8%
Central + South America	0%
Africa	0%
Southeast Asia (India, Pakistan, Bangladesh, Sri Lanka etc.)	1%
Far East (China, Japan, Vietnam, Singapore, Hong Kong, South Korea, etc)	3%
Australasia/Oceania	5%
Caribbean	0%
Don't know	4%
Not applicable	36%

N.B. Previous IoD surveys indicate that members' predictions are not always borne out by reality. For example, in a November 2012 IoD survey, 50% of directors anticipated that Asia would generate the most growth for their business over the following 5 years, compared to the 43% predicting the EU would be in the top spot

Future UK trade policy: Priorities

- What is our overarching strategic set of priorities? (*New Zealand does this big picture approach well*)
- Are we just focusing on boosting service exports? (*diffusion easier for goods*)
- Does the EU count as going global anymore? Can it be relied on?
- Immigration policy is absolutely key
- Marrying up trade promotion with trade policy
- Focus on those exporting already or non-exporters? (*tailoring to different needs*)
- Change the narrative on imports
- Adjustment support for any displacement arising from big trade policy moves
- FTAs are important but business sometimes gets bored or even reactive to them so focusing on shorter term action outside these parameters is crucial (*sectoral collaboration – role for trade and business organisations*)
- Peeling back the onion layers – creating the right *conditions* for trade

Managing Brexit Exposure

- Import/export is but one way to consider your Brexit exposure
- Commercial links to the EU come in different forms
- Links don't always \neq risk, but awareness is key

Export goods to EU country/countries	238	22.22 %
Export services to EU country/countries [includes having EU-based clients]	462	43.14 %
Import goods from EU country/countries	302	28.20 %
Import services to EU country/countries	157	14.66 %
Employ individuals from other EU country/countries	433	40.43 %
Subsidiary/Joint venture/Local branch/Franchise [or similar] in other EU country/countries	182	16.99 %
Benefit from EU funding (directly or indirectly)	202	18.86 %
My organisation is the UK arm/branch/subsidiary [or similar] of an EU-based company	69	6.44 %
Part of a supply chain with UK companies which trade with the EU	163	15.22 %
Other (please specify)	54	5.04 %
My business has no links to the EU	197	18.39 %
Don't know	8	0.75 %

Goods

Duties/Tariffs

- **More uniformity with respect to third country trade requirements than services
- **Relevance of the Customs Union and Single Market
- **No-deal UK tariffs
- **Rules of Origin – May not apply in a no-deal setting but urgently need to consider for supply chains down the line
- **Tariff code classification – Harmonised System, BTIs
- **EU tariffs – TARIC, quotas and safeguards/anti-dumping considerations

Goods

Customs/Transport Procedures

**INCOTERMS – does your company use them? Assigns fiscal/financial responsibility between importer and exporter. Important for contracts

**Existing “facilitations” available – AEO, CFSP, Transit

**Will you be transporting goods directly or through an intermediary

**New mitigations – Transitional Simplified Procedures (TSPs)

**EORI numbers

**Customs training grants available – IT software

Goods

VAT

- **Outside of the EU's VAT area, VAT on trade with the EU becomes a border issue (key difference between acquisitions/despatches and imports/exports)
- **Managing your cash flow – payment considerations with customers/suppliers
- **End to existing simplifications/facilitations for EU trade – reverse charge, triangulation, supply-and-install
- **Appointing a fiscal representative in EU countries for VAT purposes
- **New mitigations for no-deal: Postponed accounting
- **Changes to Low Value Consignment Relief (LVCR)

Goods

Product Regulation/Compliance

- **CE marking and conformity assessment – interaction with notified bodies
- **Marketing authorisation to sell in the EU market – pharmaceuticals and medical devices
- **Chemicals – REACH considerations and re-registration
- **Products of animal origin and SPS controls
- **Import substitution possibilities

Services

**Differences in implications and planning considerations between how the EU regulators your sector – harmonisation vs mixed approach. Financial services in a league of its own

**Third country treatment of how you supply or sell your services in the EU/EEA will vary by EU country

**VAT and VATMOSS for digital services – registering for VAT wherever your customers or using the non-Union VATMOSS scheme

**Data flows to/from the EU – transferring personal data from EU a particular consideration. Data processing centres, model contract clauses (GDPR/ICO template), and binding corporate rules

**Movement of people between the UK and EU under a no-deal Brexit will no longer be treated uniformly – implications for business travel and work in EU/EEA countries

Trade with the Rest of the World

**Trade Continuity Process (DIT) – some agreements will roll over, others will not transition under a no-deal Brexit...either way check the small print!

**You don't always know what you need to know – checking for how you may be affected (e.g. trading with Turkey and ATR forms)

**Shipping routes and advance information – check with in-country customs and regulatory authorities.

Checklist for Traders

**Have we mapped out all of our potential pinch-points of exposure to Brexit? From financing and tax liabilities to regulatory compliance requirements and an EU employee audit?

****What are the cash flow implications of continued volatility in the exchange rate and have we made any plans to mitigate this?**

**Have we conducted a review of our supply chain – upstream and downstream – to assess the potential for indirect impacts of Brexit changes and looked at alternative suppliers?

****Have we looked at intermediaries such as freight forwarders, shipping agents and customs brokers to help relieve some of the burden of new transport and customs challenges?**

**Is there a need to look at regulatory/licensing requirements in other EU countries and assess what the most cost-effective place to open up a subsidiary/local branch would be?
Is there a need to look at regulatory/licensing requirements in other EU countries and assess what the most cost-effective place to open up a subsidiary/local branch would be?

****Does my business, or that of any of my clients, benefit from EU funding – directly or indirectly?**

**Have we considered how any intellectual property will continue to be protected in the EU after Brexit? Does the business have any EC trademarks that will need to be converted into UK ones?

****Has anyone in the company been assigned responsibility for Brexit maintenance/planning? If not, should someone be tasked with this?**

All CHANGE: BREXIT, AI and PEOPLE

Owen Morgan
Managing Director
INTOO UK & Ireland



A BIT ABOUT US

DEVELOPING CAREERS. BUILDING SUCCESSFUL BUSINESSES

We believe that developing the careers of your employees is what ultimately drives business success. We partner with companies to **develop** the potential of their people, **transform** performance and **transition** skills as business needs evolve.

01

COACHING

Providing transformational and developmental coaching to enhance the skills and performance of current and future leaders.

02

MENTORING

Designing engaging mentoring programmes that deliver on-going business results.

03

CAREER DEVELOPMENT

Encouraging employees to 'own' their development and keep their skills sharp in response to changing organisational demands.

04

OUTPLACEMENT

Delivering highly personalised outplacement support to individuals impacted by redundancy to help them to successfully transition.

05

CHANGE MANAGEMENT

Equipping leaders, managers and employees with the skills and resilience to navigate change effectively.



CAREER
STAR
GROUP



AMERICAS

Argentina
Brazil
Canada
Chile
Colombia
Costa Rica
Ecuador
Mexico
Panama
Paraguay
Peru
Puerto Rico
United States
Uruguay
Venezuela

EUROPE

Austria
Belarus
Belgium
Bulgaria
Croatia
Cyprus
Czech Republic
Denmark
Estonia
Finland
France
Germany
Greece
Hungary
Ireland
Italy
Latvia
Liechtenstein
Lithuania
Luxembourg
Moldova
Montenegro
Netherlands
Norway
Poland
Portugal
Romania
Russia
Serbia
Slovakia

Spain
Sweden
Switzerland
Turkey
Ukraine
United Kingdom

MIDDLE EAST & AFRICA

Armenia
Azerbaijan
Bahrain
Egypt
Georgia
Israel
Kazakhstan
Kyrgyzstan
Oman
Pakistan
Saudi Arabia
South Africa
Tajikistan
Turkmenistan
United Arab Emirates
Uzbekistan

ASIA PACIFIC

Australia
China
Hong Kong
India
Japan
Malaysia
New Zealand
Philippines
Singapore
Taiwan
Thailand
Vietnam





**THE ONLY THING
THAT IS CONSTANT
IS CHANGE**

Heraclitus

**CHANGE BEFORE
YOU HAVE TO**

Jack Welch



CHANGE TODAY

POLITICAL

SOCIAL

TECHNOLOGICAL

LEGAL

All are impacting businesses, forcing us to adapt and respond to things that we may never have thought we would be dealing with.

Yes, there's always been a need to respond to change. But the periods between major events are becoming shorter.

BREXIT

GIG ECONOMY

AI, AUTOMATION

GDPR

Harvard Business Review

The AI-Powered Organization

The main challenge isn't technology. It's culture.

62

136 Marvel's Blockbuster Machine
94 Digital Doesn't Have to Be Disruptive
116 When a Colleague Is Grieving

ANDREW MARR • ISABEL HILTON • SALMAN RUSHDIE • MARGARET ATWOOD
MICHAEL PRODGER • JESS PHILLIPS • WILLIAM BOYD • MEGAN NOLAN
STEPHEN BUSH ON LABOUR • JOHN GRAY ON THE MAKING OF THE WESTERN MIND

NewStatesman

Enlightened thinking in dark times

Out of control

Britain, Europe and an age of disorder

Brendan Simms
Helen Thompson

+ Robert Kilroy-Silk:
the godfather
of Brexit

Sue Prideaux
on the cult
of the dictator



Autumn
books
special



20-26 September 2019/£4.00

The background is a solid light green color. Overlaid on this are several abstract shapes: a large, semi-transparent dark green circle on the right side; a smaller, semi-transparent dark green circle on the left side; and a thick, light green ribbon-like shape that curves from the top left towards the center, overlapping the smaller circle.

IMPACT OF BREXIT

A People Perspective





- Always on !
- Authenticity
- Working styles
- Globalisation of workforce
- Virtualisation of workforce
- Multi-generational workforce
- Increasing matrix structures
- Collaborative leadership
- Increasing responsibility
- Decreasing authority
- New competition
- Disruptive industries
- Speed
- Environmental Issues
- GDPR Regulation
- Focus on Forecasting
- Politics
- Ethics
- Equality
- Diversity
- Regulation
- Skills & talent shortage
- Attraction & Retention
- Customer demands
- Leaner budgets/teams
- Constant innovation
- Creativity
- Entrepreneurship
- Change
- ...More Change
-Even More Change!
-and now **BREXIT**



**"If you don't know
where you are going...
any road will take you
there"**

Lewis Carroll



The background is a vibrant green with several overlapping, semi-transparent circles of varying shades. A keyhole-shaped cutout is positioned in the upper left quadrant, revealing a darker green area behind it. The overall design is modern and clean.

Leadership is KEY.....

**however leaders are under HUGE personal
pressure**

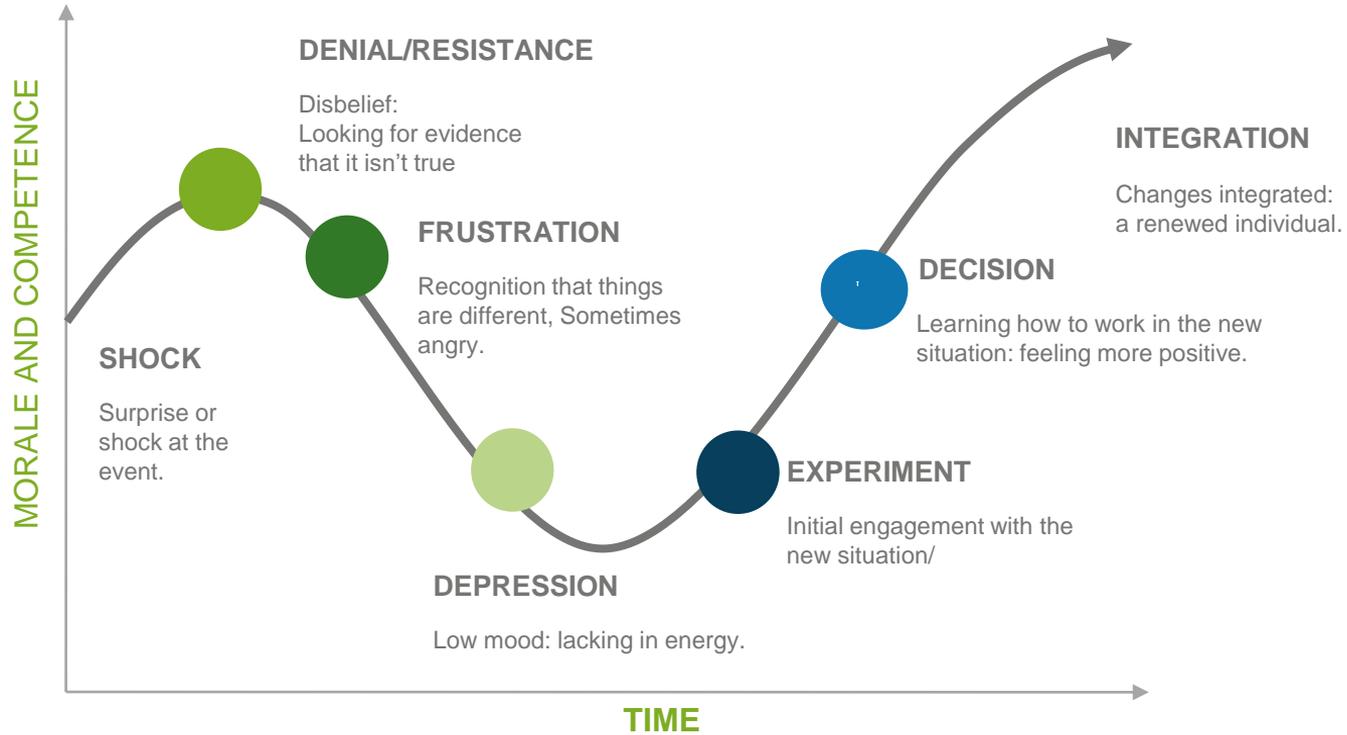


RECENT INTOO COACHING ASSIGNMENTS:

- **IT DIRECTOR STRUGGLING TO COPE WITH PRESSURE OF THE ROLE**
- **DIVISIONAL MD FACING CHALLENGES WITHIN A MATRIX STRUCTURE**
- **NEWLY APPOINTED MANAGER UNABLE TO DELIVER TOUGH MESSAGES TO HER TEAM AROUND EUROPEAN REDUNDANCIES**
- **FINANCIAL DIRECTOR RACKED WITH IMPOSTER SYNDROME AND SELF DOUBT**
- **HR MANAGER DEALING WITH RAPIDLY CHANGING CORPORATE ENVIRONMENT**

.....IN ALL CASES *BREXIT* WAS A CONTRIBUTING FACTOR.....

