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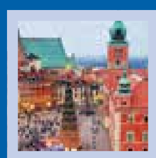

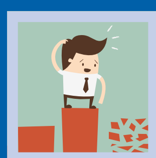

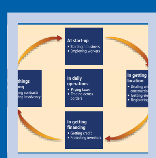

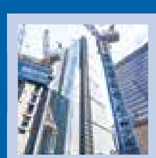

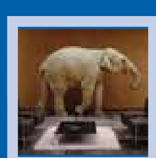

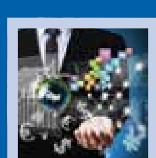

Poland – developing business opportunities

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Since joining the European Union in 2004 Poland has become increasingly attractive as a place to do business. Lower taxes, a skilled workforce, and Poland's central European location all mean Poland can now compete with the rest of Europe. It is perhaps easy to think of Poland as part of Eastern Europe. In fact, Poland, with a population exceeding 38 million, is the largest country in what is defined as Central Europe. Poland has a well-developed infrastructure with plans for more roads and airports in the near future.

Poland is one of Europe's fastest growing economies, an economy that managed to grow during the financial crisis in which most other developed economies shrank. Much of its economic development has resulted from its status since 2007 as the largest recipient of EU funding. In 2014 Poland is forecasting GDP growth of 2.2%. Looking ahead until 2020, Poland will continue to benefit from EU funding to the tune of €73 billion. And the Polish government has earmarked €10 billion to encourage the private sector, foreign as well as domestic, to work together with universities to develop innovative products. While the public sector is responsible for setting the research and innovation agenda, the private sector has become a driving force in taking these initiatives forward.

Foreign direct investment

In June 2013 the United Nations Conference on Trade and Development (UNCTAD) published its World Investment Report 2013. The report revealed that global FDI levels dropped in 2012. However, in the first quarter of 2013, FDI into Poland had already exceeded investment for the whole of 2012.

The report also forecast that in the next two years Poland is set to become Europe's fourth, and the World's fourteenth, most attractive FDI destination.

Taxation

The Polish tax system structures itself around the following taxes:

- income tax – both corporate and personal
- value added tax – payable on goods and services
- excise duties – payable on such goods as fuel, tobacco and alcohol
- local taxes – typically charged on real estate and vehicles
- stamp duties – charged on legal documents.

Tax incentives for foreign investors exist in Poland's special economic zones (SEZ) – separately identified areas allowing preferential business activity. Foreign investors can receive exemption from income tax and real estate taxes.

To operate in an SEZ you need to apply for a permit from the SEZ authorities.

Doing business in Poland

There was a time when Poland had a reputation for being over-bureaucratic and consequently not an easy place in which to do business. However, this appears to be changing, helped by legislation designed to reduce the bureaucratic burden. The World Bank recognised these efforts in its Doing Business report when saying: 'Poland improved the most in the ease of doing business, through four reforms – making it easier to register property, pay taxes, enforce contracts and resolve insolvency as measured by Doing Business'. The World Bank also describes Poland as '…a high-income economy, a remarkable achievement over two decades'.

While there are few barriers to setting up a business in Poland, there are several ways to you can do it.

Legal business entities

- Sole proprietorship – the simplest model where an individual wishes to run a small business
- Registered partnership – two or more partners who jointly carry unlimited liability for the company's obligations
- Limited partnership – two or more partners where at least one partner carries unlimited liability, and at least one partner has limited liability
- Limited joint-stock partnership – two or more partners where at least one partner has unlimited liability and at least one partner carries a liability limited by shareholding. The partnership requires a minimum share capital of PLN 50,000
- Limited liability company – a legal entity set up by one or more shareholders with a share capital of at least PLN 5,000. Shareholders' liability is limited to the value of their shareholding
- Limited joint-stock company – a legal entity set up by one or more shareholders with a share capital of at least PLN 100,000. Shareholders' liability is limited to the value of their shareholding.

Branch office or representative office

If you are not yet ready to establish a business in Poland you have the option of creating a branch office or a representative office.

A branch office enables foreign entrepreneurs with existing businesses to conduct those same business activities in Poland. This could be production related or service related. The branch office must appoint someone in Poland to represent it.

A representative office only allows a foreign business to promote its products or services in Poland. Anyone setting up a representative office must register with the Register of Representative Offices of Foreign Business Entities.

Get the right advice

If you are considering doing business in Poland it is important you seek professional advice in the areas of business structure and taxation.

Tax incentives for foreign investors exist in Poland's special economic zones (SEZ) – separately identified areas allowing preferential business activity.

Understanding why **businesses fail**

It's sad but true that some businesses fail. When they do it's easy to assume the reasons must be financial – poor cash flow, financial information and monitoring, and weak cost controls are just a few of the financial inadequacies that can turn success into failure. But I believe the causes of business failure are often deeper and less visible; a greater awareness of, and a more focussed attitude towards, non-financial risks can save many SMEs from failure.

The wrong sales

Too many sales can contribute to business failure if they are at the wrong price with the wrong margins, unrealistic deadlines, and high overheads. A business can be a victim of its own success – sell quicker than you can finance from cash flow and available credit and you will soon run out of cash.