THE EMOTIONAL IMPACT OF CHANGE



REACTIONS

Opportunity

Energising

Success

Positivity

Engaged

Excited

ONE CHANGE EVENT

CHANGE IS PERSONAL

REACTIONS

Threat

Paralysing

Failure

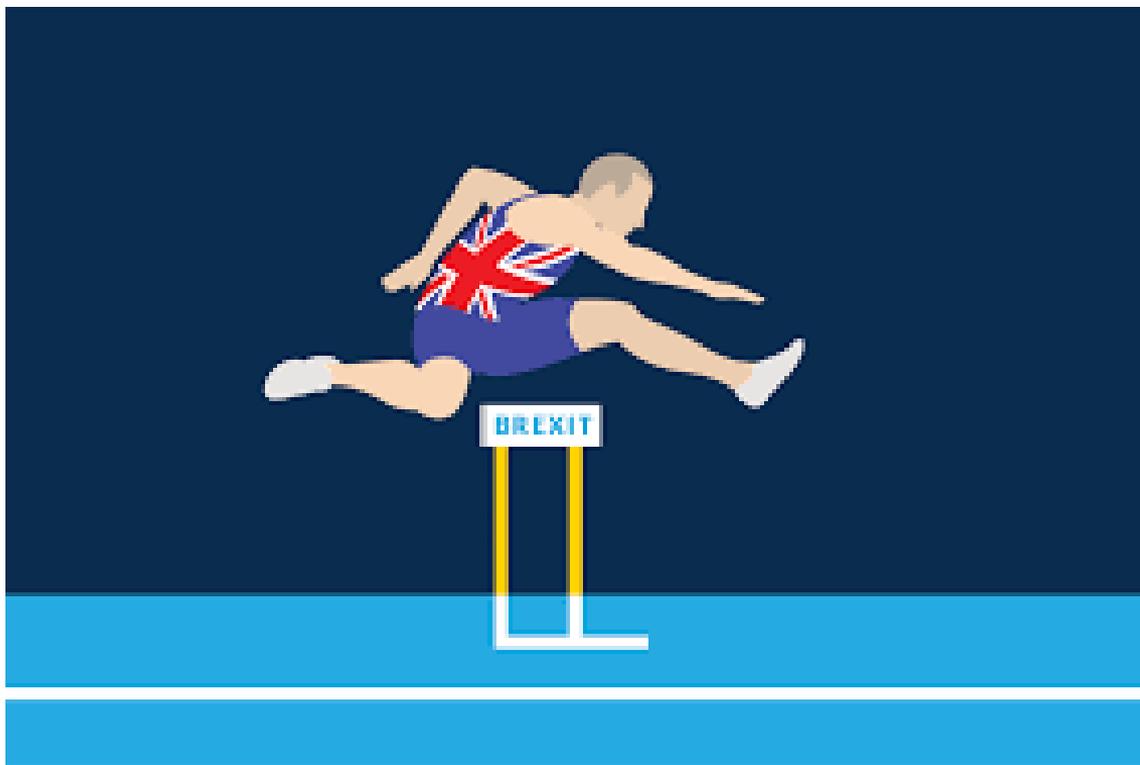
Negativity

Disengaged

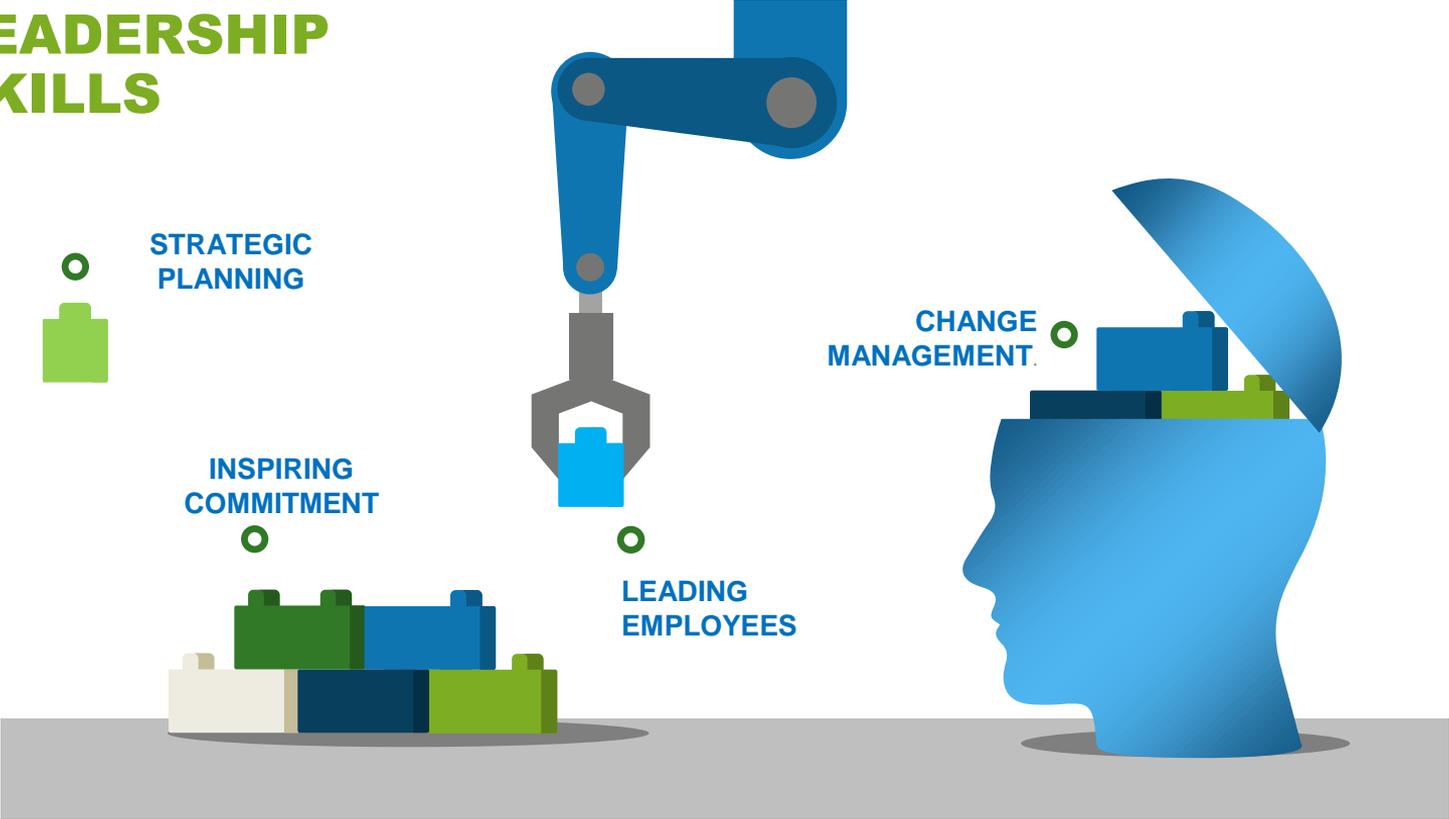
Fearful

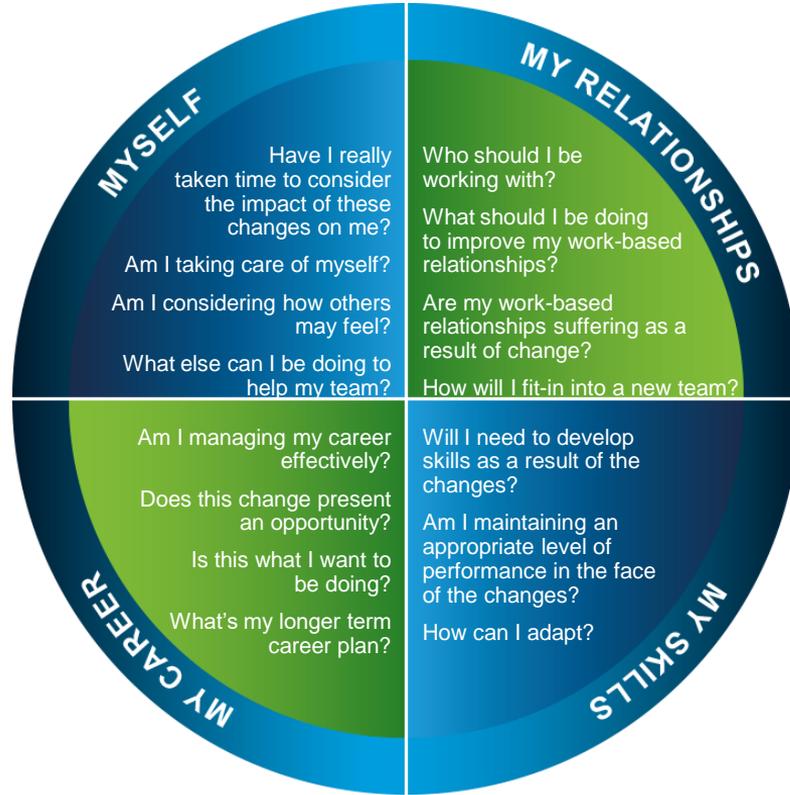
The background is a vibrant green with several overlapping, semi-transparent circular shapes that create a sense of depth and movement. The circles are in various shades of green, from light to dark, and their edges are soft and blurred. The overall effect is a dynamic and modern abstract design.

OPPORTUNITY.....



BREXIT LEADERSHIP SKILLS





The background is a vibrant green with several overlapping, semi-transparent circular shapes in various shades of green, creating a sense of depth and movement. The text is centered horizontally and vertically.

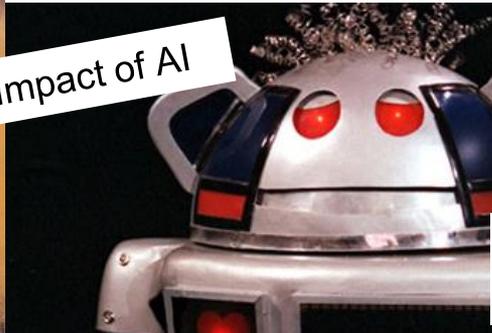
ARTIFICIAL INTELLIGENCE (AI)

DAILY BOMBARDMENT



Majority of Businesses Fail to Plan for Impact of AI

London football club employs AI coach for tactical insight



Automatic for the people: how HR brings robots and humans together

Driverless cars on London Roads from October 2019

Domino's really wants robots to deliver your pizza

To be AI ready, workforce needs re-skilling, say experts

By Siddharth Tiwari | NEW DELHI | 10 September, 2017

Tweet G+



HR must get up to speed with technology

Automation is blind to the colour of your collar



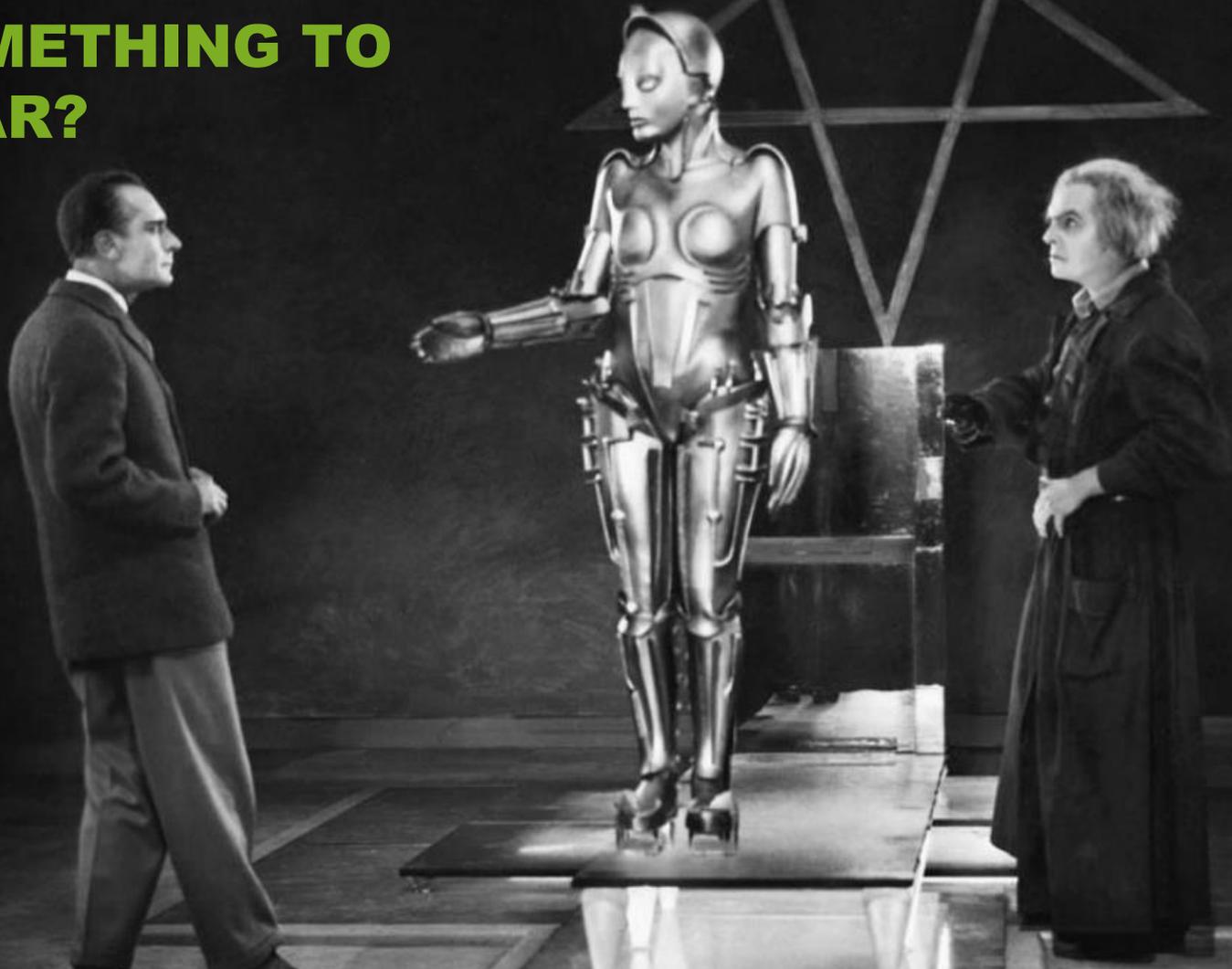
Robots to replace teachers in 10 years

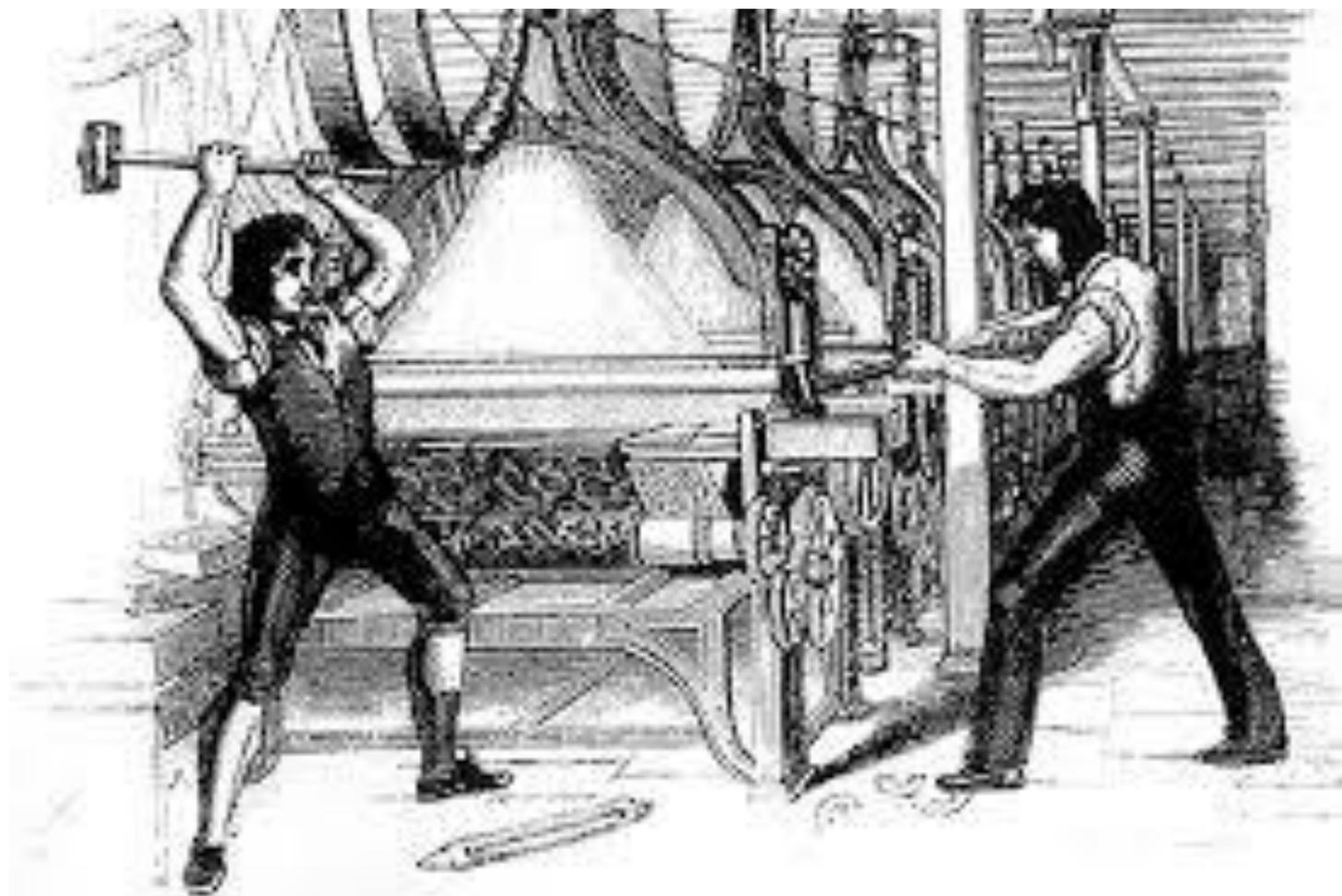


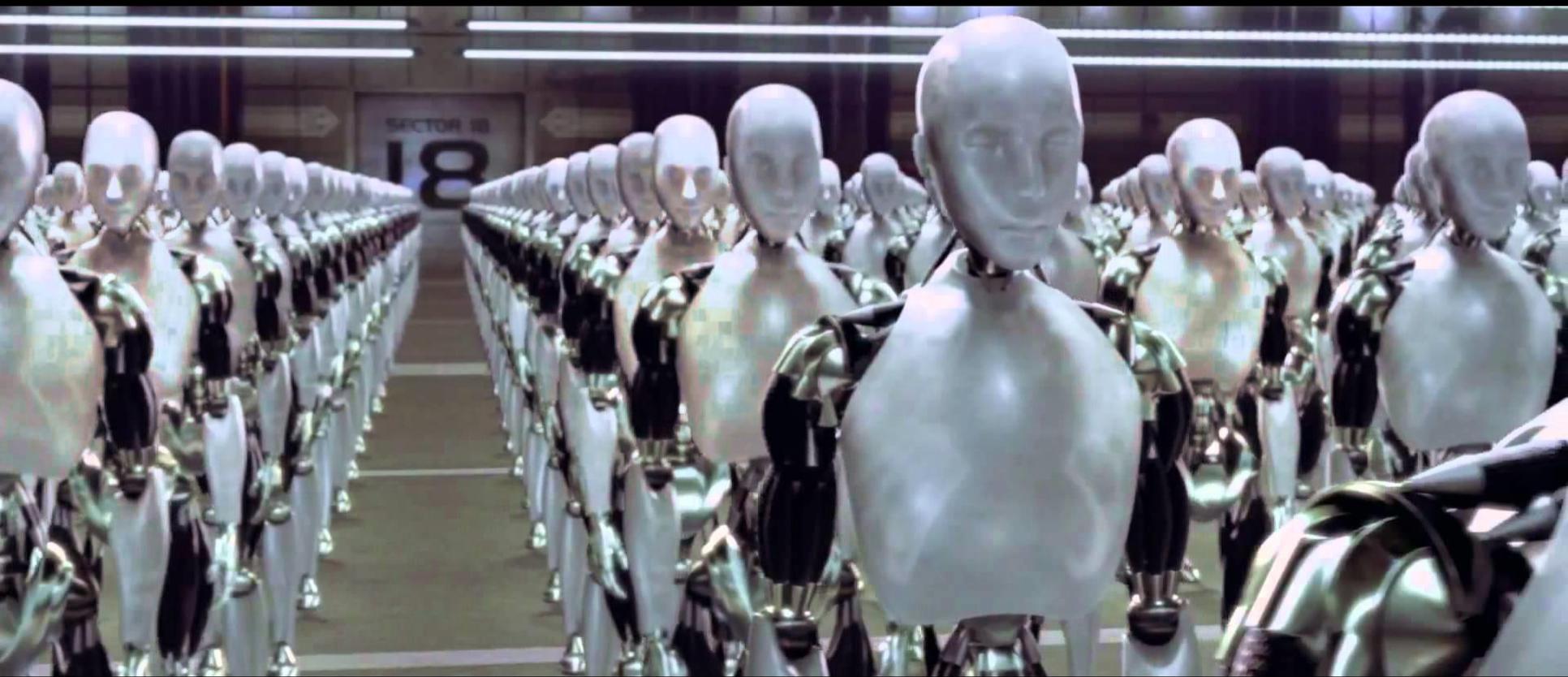
FACEBOOK'S ARTIFICIAL INTELLIGENCE AGENTS CREATING THEIR OWN LANGUAGE IS MORE NORMAL THAN PEOPLE THINK, RESEARCHERS SAY

ISSN 0025-1923
ISSUE 2 2017 £4.90

**SOMETHING TO
FEAR?**







Lawyer

AUTOMATION RISK LEVEL

Totally Safe

or 4% probability of automation

PROJECTED GROWTH

6%

by 2024

Accountant

AUTOMATION RISK LEVEL

You are doomed

or 94% probability of automation

PROJECTED GROWTH

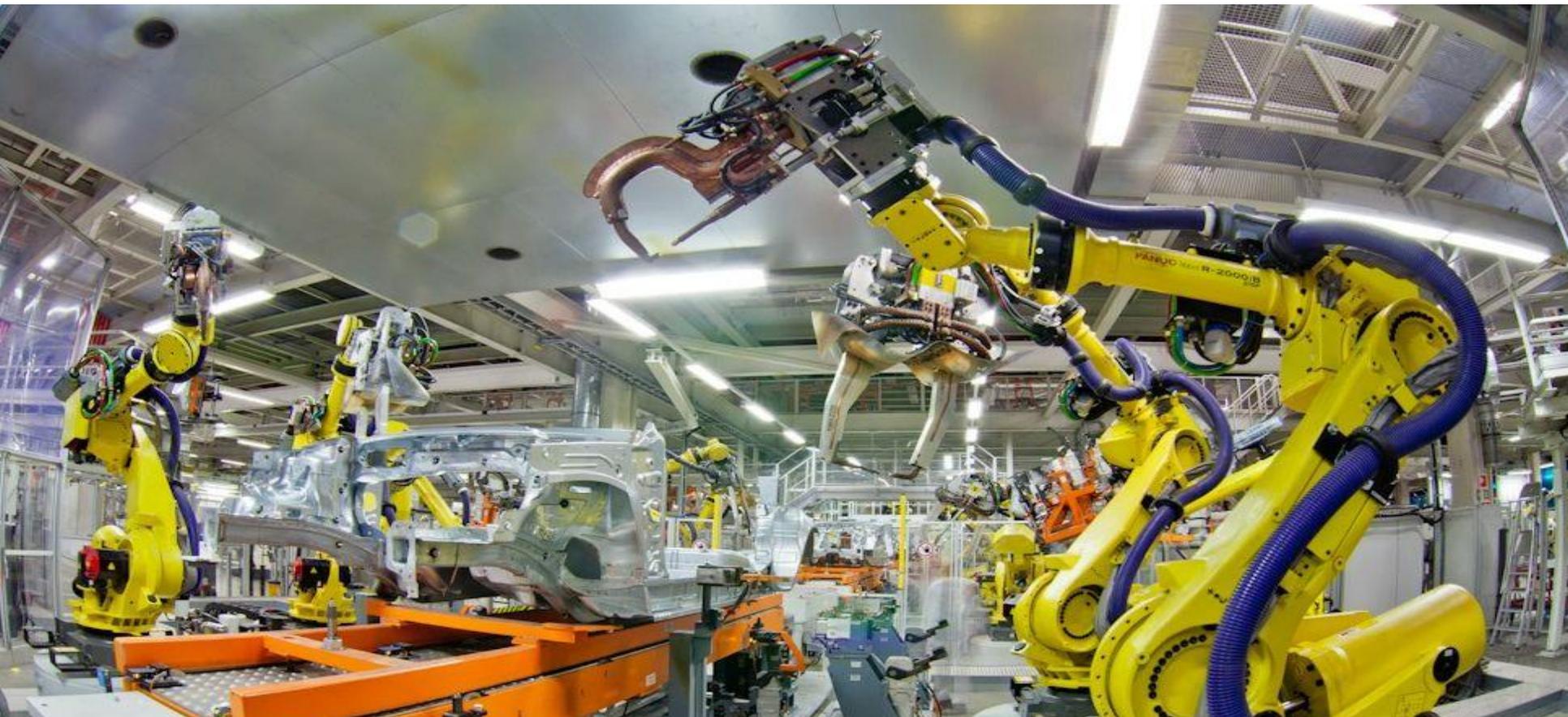
11%

by 2024

The background is a solid blue gradient. On the left side, there is a large, overlapping ring structure made of several concentric, slightly offset circles, creating a 3D effect. On the right side, there are two large, overlapping circles. The text is centered horizontally on the left side, overlapping the ring structure.

OR AN OPPORTUNITY?

SAFER WORK ENVIRONMENTS



GREATER ACCURACY



MACRO LEVEL

“*We are in a leadership crisis. We are not in a technology crisis. We are in a technology revolution. We are going to see technology shifts and changes on a scale that we have never seen on this planet. Every country needs a Minister of Future.*”

Mark Benioff, CEO & Founder of SalesForce



MICRO LEVEL

To be successful today, organisations have to focus on creating, delivering and capturing new value in the marketplace.





**IT IS NOT THE
STRONGEST OR
MOST INTELLIGENT
WHO WILL SURVIVE,
BUT THOSE WHO
CAN BEST MANAGE
CHANGE**

CHARLES DARWIN



EVERY BUSINESS WILL BE DIFFERENT



The background is a solid blue color with several overlapping, semi-transparent blue shapes. These shapes include a large circle on the left, a smaller circle on the right, and a large, irregular shape at the bottom. The text is centered in the upper-left quadrant of the image.

**WHAT DOES THIS MEAN FOR
OUR PEOPLE?**

SKILLS WILL CHANGE



- **Big data** = more informed
- **A.I** = algorithms helping to make better talent decisions
- **Augmented reality** = enhancing the journey:
 - Try before you buy – allowing people to experience the organisation before they join
 - Enhancing training and development programmes
 - Supporting the interview process



WHERE DO WE START?

Recent INTOO research asked : How confident are you that your organisation understands the impact of new technology on your business?

- Very confident
- Quite confident
- Not very confident
- Not at all confident

DO WE UNDERSTAND THE IMPACT?



50%

Of those surveyed were not confident that their organisation understands the impact of robotics, A.I, augmented reality or automation on their business



WHERE DO WE START?

What impact will these technologies and working practices have on your team's roles?

- Many of the roles won't be carried out by people in the future
- I don't believe there will be any change to my team's roles in the future
- The skills my team will need to do their role in the future will be different

DO WE UNDERSTAND THE IMPACT?



50%

Of those surveyed were not confident that their organisation understood the impact of robotics, A.I, augmented reality or automation on their business



1 in 10

Only 1 in 10 believe that their role will be replaced by technology in the future



DO WE UNDERSTAND THE IMPACT?



50%

Of those surveyed were not confident that their organisation understood the impact of robotics, A.I, augmented reality or automation on their business



1 in 10

Only 1 in 10 employees believed that their role would not be carried out by humans in the future

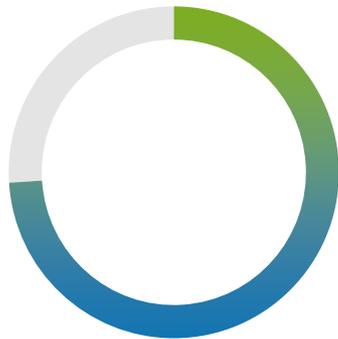


60%

Of managers believe their teams will continue to be needed but the skills they will need will change



BRIDGING THE GAP



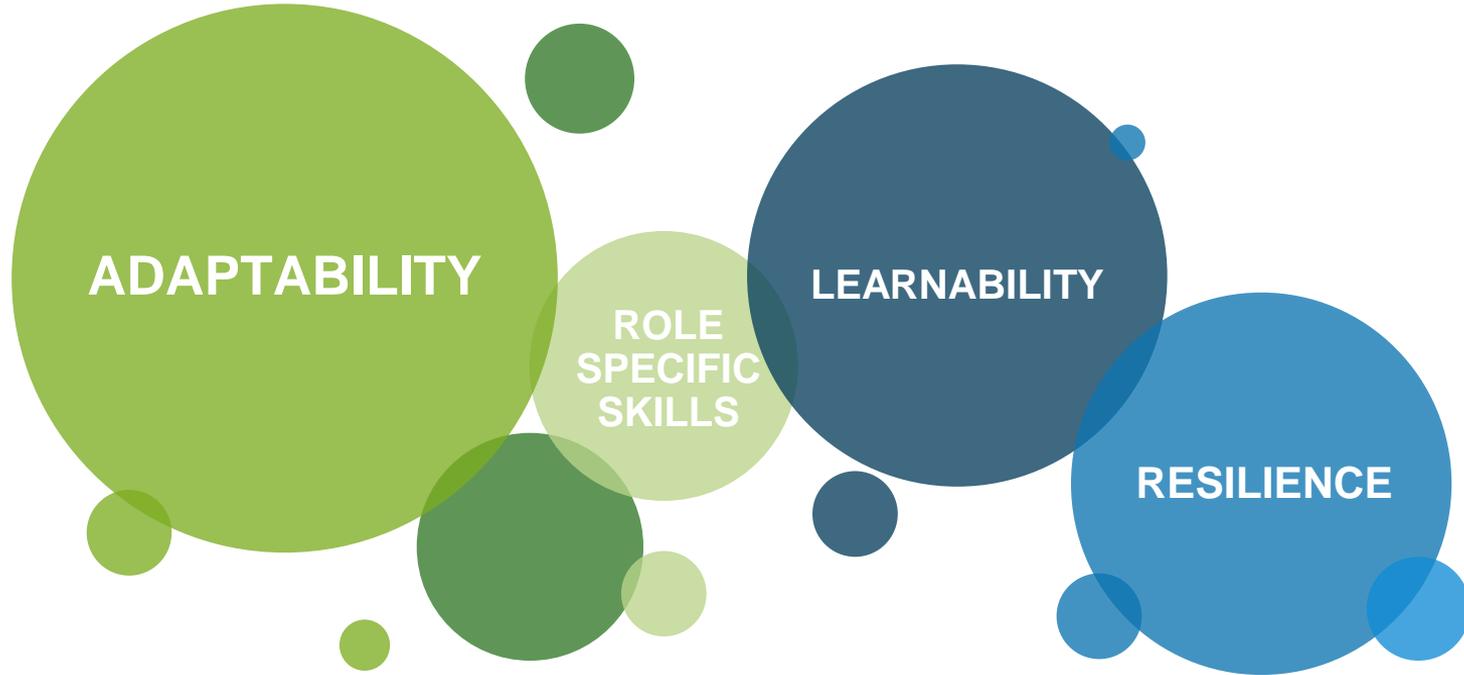
73.4%

Of organisations are prioritising investment in technology over people development

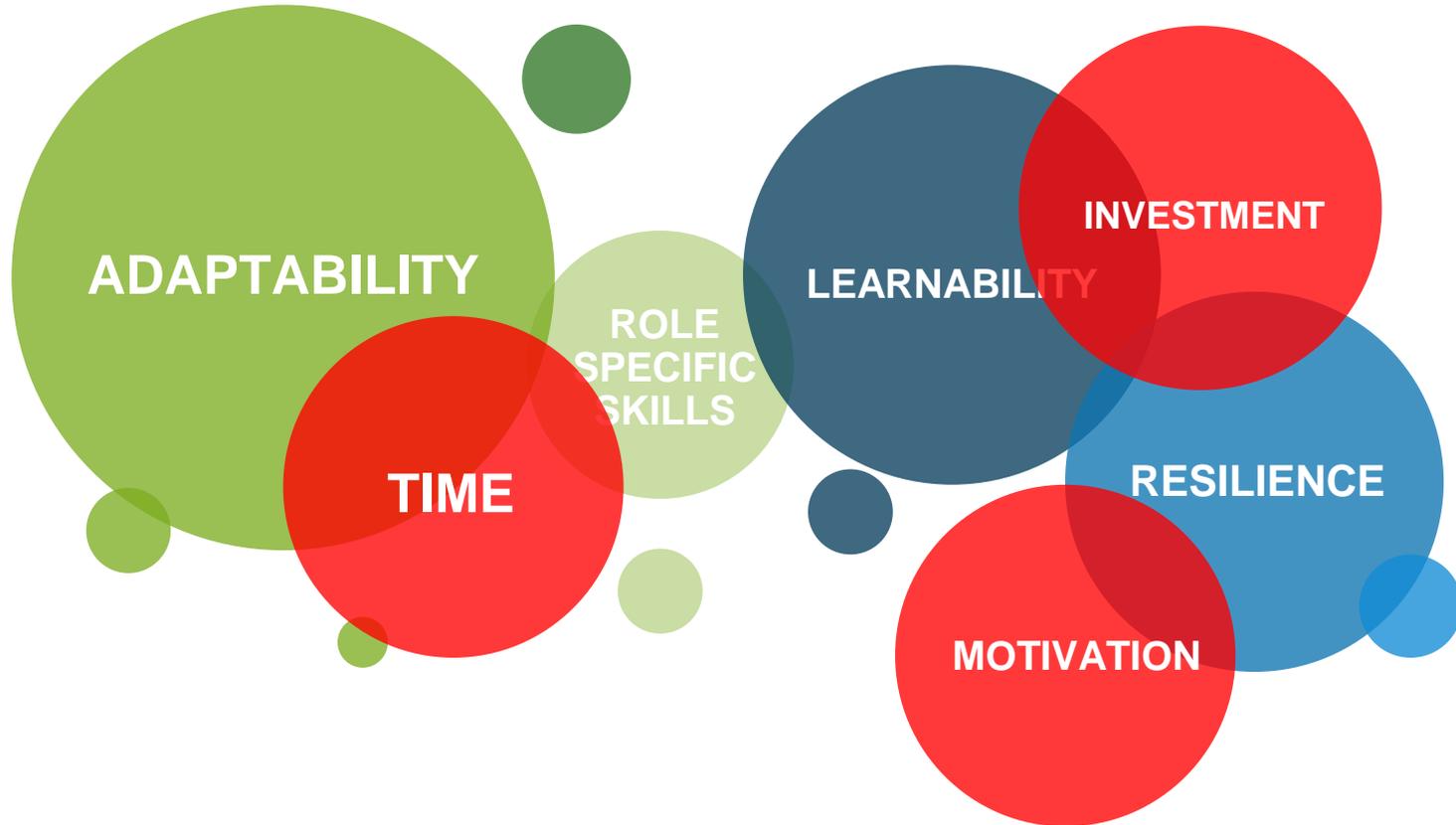
**WE HAVE TO GET THE
BALANCE RIGHT!**



SKILLS FOR THE FUTURE?



SKILLS FOR THE FUTURE?



HOW DO WE EVOLVE?

Development vs. technology

We have to prioritise both

Flatter organisational structures

We must create opportunities to learn, provide meaningful work and focus on 'nurturing' our own talent to attract future talent

Lifelong learning

Develop a growth and change orientated mind-set that encourages ownership but is supported by the organisation



HOW DO WE EVOLVE?

Pace of change will intensify

We need to afford our people the time to learn and adapt

Uncertainty and ambiguity will only increase

We need to focus on resilience now

Technology as means of learning

Technology is an enabler of learning, however richness of learning experience will determine results

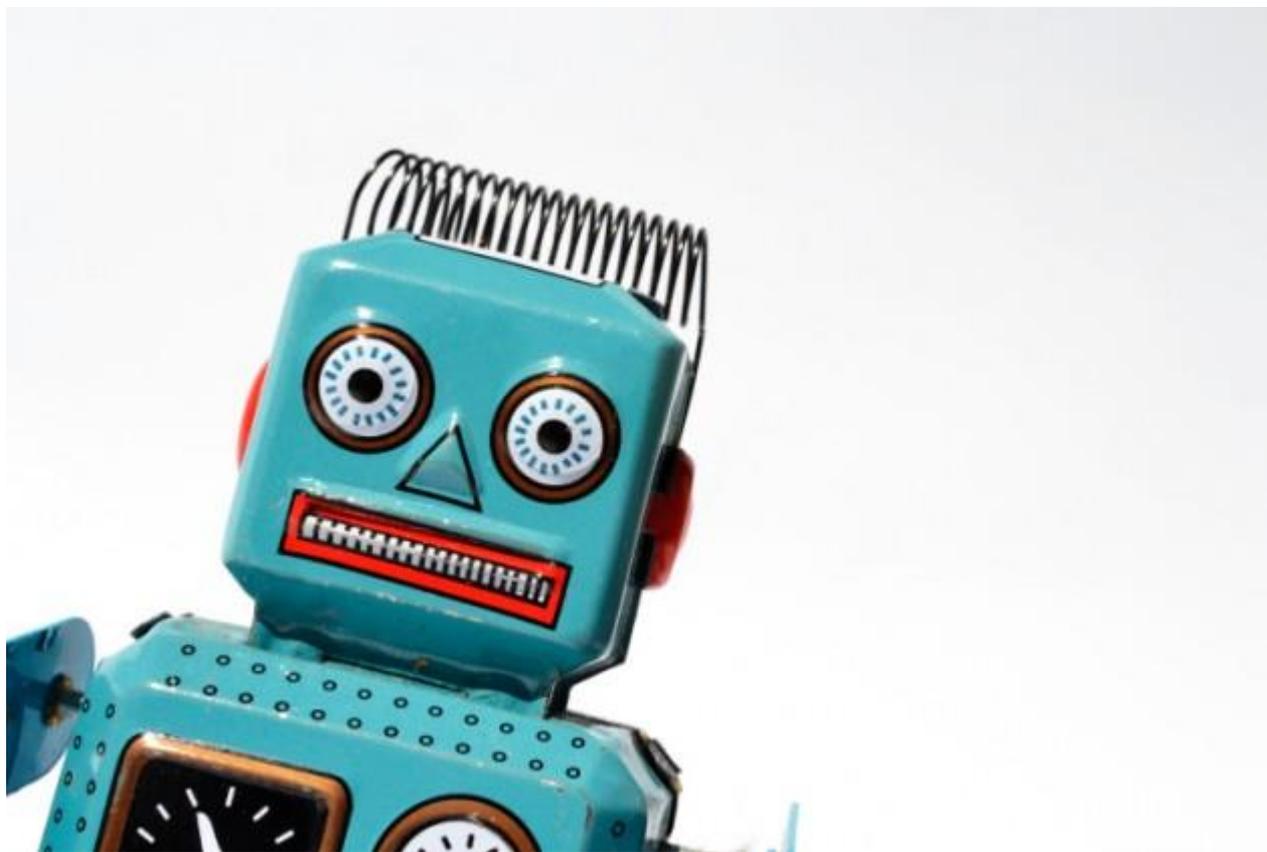


HOW DO WE EVOLVE?

Leaders won't have all the answers

Collective and inclusive leadership will become more commonplace. Leaders will set the vision and the course, however the pace of change will mean greater accountability and trust will need to be placed in employees otherwise we risk being too slow. Fast paced, adaptive thinking and strong communication skills will be key to success in this 'new era'.





The background is a solid blue gradient. It features several overlapping, semi-transparent blue shapes: a large ring on the left, a circle on the right, and a large, irregular shape at the bottom. The text 'QUESTIONS?' is centered within the ring.

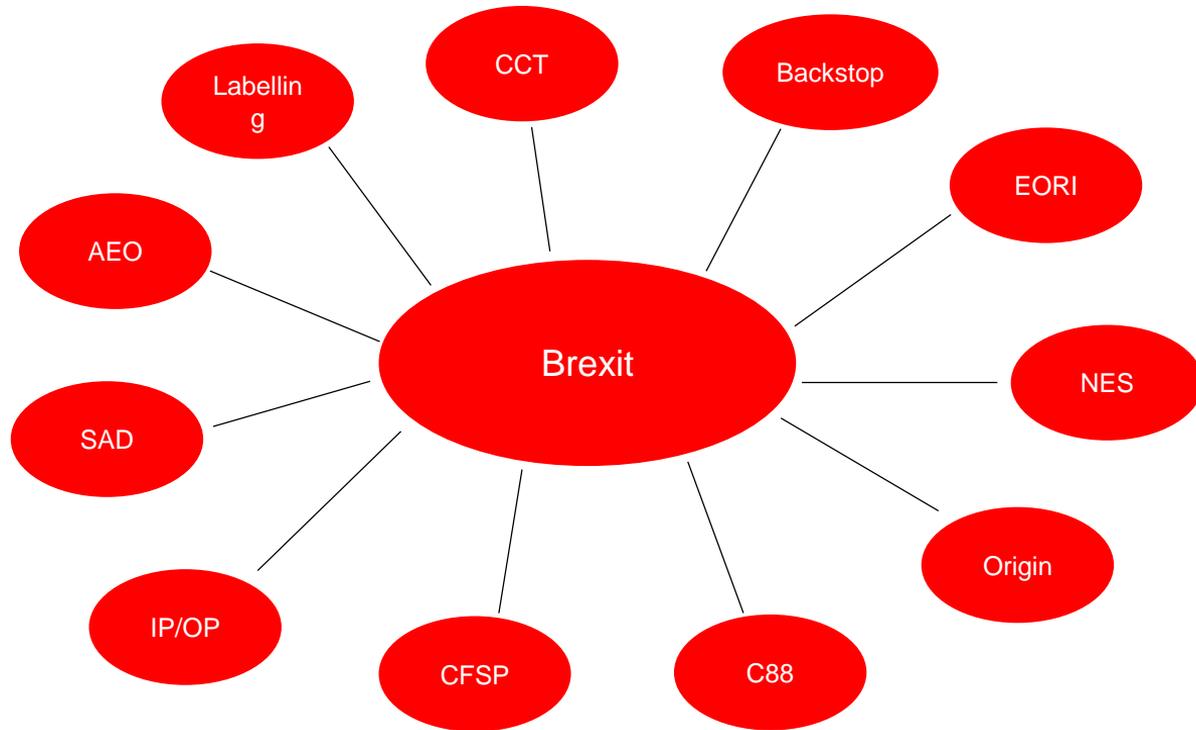
QUESTIONS?



Brexit – Customs and Direct Tax Implications

Gerry Myton & Marie Bradley

11th October 2019



Customs - Hard Brexit (default)

- UK leaves the EU on ~~March 29, 2019~~, on ~~June 30, 2019~~, on 31 October 2019?
 - Third country rules and tariffs (WTO) apply – full border controls
 - Time pressure to ‘grandfather’ existing EU FTAs
 - Customs declarations increase to 300m annually/145,000 additional businesses to make customs declarations
 - UK customs infrastructure - CHIEF for exports, CDS for imports
- “this is a courageous decision”

Customs - Hard Brexit (default)

- EORI
- Transitional Simplified Procedures
- Postponed VAT Accounting



We had a deal. Now what?

What should you be doing (1)

- Review intra-EU supply chains
- Evaluate additional costs – find your duty hotspot, brokerage requirements
- Review terms and conditions

What should you be doing (3)

Customs – Reliefs/Regimes

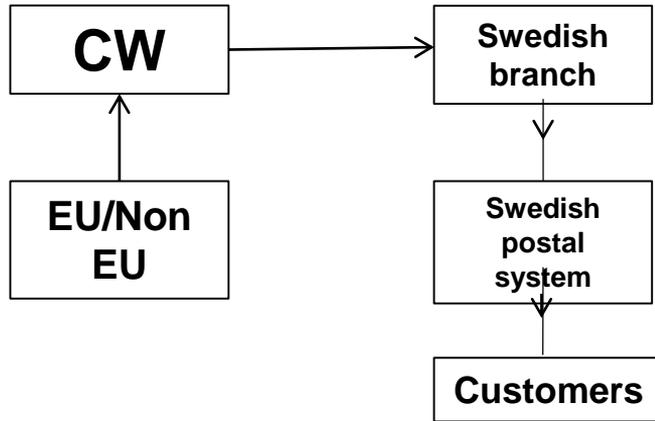
- Trusted trader' kitemark (AEO)
- Deferment Account /CCG
- Customs Warehousing
- IP
- OP
- All require Authorisation and Guarantee

AEO

- Not for the faint hearted
- Takes 3/4 months to complete the application form – extensive processes / procedures documents
- Then 6/7 months to get approval minimum

Customs Warehousing (1)

- Cheaper than AEO – still need to document / map processes procedures
- A cure for the distance selling headache

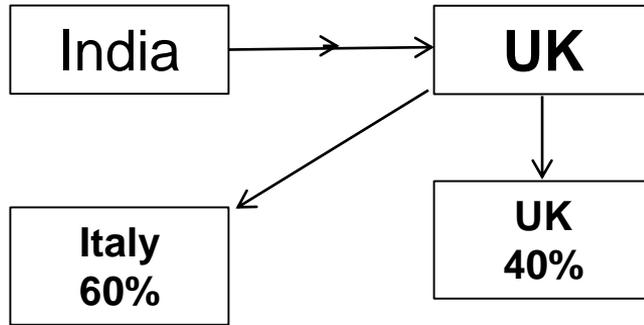


Direct tax issues

- Swedish and UK transfer pricing
- Split of profit between UK and Sweden
- Taxes registration in Sweden
- Substance sufficient to have an economic activity

Customs Warehousing (2)

- Today boat turns left for Felixstowe

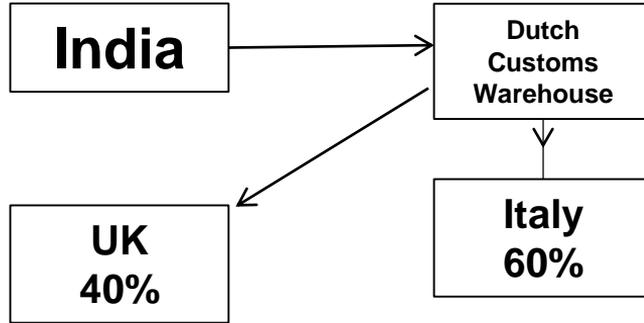


Customs Warehousing (2)

(cont.)

Post Brexit

- Boat turns right for Rotterdam



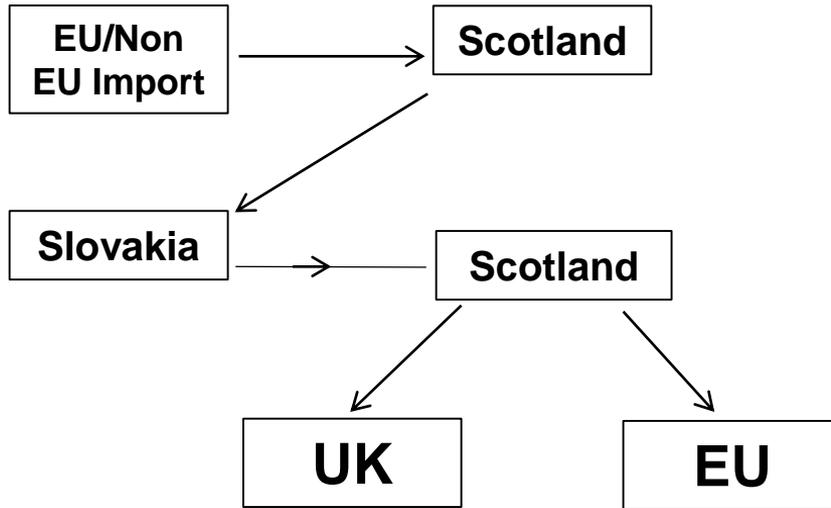
- 6 warehouse employees lose their jobs

Direct tax issues

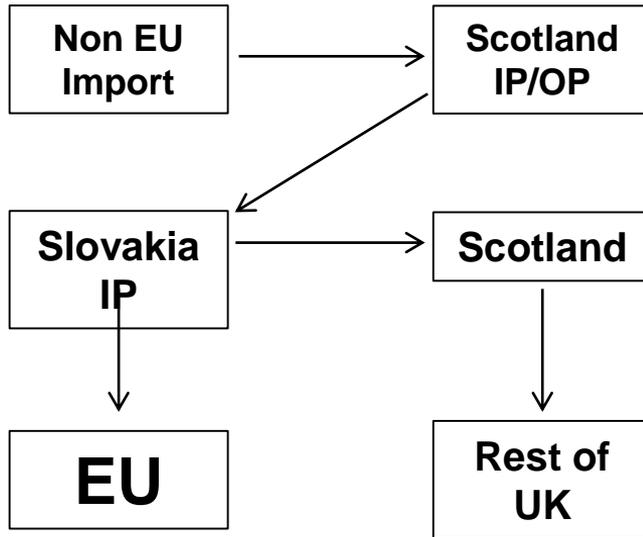
- Direct tax implications?
- 100% outsourced solution?
- No Dutch PE

OP/IP

- Relief to minimise duty on goods sent out or brought in for processing



OP/IP (cont.)



Direct tax issues

- Establishment of branch or subsidiary in Slovakia
- Profit recognition
- Taxes registration in Slovakia

Deal or No Deal?

	Johnson Proposal	No Deal
Duties on EU imports to UK	Set by UK	Set by UK
Duties on non-EU imports to UK	Set by UK	Set by UK (MFN or FTA)
Border checks on EU imports to UK (non tariff barriers)	Can be	Can be
Border checks on non-EU imports to UK	Can be	Can be
VAT payable on arrival : UK import from EU	Accounting only	Accounting only
VAT payable on arrival : UK imports from non-EU	Accounting only	Accounting only
Duties on UK exports to EU	Yes	Could be
Border checks on UK exports to EU	Yes	Could be
Customs documents	Full	Full
Free movement of [EU] people	Very controlled	Very controlled
Contribute to EU budget	No	No
Single market (ECJ jurisdiction)	NI only	No
Ability to strike own trade deals (outside EU)	Yes	Yes

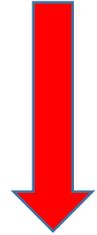
Island of Ireland (Johnson)

- NI in the single market
- NI out of the Customs Union
- From no regulation to two regimes
- Trade deals are about simplifying procedures not complicating!!

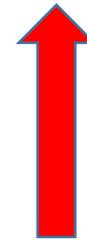
The island of IRELAND conundrum



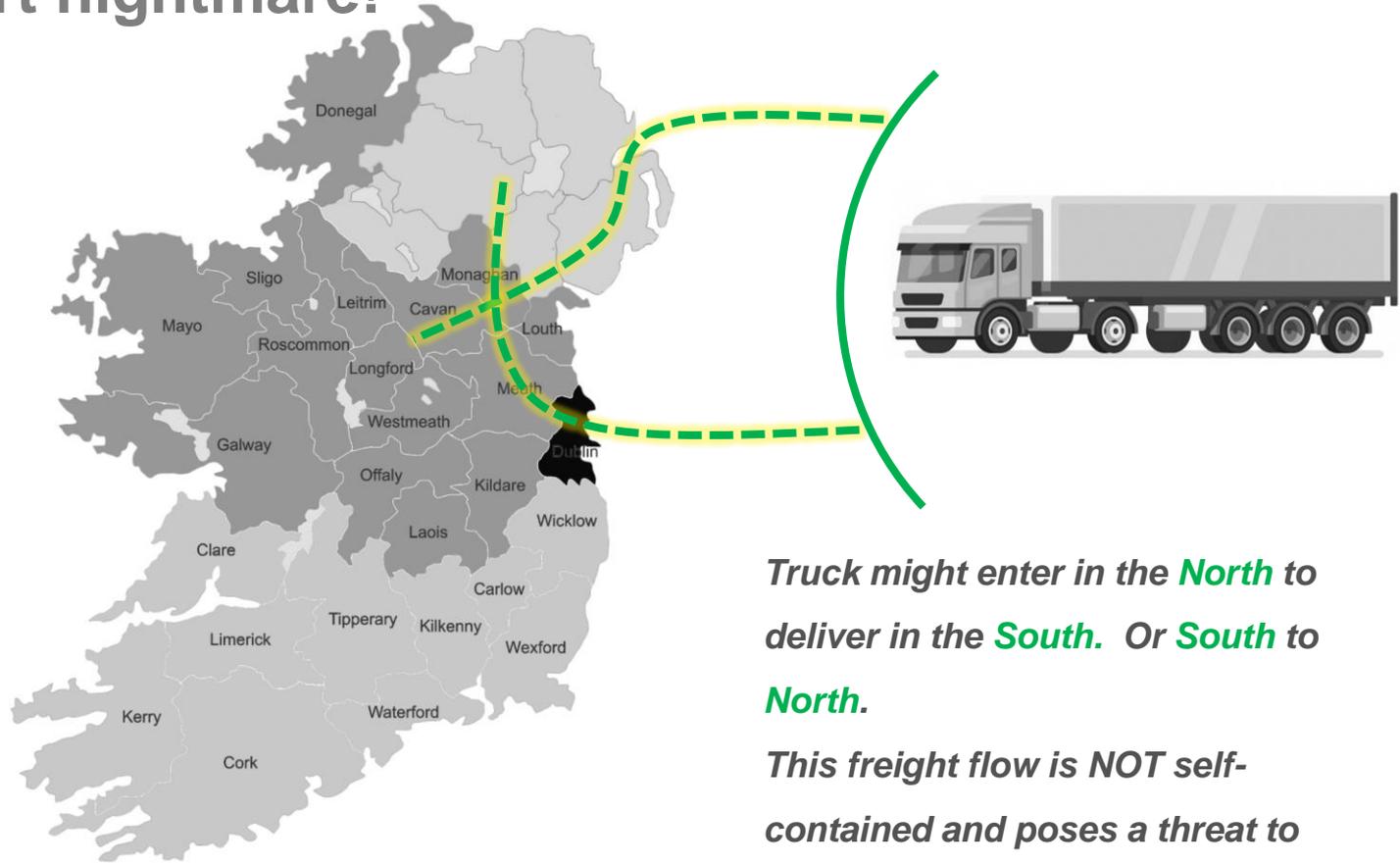
£1.0bn



£1.5bn



The transport nightmare!



*Truck might enter in the **North** to deliver in the **South**. Or **South** to **North**.*

*This freight flow is **NOT** self-contained and poses a threat to **EU** integrity*



Free trade does not mean trade without rules

“It doesn’t matter what kind of customs union is in place, or whether there is a free-trade agreement. After Brexit, **full customs declarations will be required.....**”

Carol-Ann O’Keeffe – The Revenue Commissioners



WTO Tariffs - Examples

- UK to trade on WTO Tariffs
- Clothing from Turkey 0% to 12%
- Dairy Products Average 19%
- Fish from Iceland 3.4% to 11%
- Onions from Netherlands 0% to 9%

Brexit – Steps to be taken

Review all your certification, regulation and licencing

- Check that their products or services are fully compliant with all relevant regulation for sale on the UK or EU market post-Brexit.
- Highly regulated sectors such as medical device manufacturing, construction and transportation must be particularly sure that their registrations, certifications and licensing are still valid.
- Where appropriate, they will need to ensure that their UK supplier has appointed an EU-based authorised regulator, as EU registrations issued to UK companies prior to Brexit may no longer be valid.

Brexit – Steps to be taken

Manage currency and cash flow

- Volatility in currency markets: euro/sterling exchange rate
- Hedge their future transactions
- Avail of government supports to help manage cash flow and mould their business plans accordingly eg Brexit loan schemes
- Set up a Deferred Payment Account and related guarantee with bank to cover the duties – allows deferral of Customs Duties and Import VAT to the month following import.

Brexit – Steps to be taken

People mobility and staffing issues

- Check potential visa requirements for staff, recognition of professional qualifications and licences required to practice
- Obligation remains with the employer.
- Implications of staff travelling to Ireland to work full time or making regular business visits
- Obligations of UK employers to register for Irish payroll taxes
- Common Travel Area between the UK and Ireland will continue - Irish and UK nationals.



<https://www.bbc.co.uk/news/av/world-europe-49923485/what-could-brexit-mean-for-sausage-rolls>



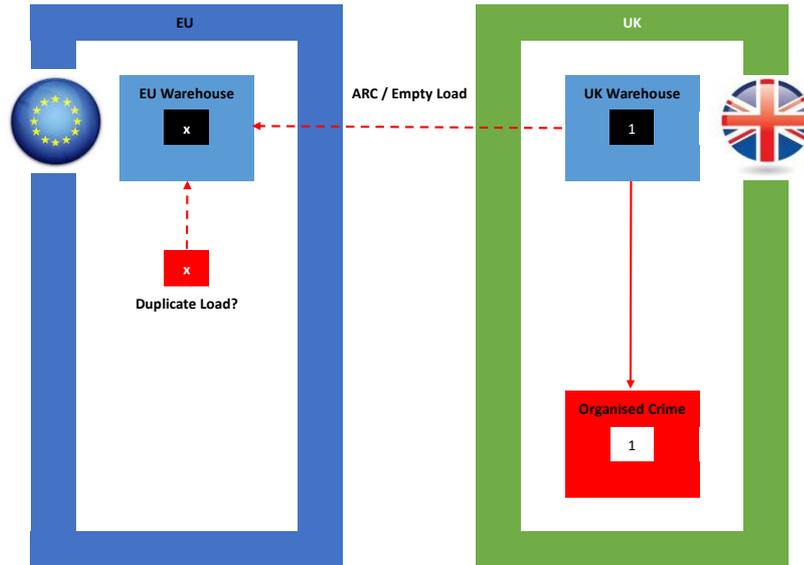
What could Brexit mean for sausage rolls?

The government has delivered its new Brexit proposals to the EU. It includes the creation of an all-island regulatory zone for agriculture, food and all manufactured goods. But could it cause issues with foods, such as sausage rolls? One businessman says so!!

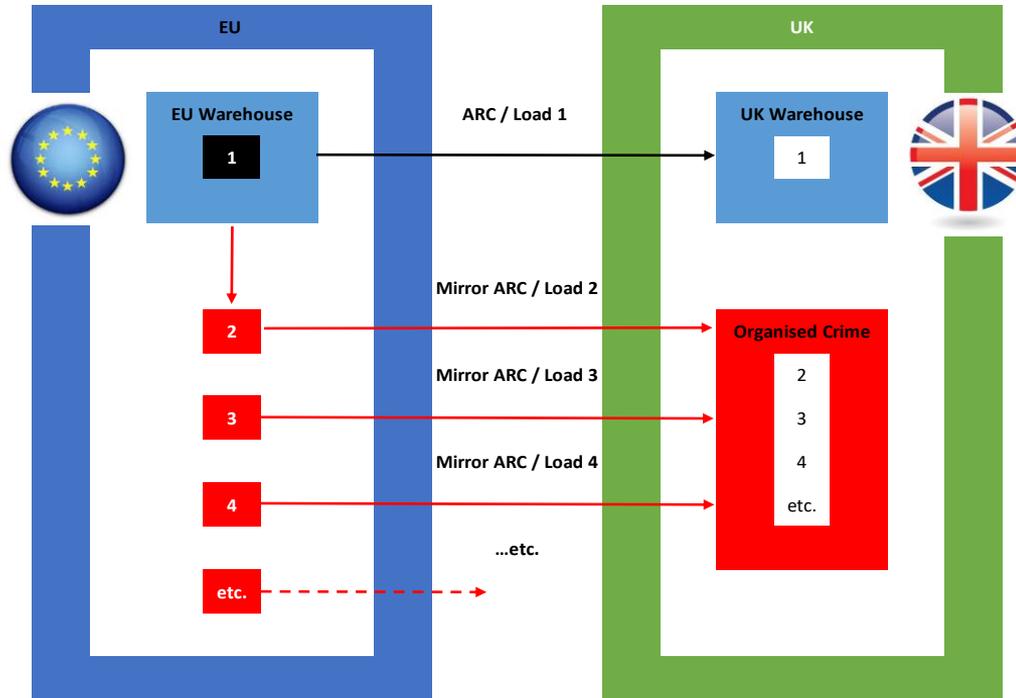
Excise Duty – Suspect Supply Chains

- Goods **start out as genuine supplies** and then transition to illicit through a **complex network of contrived movements** and transactions
- The main fraud types such as inward diversion rely upon large volumes of **UK-produced goods being available under duty suspension in Europe**
- Consignments of **low-EU duty paid goods appear to enter overseas markets** but are actually **diverted into the UK under cover of illegal ‘mirror loads’**
- Once in the UK the illicit goods **infiltrate the independent wholesale and retail market** via UK missing trader supply chains and off-record sales

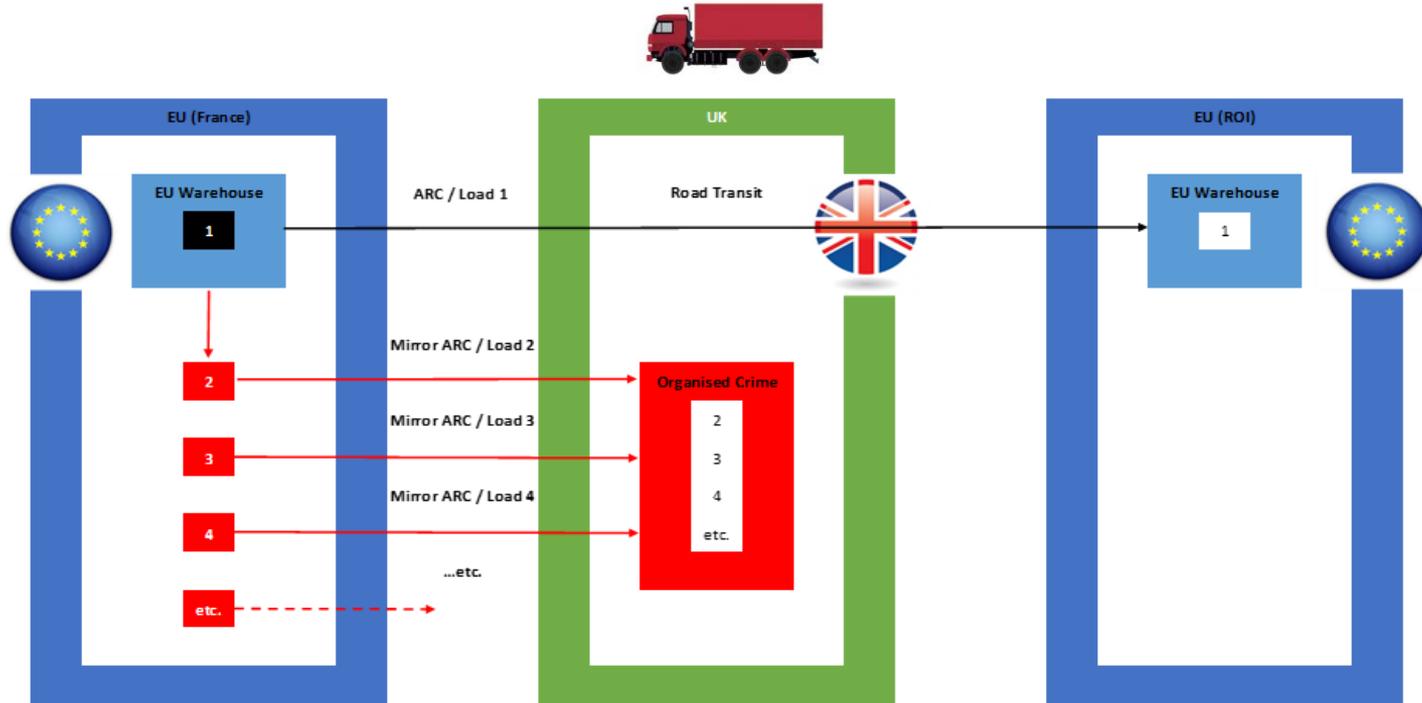
Outward Diversion



How Inward Diversion Fraud Works

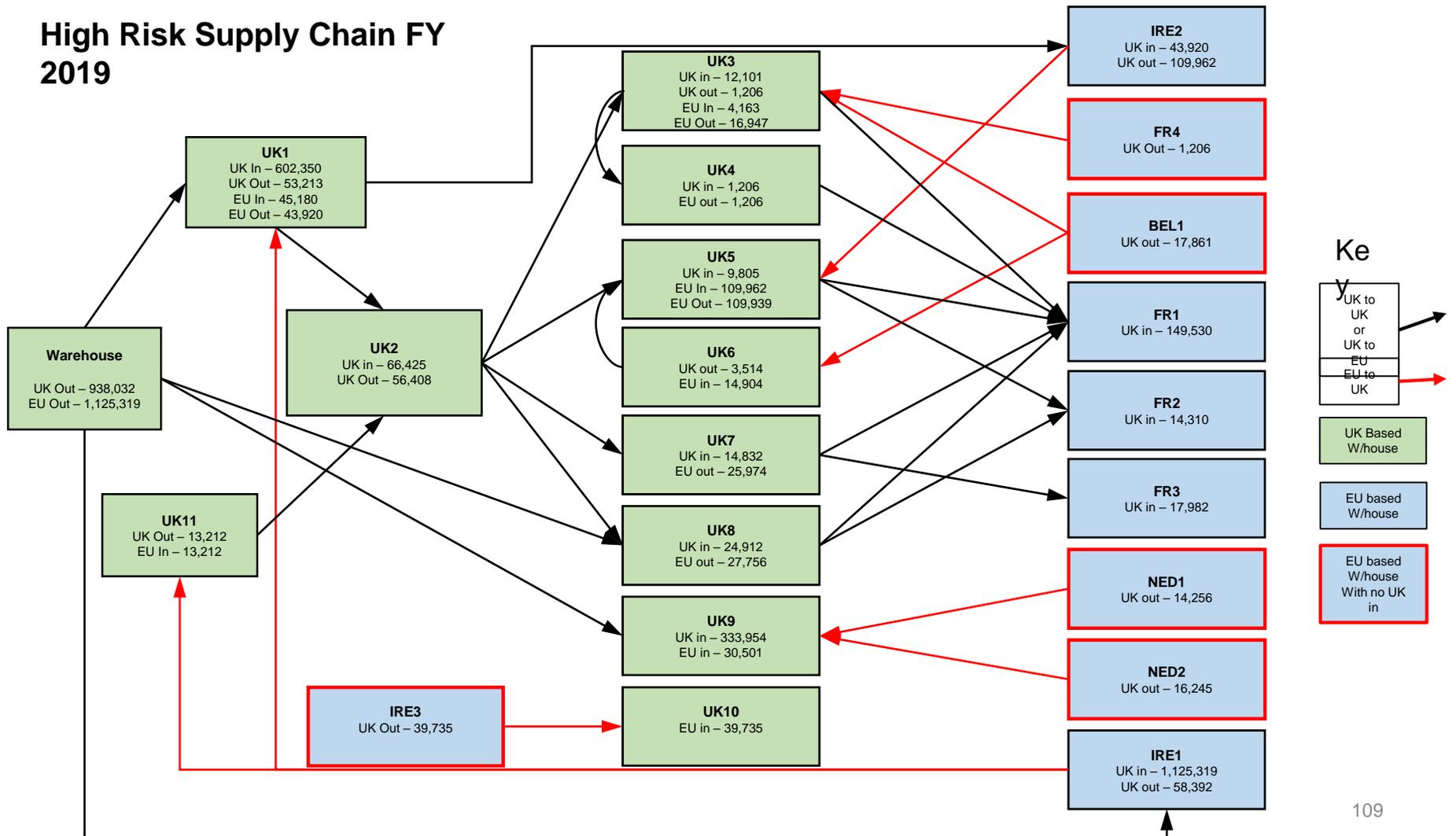


How Transit Diversion Fraud Works



Duty Lost £180,000

High Risk Supply Chain FY 2019



Letters confirming Tax Loss

- HMRC letters advising of revenue losses are issued when it can be demonstrated that VAT or another **tax has not been accounted for** on an onward supply
- Tax losses in alcohol supply chains are **strongly indicative of excise diversion fraud** – particularly when the loss occurs at the end of a long and complex supply chain
- HMRC tax loss letters are usually the result of painstaking research, often involving multiple overseas partners, and **help identify suspect trading activity and contrived supply chains**
- In persistent cases where significant or multiple tax losses occur HMRC will consider dealing with the abuse by removing reliefs and **make all transactions liable to VAT**

Brexit – Taxes registration in Ireland incl VAT

- Corporation tax and payroll taxes
- Two Tier VAT system VAT registration system.
- Distinction between domestic and intra-EU VAT registrations.
- EU VAT registration applicants to supply additional information
- Enables Revenue complete due diligence measures to verify customers and suppliers, transport arrangements and nature of supplies.
- Meaning of “economic activity” to support VAT registration
- Construction sector: Relevant Contracts Tax

Brexit – UK Land Bridge

- Common Transit Convention (CTC) allows goods to move between the EU and common transit countries or between the common transit countries themselves with duty being paid in the country of final destination
- Import charges on goods that move under the common transit convention are suspended and collected at the Member State of destination - multiple customs charges do not arise
- CTC countries: all EU Member States, Iceland, Norway, Liechtenstein, Switzerland, Turkey, North Macedonia and Serbia
- Mandatory Comprehensive Financial Guarantee required - default of payment of customs debts
- UK will accede to CTC ie no duties or taxes will apply to goods moving under the CTC from Ireland to another EU country via the UK land bridge. Also applies to goods coming to Ireland by the same route from other parts of the EU

Brexit – Duty free shopping

- UK Government announced decision to apply an unrestricted duty-free shopping scheme in the event of a no-deal Brexit.
- In response, Irish Department of Finance confirmed that Ireland would reciprocate the UK Government's decision and facilitate duty-free purchases for passengers travelling from Ireland to UK ports and airports.
- Therefore excise and VAT-free sales on purchases of tobacco and alcohol made at duty-free shops, subject to the usual personal consumption limits, would operate in relation to passengers travelling from ports and airports between Ireland and the UK.
- However, duty-free shopping would not apply to passenger travel on the island of Ireland.

Brexit – Buying goods online for private use

- Same rules that currently apply when you buy goods from outside the EU will apply when you buy online from UK websites.
- Depending on the value, may have to pay, customs duty, excise duty and/or Value-Added Tax (VAT).
- Goods with customs value of €22 or less – no Customs Duty or VAT
- Customs value of more than €22 - pay VAT
- Goods with intrinsic value of more than €150 - pay Customs Duty.

Brexit – Legal framework

- IrishCo requirement to have at least one EEA director - UK no longer part of EEA?
- Company with UK resident directors only? Acquire a Revenue Bond.
- Implications for place of management and control
- Contracts: Review to understand and identify which party will be responsible for Customs clearance, payment of VAT/Customs Duty etc if referred to.

Setting up business operations in Ireland



Corporation Tax rates in Ireland

- Low tax rates in Ireland
- Corporation tax start up exemption – Nil tax if corporation tax liability less than €40K and certain employment criteria met. Can carry forward unused relief.
- 6.25% for profits derived from intellectual property (patents, copyright) where a proportion of spending to create IP takes place in Ireland (knowledge development box regime)
- Otherwise 12.5% for trading income - no ruling required to avail of 12.5% rate provided activity is trading.
- 12.5% rate on foreign dividends paid out of trading profits.
- 25% for passive non trading income
- 33% tax on capital gains but participation exemption on sale of qualifying shareholdings available.

Double tax treaty access and characteristics of Irish system

- Extensive treaty network
- DTAs with 74 countries and many new treaties on the way
- Treaty network continually expanding
- No capital duty



Legal framework re establishing operations

- Branch
- Subsidiary – Limited liability company
- LLP - Law firms will be able to use a Limited Liability Partnership (LLP) shortly – awaiting new regulations



Tax planning opportunities for companies that set up operations in Ireland

- Ireland as a base to exploit EU/Asian market
- Develop intellectual property in Ireland - research and development activities, hold IP in Ireland
- Exploit intellectual property from Ireland
- Undertake group financing activities from Ireland
- Use Ireland as EU holding company

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Planning and risk management for non-financial institutions

An integrated approach for managing risk and performance within
a
probability-based forecasting model

ALBERTO CANCLINI

■ Agenda

- Risk management for non-financial institutions – Why and how
- An integrated approach (building block approach)
- Block 1 - financial modelling
- Block 2 - quantitative risk assessment
- Block 3 - evaluation of performance and risk – an exemplification

■ Risk management for SMEs

SMEs (non-financial institutions) could develop an integrated approach to measure performance and risk adopting - in a simplified manner - methodologies and tools applied in bank and insurance industry

- ✓ Financial Institutions (Bank & Insurance) have developed sophisticated Risk management System and tools
- ✓ Regulatory Bodies (Basel III, Solvency II, Local Authorities..) request enhancement of risk assessment capacity
- ✓ International accounting standards have financial and forward-looking approach (IFRS9, IFRS13, IFRS17...)
- ✓ **There is need to manage uncertainty in business activities**
- ✓ **Contamination from financial sector: opportunity to a simplified but substantial application of risk management for SMEs**

■ A building block integrated approach



B1 Financial modelling

Modelling a deterministic financial model for simulating some expected outcomes given some variable inputs



B2 Risk assessment

Measuring the risk inherent in timing and amount of expected cash flows due to the random nature of inputs and possible outcomes (non financial risk)



B3 Evaluation

Taking into consideration valuable decision-making information in order to assess expected performance (DCF) and associated risk (probability)

B1 - Financial modelling

By analyzing the impact of important variables, financial modelling allows for **scenario preparation** so that organization knows its course of action in various situations that may arise.

Financial modelling also plays an important role in capital budgeting

Financial modelling is important for many different reasons, mostly related to **making decisions** around

- Mergers & Acquisition
- Raising capital
- Planning and managing a business
- Making investment decision

	F	G	H	I	
Historical Results					
	2014	2015	2016	2017	2018
210	83,715	111,069	139,550	159,474	
904	6,567	7,117	7,539	8,179	
901	9,825	10,531	11,342	15,267	
715	100,107	128,717	158,430	182,920	
350	40,145	38,602	37,521	45,017	
065	140,252	167,319	195,951	227,937	
800	4,912	5,265	5,671	7,061	
800	4,912	5,265	5,671	7,061	
000	30,000	30,000	30,000	30,000	
800	34,912	36,265	35,671	37,061	
000	70,000	70,000	70,000	70,000	
265	35,340	62,053	90,280	120,876	
265	105,340	132,053	160,280	190,876	
065	140,252	167,319	195,951	227,937	
000	0.0000	0.0000	0.0000	0.0000	

	G	H
8F	2019F	2020F
018	12/31/2019	12/31/2020
75	1.00	1.00
89	25,387	26,355
11	7,616	7,906
79	7,189	6,969
00	6,516	6,650
72	196	142
07	16,902	17,988
33	16,902	18,037
33	16,902	18,037
98	23,503	24,369
79	7,189	6,969
19	16,314	17,400
0)	(0)	(0)
0)	(0)	(0)
0)	(0)	(0)
	Discount Rate	NPV
	16.9%	150,000
	28.7%	46,495

■ A forward-looking approach to business

Entrepreneurship [Business plan]

Business plan is an important strategic tool for entrepreneurs. A good business plan not only helps entrepreneurs to focus on the specific steps necessary for them to make business ideas succeed, but it also helps them to achieve both their short-term and long-term objectives

Valuation [Discounted cash flow]

Discounted cash flow (DCF) is a valuation method used to estimate the **value of an investment** based on its future (uncertain) cash flows. DCF analysis attempts to figure out the **value of a business**, based on projections of how much money it will generate in the future

Accounting [Impairment test]

Value in use according to IAS36 (Impairment of Assets) is the present value of the future cash flows expected to be derived from an asset or cash-generating unit



■ Bias or risk?

Projects estimating bias can be problematic.

Many organizations add a risk premium to the WACC when deriving the discount factor for DCF (discounted cash flow). The justification tends to be that **risk premia (blanket adjustment)** are a response to the **optimism bias** inherent to project estimates

$$\text{DCF} = \frac{\text{CF}_1}{(1+r)^1} + \frac{\text{CF}_2}{(1+r)^2} + \dots + \overbrace{\frac{\text{CF}_n}{(1+r)^n}}^{\text{Terminal Value}}$$

CF = Cash Flow

r = Discount Rate (WACC)

- Bias may be conscious or unconscious but different from risk
- Blanket adjustment have the counterproductive effect of increasing bias at source

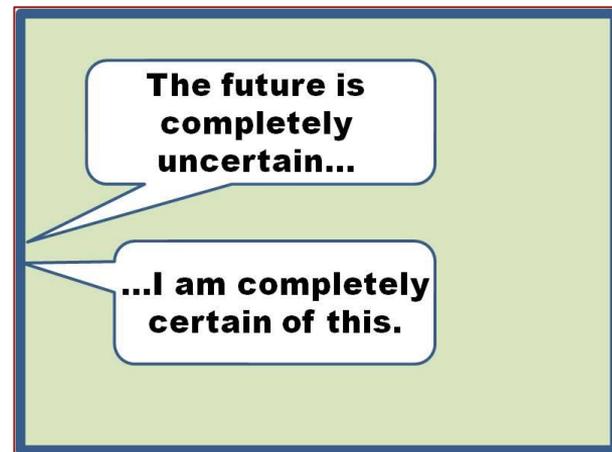
Forecasting activities – Does it really make sense?

The purpose of **probabilistic risk analysis** in business planning aims to help decision-makers to get:

- better feel for what the realistic range of possibilities are
- what drives that uncertainty
- where one can focus efforts to **manage the uncertainty**

Financial modelling and risk analysis advantages:

- better framework for more efficiently avoiding activities that are too risky
- selecting between options that offer different risk profiles
- controlling the risks to be assumed, and **producing more realistic plans**



■ B2 - Quantitative Risk Analysis

Quantitative risk analysis (QRA) forms only a part of the whole risk management process but it is generally agreed to be an extremely valuable part. QRA is recommended because it allows one to move beyond describing risks in vague terms like “possible” and “likely” that offer no significant decision-making information, to talk in terms of numbers like “**a 10% chance of losing more than \$50 million**”

- Decision-making information
- Measuring the uncertainty



■ Hurdles to adoption of QRA

Only about one quarter of corporate strategic planning departments truly use simulation analysis (the most useful means of evaluating risks)*

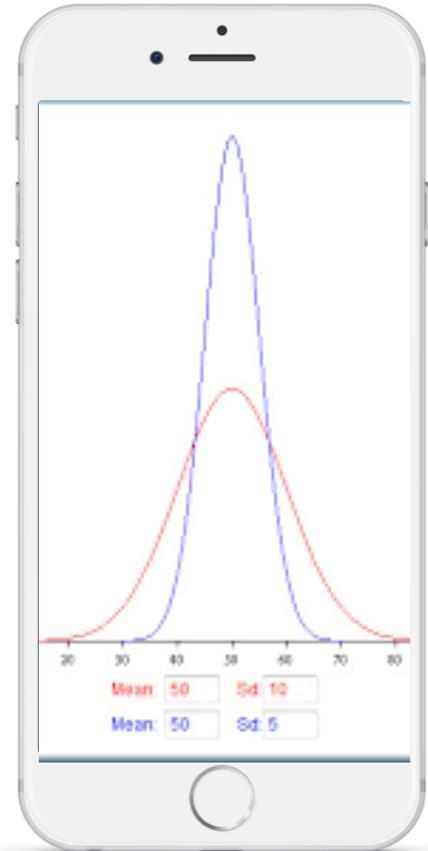
- ✓ The perception that probabilistic modelling is **too difficult** to implement
- ✓ The models are '**black boxes**' that few people understand and can explain
- ✓ Management are **unclear about** how much they can trust the analyses, what they can learn from them, or **how to use the results**
- ✓ The perception that risk analysis is a lot of **guesswork** somehow turned into **hard numbers** that can be **wildly inaccurate**

*Association for Financial Professionals (2013). 2013 AFP Risk Survey

Monte Carlo simulation

Monte Carlo simulation (also known as the Monte Carlo Method) is a computer simulation technique that constructs **probability distributions** of the **possible outcomes** of the decisions you might choose to make. Creating the probability distributions of the outcomes allows the decision-maker to **quantitatively assess the level of risk** that comes with taking a particular decision and, as a result, select the decision that provides the **best balance of benefit against risk**

- Deterministic vs probabilistic input and outcomes
- Quantitative assessment of risk



■ B3 - Simulating a probability-based net present value

Case study - Building a new factory

■ COSTS

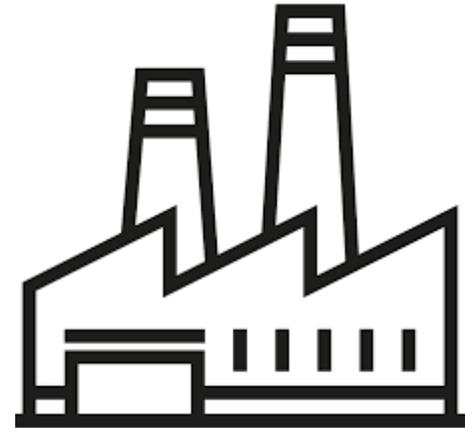
A Company has a project to build a new factory. It plans to buy the **land**, hire one contractor to **design** the factory, another to **built** it and a third to **manufacture** and **install** the factory equipment. Design aspects of the project will be overseen by the Company's **in-house project team**.

REVENUES

The **project benefits** have been decomposed into two elements: **sale of old factory** site and **increase in profit** enabled by the new factory

SCHEDULE

It has been assumed that the **project delivery** and handover will take **three years** and that NPV should be forecast for a **10-year period**.



Input to model

(kEUR)

Costs	Min	Mode	Max	Simulated	Distribution	Start	Finish
Land for new plant	-	2.000	-	2.000	Fixed value		
Personell	450	700	1.000	600	BetaPert	01/01/16	25/06/18
Design contract	1.600	2.300	3.000	2.038	BetaPert	01/01/16	30/12/17
Building contract	20.000	28.000	40.000	27.278	BetaPert	16/07/16	25/06/18
Equipment contract	34.000	40.000	46.000	43.499	BetaPert	10/01/17	25/06/18
Factory handover	1.400	1.600	2.000	1.760	BetaPert	25/06/18	09/01/19
Recurring (fixed amount per annum)	-	1.500	-	4.538	Fixed value	01/01/16	09/01/19

(kEUR)

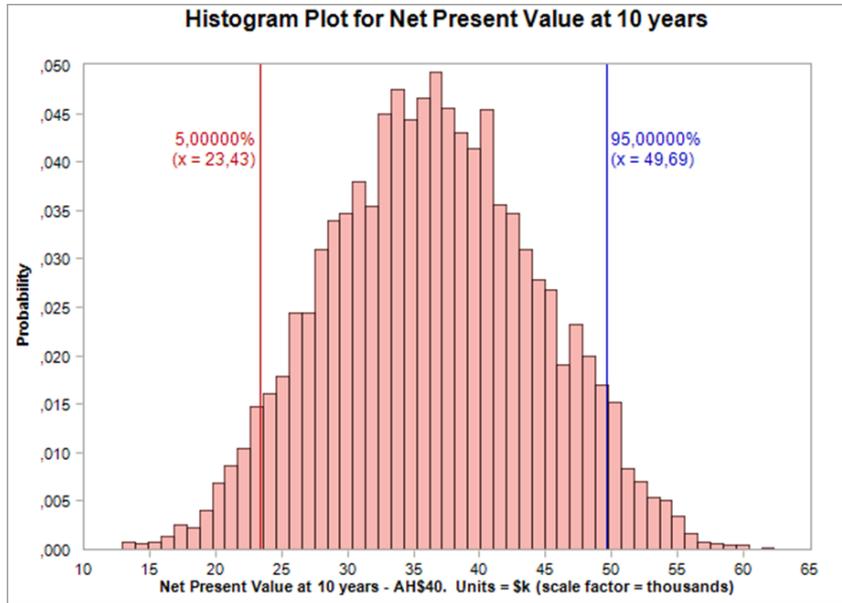
Revenues	Min	Mode	Max	Simulated	Distribution	Start	Finish
Sale of old site	1.500	2.000	2.500	1.731	BetaPert	09/01/19	09/01/20
Annual profit increase	25.000	-	30.000	28.349	Uniform	n.a	n.a
Cumulate profit increase	-	-	-	197.689	n.a	09/01/19	31/12/25

Schedule Project lifecycle	Duration (months)			Duration (days)		Start	Finish
	Min	Mode	Max	Simulated			
Design	5	6	8	198	BetaPert	01/01/16	16/07/16
Construction	20	24	36	709	BetaPert	16/07/16	25/06/18
Handover	5	6	7	198	BetaPert	25/06/18	09/01/19

Discount rate	10%
NPV	39.521

NPV of 39,5 keur and project duration of 3Y (deterministic scenario)

Monte Carlo simulation results



The simulation says that the **expected average value is 36,4 keur** and there is a probability of **95% that the NPV is worth**

NPV of 39,5 keur is around the 75th percentile

Base Scenario	Output
Mean	36.433,49
Minimum	12.982,80
Maximum	61.360,42
Stand. dev.	7.925,38
CofV	0,22
Skewness	0,03
Kurtosis	2,62

Percentiles	Output
1%	19.313,00
5%	23.431,66
15%	27.946,83
25%	30.777,34
35%	33.211,56
50%	36.388,79
75%	41.924,27
85%	45.079,40
95%	49.686,77
99%	54.046,50

5.000 iteration run - av. 36,4K - min. 12,9k - max. 61,4k

■ Schedule delay risk (stressed scenario)

The stress scenario is based on the hypothesis that there is a maximum project delay of twelve months in the pessimistic side (max) input value

The **possible** schedule delay could generate **cash inflows delay** and **costs escalation**

Base scenario

Schedule Project lifecycle	Duration (months)		
	Min	Mode	Max
Design	5	6	8
Construction	20	24	36
Handover	5	6	7
Total	30	36	51

Schedule delay scenario

Schedule Project lifecycle	Duration (months)		
	Min	Mode	Max
Design	5	6	12
Construction	20	24	42
Handover	5	6	9
Total	30	36	63

Schedule delay risk - Input to model

(kEUR)

Costs	Min	Mode	Max	Simulated	Distribution	Start	Finish
Land for new plant	-	2.000	-	2.000	Fixed value		
Personell	450	700	1.000	631	BetaPert	01/01/16	18/07/19
Design contract	1.600	2.300	3.000	2.166	BetaPert	01/01/16	12/10/18
Building contract	20.000	28.000	40.000	28.482	BetaPert	29/06/16	18/07/19
Equipment contract	34.000	40.000	46.000	39.440	BetaPert	04/04/17	18/07/19
Factory handover	1.400	1.600	2.000	1.749	BetaPert	18/07/19	22/01/20
Recurring (fixed amount per annum)	-	1.500	-	6.089	Fixed value	01/01/16	22/01/20

(kEUR)

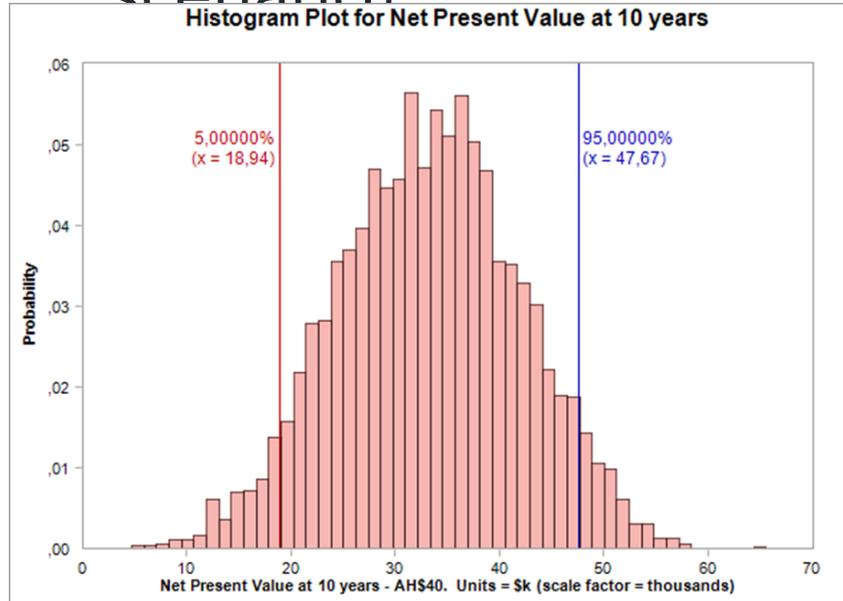
Revenues	Min	Mode	Max	Simulated	Distribution	Start	Finish
Sale of old site	1.500	2.000	2.500	1.926	BetaPert	22/01/20	21/01/21
Annual profit increase	25.000	-	30.000	25.138	Uniform	n.a	n.a
Cumulate profit increase	-	-	-	149.297	n.a	22/01/20	31/12/25

Schedule Project lifecycle	Duration (months)			Duration (days)		Start	Finish
	Min	Mode	Max	Simulated			
Design	5	6	12	181	BetaPert	01/01/16	29/06/16
Construction	20	24	42	1.113	BetaPert	29/06/16	18/07/19
Handover	5	6	9	189	BetaPert	18/07/19	22/01/20

Discount rate	10%
NPV	12.960

NPV of 12,9 keur with a project duration of 4Y (deterministic scenario)

Monte Carlo simulation results (stressed scenario)



5.000 iteration run - av. 33,3K - min. 4,7k - max. 64,4k

The simulation says that the **expected average value is 33,3 keur** and there is a probability of **95% that the NPV is worth more than 18,9 keur**.

The probability that NPV is 12,9 keur is about 1%

Schedule delay scenario	Output
Mean	33.270,32
Minimum	4.721,03
Maximum	64.420,31
Standard deviation	8.715,23
CofV	0,26
Skewness	- 0,04
Kurtosis	2,75

Percentiles	Output
1%	12.763,68
5%	18.943,71
15%	23.932,37
25%	27.205,19
35%	29.821,96
50%	33.425,22
75%	39.215,93
85%	42.571,12
95%	47.667,25
99%	52.266,30

Uncertainty assessment comparison

Deterministic model	Base Scenario	Stressed scenario	Change
Project max duration (months)	51	63	-24%
Annual profit increase	28,3	25,2	-11%
Annual costs	81,7	80,4	2%
Net present value	39,5	12,9	-67%

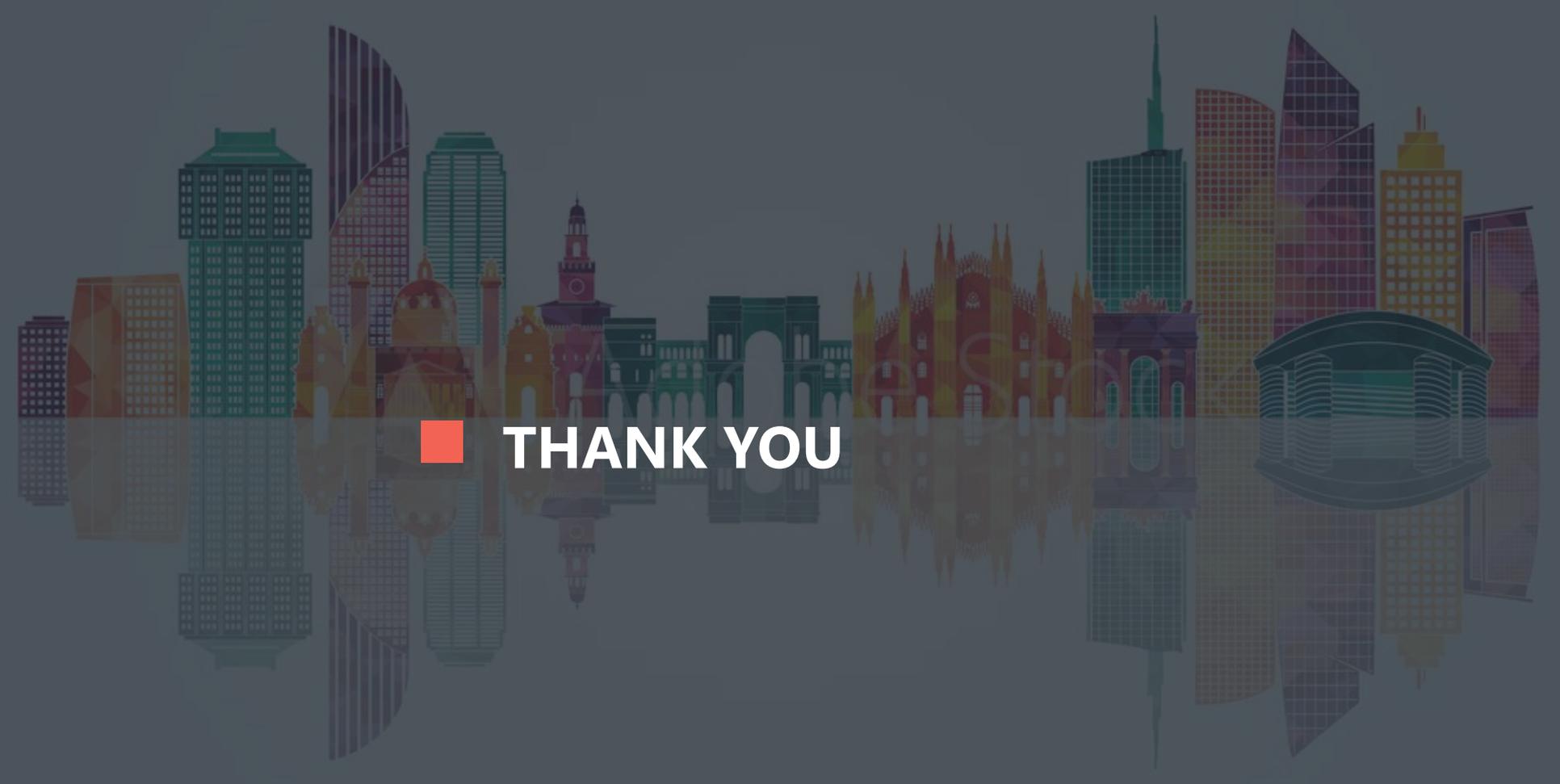
Risk-based model	Base Scenario	Stressed scenario	Change
Project max duration (months)	51	63	-24%
Annual profit increase (min,max)	(25,30)	(25,30)	n.a.
Annual costs (more likely)	76	76	0%
Net present value	36,4	33,3	-9%

Deterministic Model

- Schedule delay of 24%
- Net present value decreases of **67%**
- The model doesn't account for uncertainty
- Information is useless**

Probabilistic-based model

- Schedule delay of 24%
- Net present value decreases of **9%**
- The model accounts for uncertainty
- Decision-making information**



■ **THANK YOU**

COSTANZO & ASSOCIATI 

CONSULENTI DI IMPRESA

Founder of SBC Global Alliance



SBC Global
Alliance

Member of SBC Global

Risk Management and Early Warning in SME

Costanzo & Associati

Risk Management and Early Warning

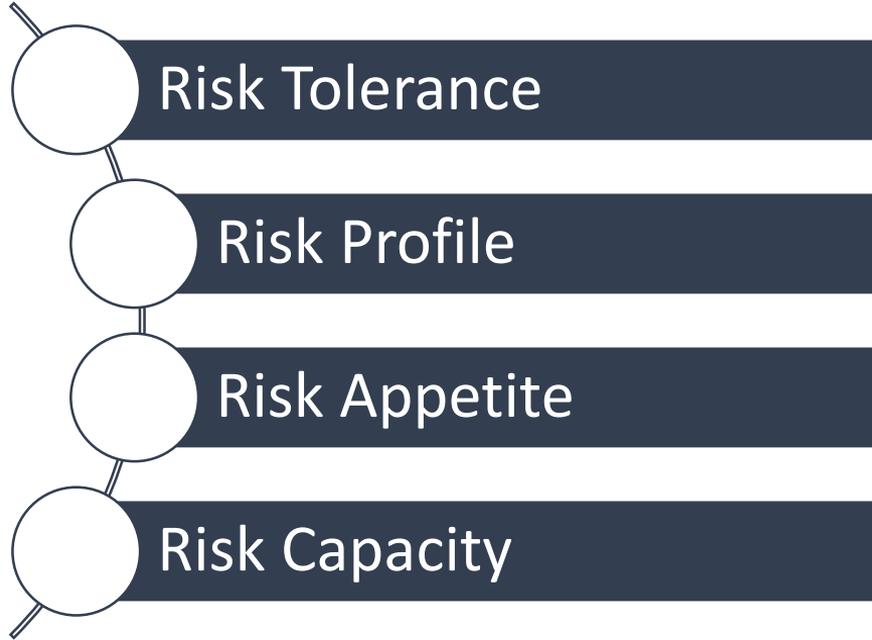
The book aims to contribute to the learning process of the new Italian provisions of the Crisis and Insolvency Code.

The comprehensive outline of the most relevant rules enables to understand immediately the innovations introduced, whereas the comparison between old and new legislation, with the technical report in the margin of each article, clearly shows the amendments introduced.

The legislator requires companies that have adequate organizational structures and adopt internal control and risk management systems. As a matter of fact, according to the international best practice, it is noted that governance is based on the comprehensive management of risks and opportunities related to the policies.



In a contexts of uncertainty such as the one which we are living in



Are not relevant
topics just by financial
institution but also for
SME

ERM Mission

PHILOSOPHY: Turn Risk into a Choice



Costanzo & Associati stands for excellence, quality and attention to details, which are values able to provide companies with the most efficient, organizational, legislative and financial solutions for business development or, under critical conditions, the most appropriate “recovery & reorganizational” strategies.



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"There is no competition or gaining market shares at the expenses of others, but diffusion of best practices wherever we find them to help growing the market worldwide for mutual benefit!"



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“SBC Global Alliance is a global association of leading independent firms providing audit, tax, accounting, assurance and business advisory services around the world.”

SOCIAL STYLES

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12 Oct 2019



- Answer honestly
 - Take less than 5 secs for each question
 - Go with your first instinct. It will be more accurate
 - Answer in the context of the workplace
-

SOCIAL STYLE

SELF – PERCEPTION QUESTIONNAIRE



- Questionnaire Time!

SOCIAL STYLE

SELF – PERCEPTION QUESTIONNAIRE



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Questionnaire Scoring

- 1) $A = T$
 $B = A$
- 2) $A = C$
 $B = E$
- 3) $A = E$
 $B = C$
- 4) $A = T$
 $B = A$
- 5) $A = T$
 $B = A$



Questionnaire Scoring

6) $A = E$
 $B = C$

7) $A = A$
 $B = T$

8) $A = E$
 $B = C$

9) $A = E$
 $B = C$

10) $A = T$
 $B = A$



Questionnaire Scoring

11) $A = T$
 $B = A$

12) $A = T$
 $B = A$

13) $A = E$
 $B = C$

14) $A = E$
 $B = C$

15) $A = C$
 $B = E$



Questionnaire Scoring

16) $A = T$
 $B = A$

17) $A = T$
 $B = A$

18) $A = E$
 $B = C$

19) $A = C$
 $B = E$

20) $A = C$
 $B = E$



Questionnaire Scoring

21) $A = T$
 $B = A$

22) $A = A$
 $B = T$

23) $A = C$
 $B = E$

24) $A = T$
 $B = A$

25) $A = E$
 $B = C$



Questionnaire Scoring

26) $A = A$
 $B = T$

27) $A = C$
 $B = E$

28) $A = A$
 $B = T$

29) $A = T$
 $B = A$

30) $A = E$
 $B = C$



- Count the score for each category
 - **A T C E**
 - Take the higher between A & T = ?
 - Take the higher between C & E = ?
-

SOCIAL STYLE

SELF – PERCEPTION QUESTIONNAIRE



- Who received the following:
 - AC
 - TC
 - TE
 - AE

SOCIAL STYLE

SELF – PERCEPTION QUESTIONNAIRE



WHAT IS SOCIAL STYLE?



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Social Style

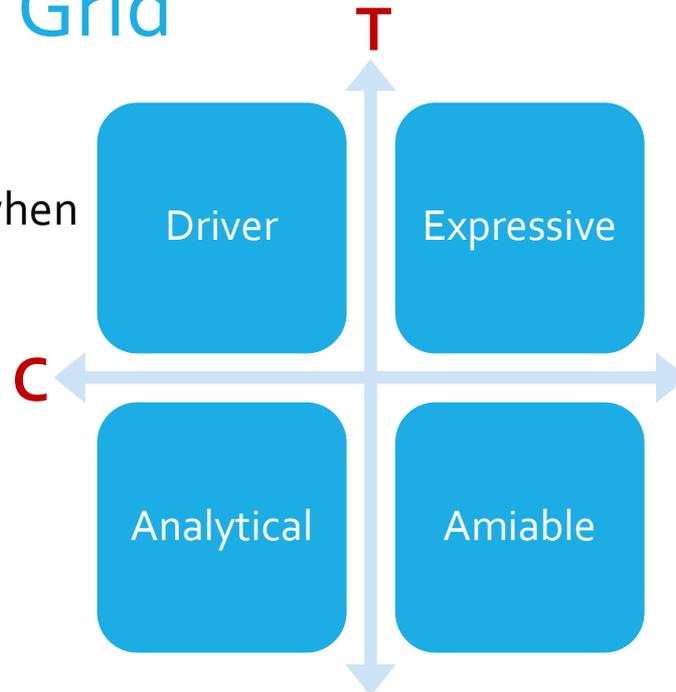
- Is the behaviour that one exhibits when interacting with others.
- Being aware of your own social style helps a person develop relationships, particularly at work.
- This “Social Style” session helps people to better understand and work with others through appreciation of their basic decision making and control needs



Social Style Grid

- “Just do it!”
- Wants to know what & when
- Likes to take charge

- “Do it right or not at all!”
- Wants to know how
- Likes to plan



- “Let’s all do it!”
- Wants to know who else
- Likes energy and optimism

- “We’re great!”
- Wants to know why & who
- Likes co-operation and loyalty



Analytical

- Is more formal and conservative
- Has a strong sense of duty and obligation
- Is steadfast, reliable and dependable
- Has a forceful work ethic, with a measure and systematic pace
- Prefers an atmosphere that encourages careful preparation
- Achieves recognition through being correct, logical and thorough
- Is a natural giver
- Often takes on too much responsibility and tends to be a worrier
- Does not like unpredictability and surprises



Analytical

- Their main priority is the job at hand and the process to achieve it
- Under pressure, an Analytical will withdraw into their own world and avoid contact with the causes of their stress



Driver

- Is obsessed by a compulsion to perform
- Has a passion for knowledge and is constantly searching to answer the “whys” of life
- Works at a fast and decisive pace (idleness drives them crazy)
- Likes to be in charge, seeks productivity and dislikes loss of control
- Measures their personal worth by how much they do
- Wants you in turn to get to the point, because they are irritated by inefficiency and indecision
- Has the ability to deal with tough interactions without becoming upset by criticism or personal rejection



Driver

- Their main priority is the task at hand and the results achieved
- Under pressure, they will assert themselves strongly and dictate the way things are going to be



Expressive

- Is friendly and easy-going
- Works at a fast and spontaneous pace
- Struggles with commitment and follow-through
- Tries to create an atmosphere that encourages flexibility
- Achieves acceptance through sociability and creating a stimulating environment
- Wants to be admired and seeks recognition: dislikes being ignored
- Measures their personal worth by the amount of recognition and acknowledgement (or complaints) they receive



Expressive

- They like to try the new and different: to live for the here and now
- They have happy spirits and can endure hardships and trials easier than other social styles



Amiable

- Works well with others and promotes harmony
- Prefers to maintain relationships and avoid confrontation
- Is a good listener and is sensitive to others feelings
- Is a strong and loyal team player
- Prefers an atmosphere that encourages close relationships
- Achieves acceptance through conformity and loyalty
- Likes to have direction and wants to be appreciated
- Works at a slow and easy pace which tends to lend an air of relaxation to others in the group



Amiable

- They seek deep meaning in relationships and experiences
- Can sometimes create tension for others because of their personal insistence on doing things in a slow-paced, warm and friendly, responsible but non-aggressive way



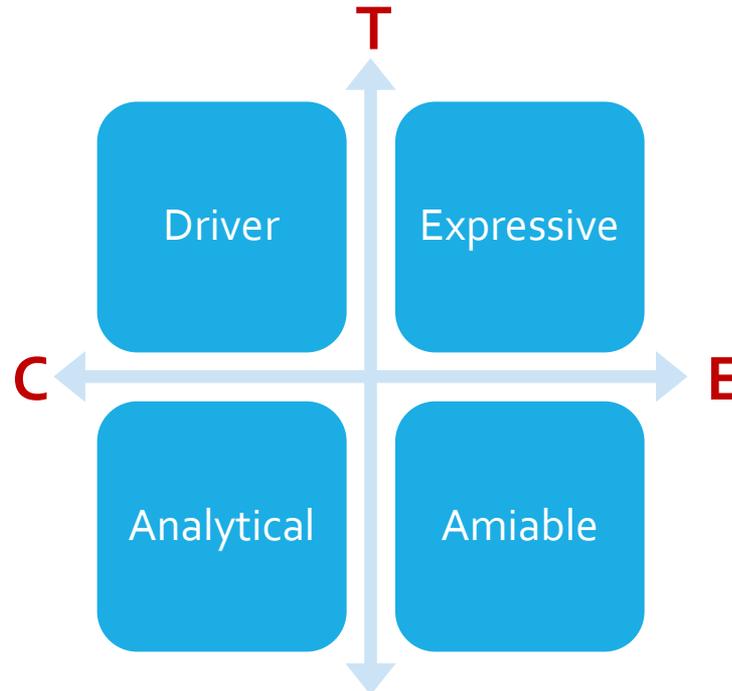
Determine the style of others

- Talking
 - What they talk about
 - How they talk
 - Tone of voice
 - Pace of Speech
- Communication Style
- Responsiveness
- Listening Pattern
- Working
 - Style
 - Area
 - Pace

Talking – What they talk about

- I will.....

- I think.....



- I want....

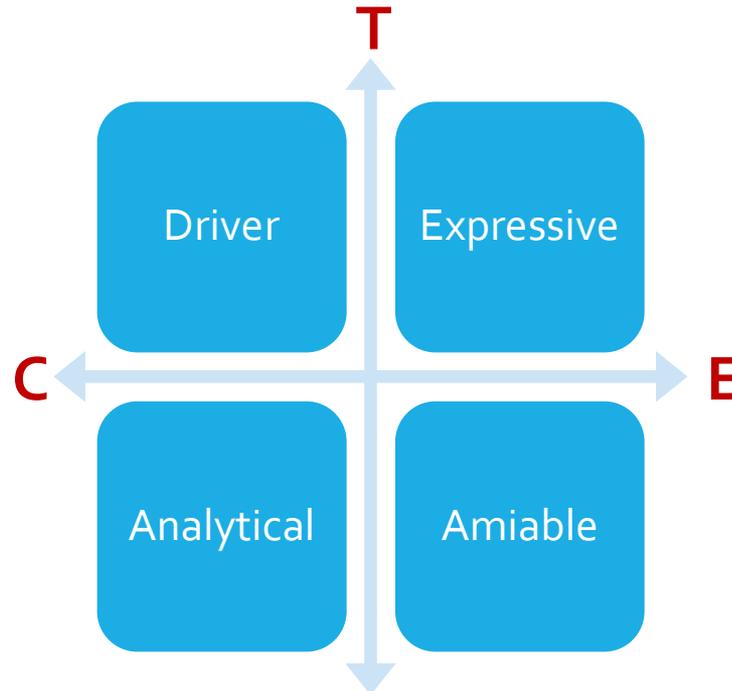
- I feel.....



Talking – The way they talk

- States, commands
- Direct assertion

- Enquires
- Indirect assertion



- States, commands
- Direct assertion

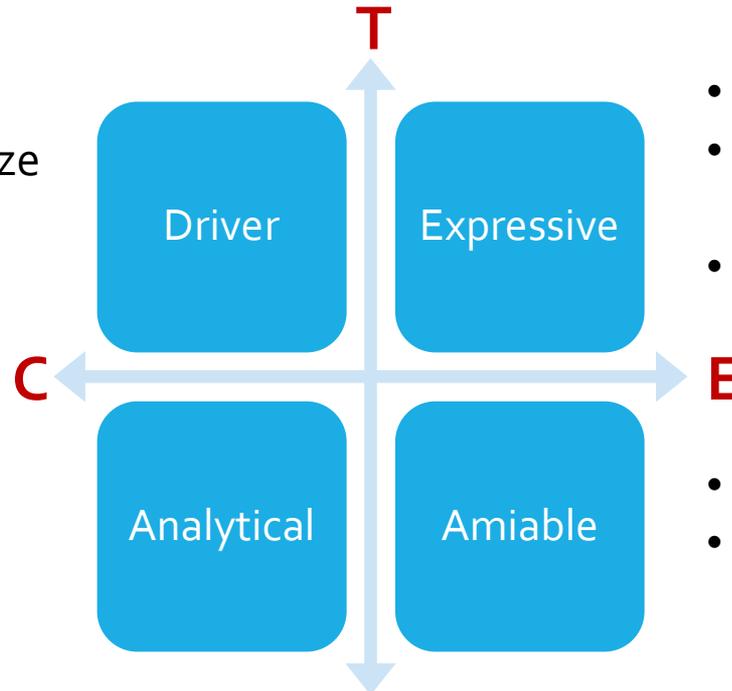
- Enquires
- Indirect assertion



Talking – Tone of speech

- Louder
- Uses voice to emphasize points

- Quieter
- Does not vary voice much



- Louder
- Uses Voice to emphasize points
- Gets easily excited

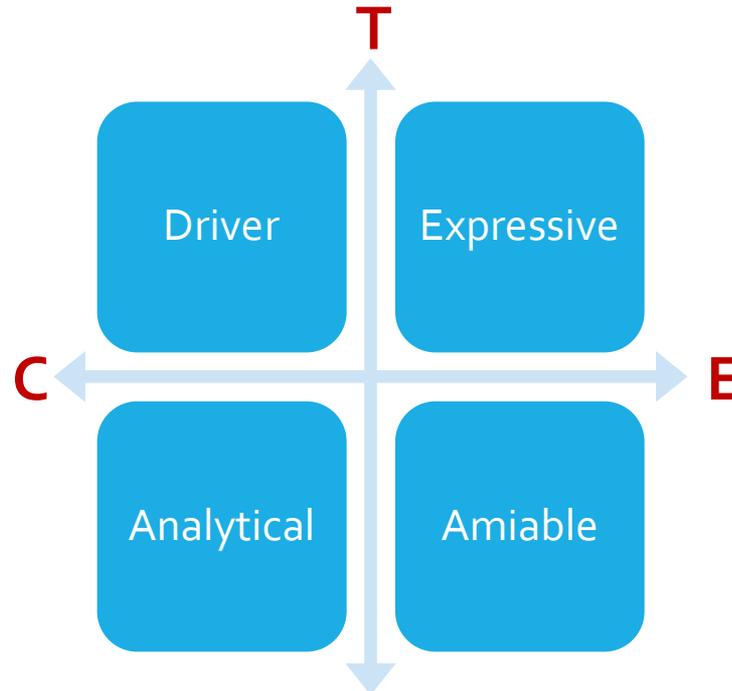
- Quieter
- Does not vary voice much



Talking – Pace of speech

- Very fast

- Fast



- Moderate

- Slower



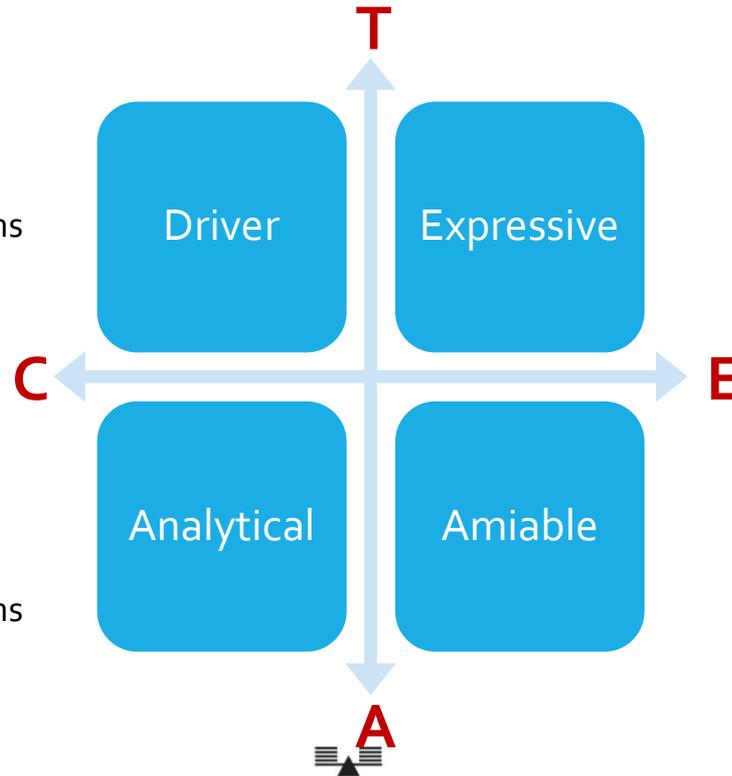
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Communication Style

- Direct, to the point
- Can be outspoken
- Formal, business-like
- Limited or no facial expressions
- Intense eye contact
- Deliberate movements

- Specific, concise
- Clear, logical
- Formal, bottom-line
- Limited or no facial expressions
- Limited gestures



- Animated, excitable
- Can come on too strong
- Informal, casual
- Good eye contact
- Lots of gestures

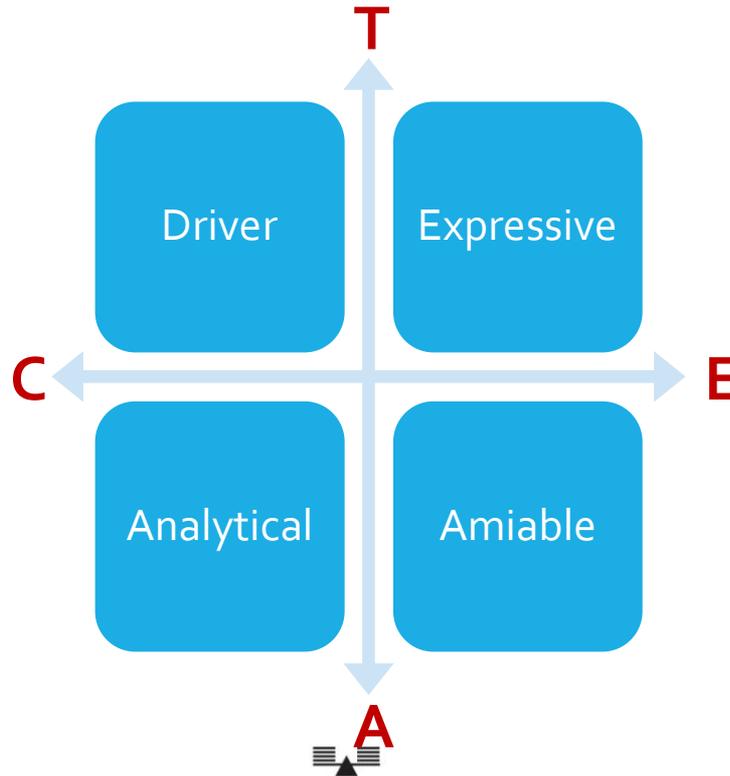
- Dreamy thoughts
- May seem vague
- Informal, casual
- Some facial expressions
- Good eye contact
- Regular gestures

Determine the style of others

- Talking
 - What they talk about
 - How they talk
 - Tone of voice
 - Pace of Speech
- Communication Style
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Responsiveness & Listening Pattern

- May appear pushy
- More reserved & cautious
- Can appear preoccupied
- Can be a poor listener
- Wants to control conversation
- May interrupt
- Likes to summarize
- May appear unresponsive
- Reserved and cautious
- Can appear preoccupied
- Listens..... But may appear as though they're not



- Open and warm
- Animated and enthusiastic
- Enjoys the conversation
- Listens
- Reacts to what you're saying
- Talks a lot
- Friendly
- Responsive
- Enjoys the conversation
- Good listener
- Reacts to what you're saying
- Cares

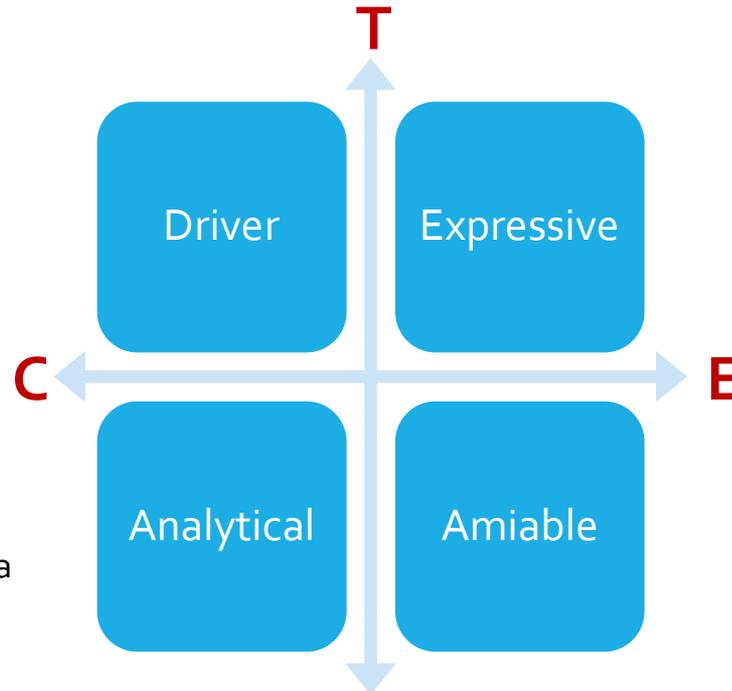
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Work Style

- Works in priority order
- Does several things at once
- Intense, driven
- Generates ideas

- Thorough, attentive to detail
- Step by step procedures
- Concentrates on one thing at a time



- Unstructured, likes freedom
- Lots of people interaction
- Makes lists of people to call & places to go

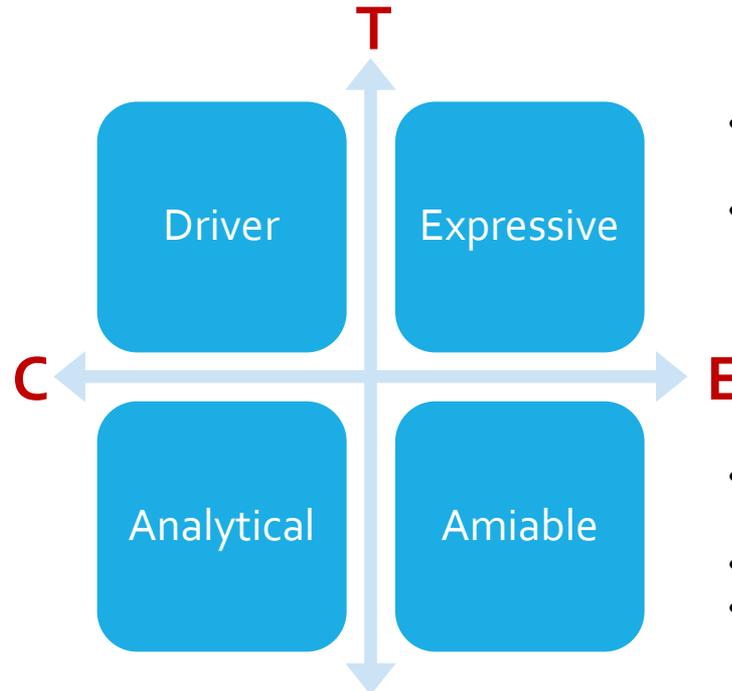
- Easy going, cooperative
- Always willing to be of service
- Goes with the flow
- No strong sense of urgency



Work Area

- Functional, organized

- References are at fingertips
- Lots of paper
- Work is in piles



- Interesting things, gadgets, novelty items
- Give-aways readily displayed

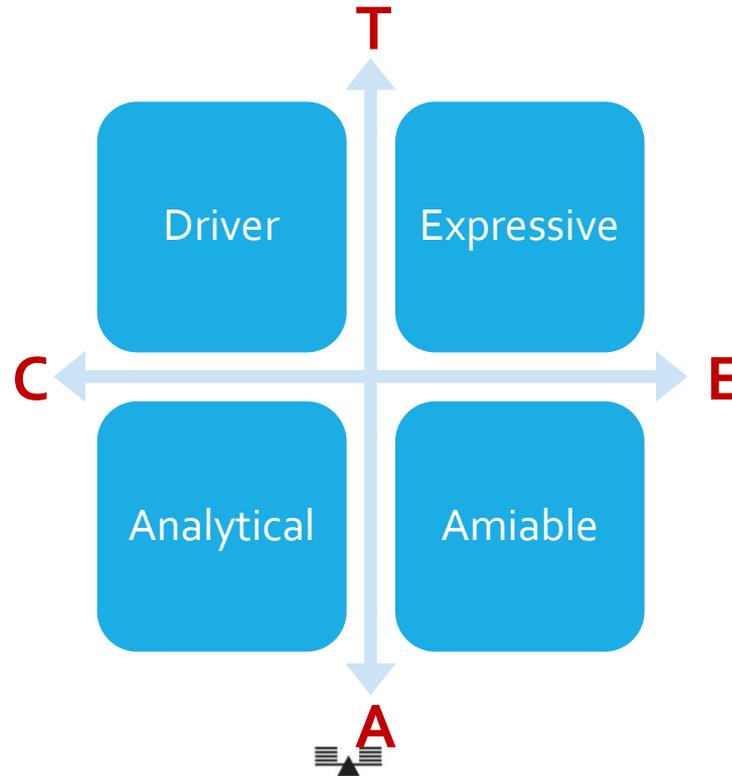
- Sentimental mementos and souvenirs
- Pictures of family and friends
- Desk area may appear cluttered



Work Pace

- Works fast – a whirlwind
- Likes change

- Methodical
- Steady stream of work
- Likes a predictable routine



- Faster
- Bores easily
- Moves from one thing to another

- Slower / rarely in a hurry
- Needs time to change
- Dislikes pressure



WHAT ARE THE FEARS?

IN A CHANGE SITUATION

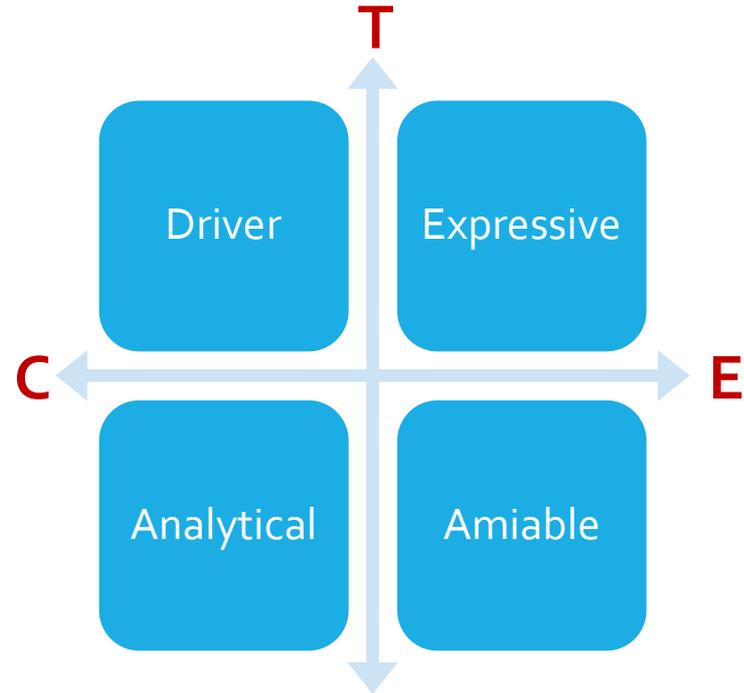


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Fears

- Being taken advantage of
- Loss of control

- Being criticized
- Quick decisions



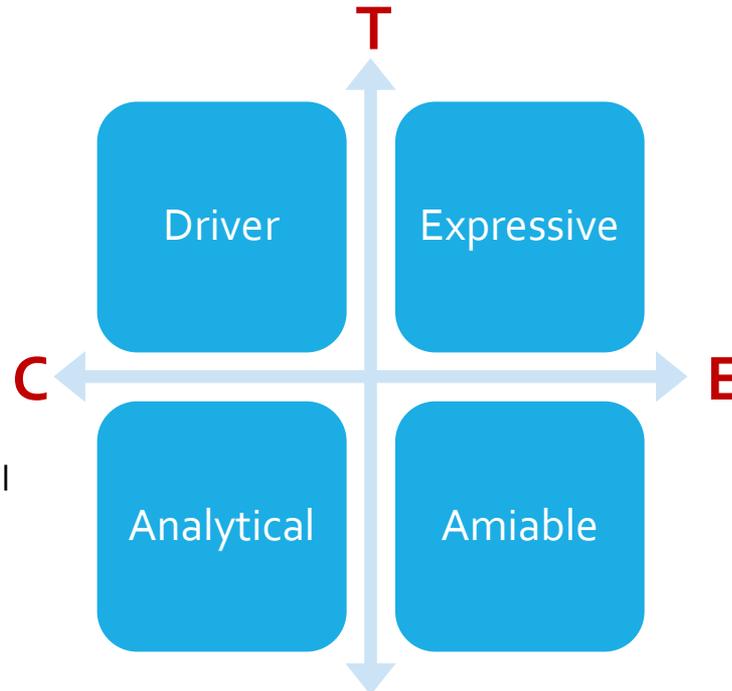
- Being bored
- Rejection

- Being alone
- Loss of security

Under stress

- Is energized
- Will become assertive
- Seeks control

- Gets over-focused on detail



- Rises to the challenge at first but may get stressed

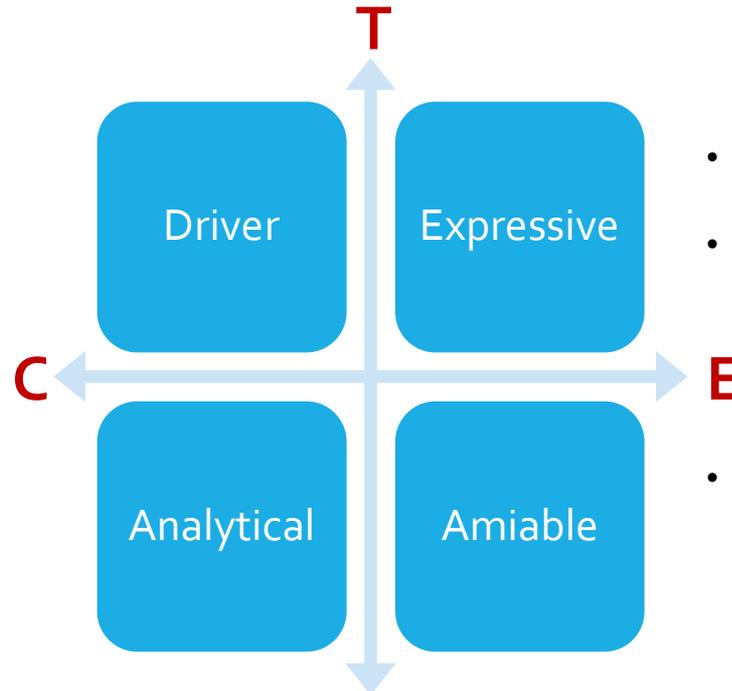
- Worries
- Seeks friends
- Seeks chocolate



Under extreme stress

- Will become autocratic

- Will withdraw and work intensively in a methodical manner



- Will be very outspoken and not careful with words
- May seem offensive or sarcastic to others

- Will keep head down and work according to instructions



Caveats

- STYLE is an explanation, not an excuse
- There is no such thing as
 - Good or Bad STYLE
 - Right or Wrong STYLE
- Beware of
 - Generalities (simplistic stereotyping)
 - Snap Judgments – avoid them
- Just remember
 - 75% of the world is not in your quarter!



SOCIAL STYLES

SBC Conference 2019 - London

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