This overtrading can arise from inappropriate sales growth – a business might reduce prices and margins to encourage sales, or sales growth may happen when a business cannot cope with the debt or expenditure needed to finance it.

So be conscious of production costs and resist the temptation to chase turnover by cutting prices. If you decide to market a loss leader, be sure to understand how it contributes to future profitable sales.

Quality is everything

Too often businesses, in trying to reduce costs, sacrifice quality. While there can be some short-term benefit in cutting costs it can come back to haunt, even affecting the long-term viability of a business. Too much cost cutting can knock on into other areas too, affecting staff morale, quickly followed by productivity and service.

Nothing worries the small-business owner more than a sudden reduction in demand, whatever the reason. Seasonal changes are less serious (unless the business is already weak) as you can predict these and manage them, but price or product competition, with new and more cost-effective distribution channels, mean businesses have to continually reinvent themselves.

It's easy to justify not developing or investing. Perhaps previous product launches disappointed, maybe the business mistakenly believes its products are still competitive, maybe it lacks the expertise or financial clout to develop new products. But, like it or not, businesses must face these realities. It's the businesses that focus on markets and products, differentiate their market and product propositions, and develop low-cost production structures that succeed where others fail.

Don't put all your eggs in one basket

By all means be different and carve out a niche but be careful of relying on one market or a small client base. Don't depend on one or two suppliers either. If any of these fail, you fail too. Have viable alternatives and spread your risk.

Signs of a failing business

When the rot sets in, complacency is the killer. Slow or indifferent customer service, a demotivated sales team, ineffective marketing, poor product development, or a misplaced belief that a business can't fail are all tell-tale signs. In today's market few businesses can stand still and succeed; for most small business it's a case of reinvent or die.

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Tony Carey is managing partner and founder of Cooney Carey, Russell Bedford's member firm in Dublin. Tony has over 30 years' experience in corporate finance and business advisory services. His time as CFO of a large private concern gained him valuable practical commercial experience. His specialist areas include strategic planning, corporate recovery, financial investments, project funding and negotiation.

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Doing Business 2014 – understanding regulations for SMEs

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Joyce Antone Ibrahim is a co-author of the World Bank and IFC annual Doing Business reports. She currently leads the work on the *Dealing with Construction Permits* indicator within the Doing Business project. Joyce holds an MA in international relations and international economics.

www.doingbusiness.org

Reforming in any area of government policy is a challenge. Business regulation is no exception. But governments undertake such reforms because reducing the complexity and cost of regulatory processes or strengthening legal institutions relevant to business regulation brings many benefits. Doing Business 2014 – the eleventh in a series of annual reports jointly published by the World Bank and IFC – looks at regulations that enhance business activity and those that constrain it around the world.

Through indicators benchmarking 189 economies, Doing Business measures and tracks changes in the regulations applied to domestic small and medium-size companies in eleven areas in their life cycle. Four economies have been added this year—Libya, Myanmar, San Marino and South Sudan. This year's aggregate ranking on the ease of doing business is based on indicator sets that measure and benchmark regulations affecting ten of those areas:

- starting a business
- dealing with construction permits
- getting electricity
- registering property
- getting credit
- protecting investors
- paying taxes
- trading across borders
- enforcing contracts
- resolving insolvency.

Regulation is a reality from the beginning of a firm's life to the end. Navigating it can be complex and costly. On average around the world, starting a business takes seven procedures, 25 days, and costs 32% of income per capita in fees. In many parts of the world in recent years, Doing Business data show that there has been remarkable progress in removing some of the biggest bureaucratic obstacles to private sector activity. Yet small and medium-size enterprises are still subject to burdensome regulations and vague rules that are unevenly applied and that impose inefficiencies on the enterprise sector.

In 2012/13, 114 economies implemented 238 regulatory reforms making it easier to do business. This is the second highest number of reforms implemented in a year since the financial crisis of 2009. South Asia had the largest share of economies registering improvements – 75% of economies in that region implemented at least one institutional or regulatory reform making it easier to do business. Europe and Central Asia, continuing its steady pace of regulatory reform, had the second largest share as a region at 73%.

Guatemala, Rwanda, the Russian Federation, the Philippines and Kosovo were among the economies improving the most in 2012/13 in areas tracked by Doing Business. Of the ten most improved economies, nine reformed in the area of dealing with construction permits. In Russia it took more than a decade for the national urban planning code of 1997 to be implemented in Moscow. The mayor finally adopted the code in April 2011, replacing multiple ad hoc regulations. But builders in Moscow are only now experiencing the positive effects of its implementation. In Guatemala City the municipality expanded the one-stop shop for construction permitting to include the water company, EMPAGUA, in 2012.

Property registration was another common focus, with seven of the top improvers implementing changes in this area. At the end of 2012 Russia completed an electronic database of all the real estate in the country, a massive undertaking in an economy spanning nine time zones. On a smaller geographic scale, the Rwanda Natural Resources Authority implemented a systematic land registration program, and now 90% of properties in the country are registered. In March 2013 Burundi established a one-stop-shop for property transfer.

Other top improvers enhanced insolvency legislation, strengthened the legal rights of creditors or increased

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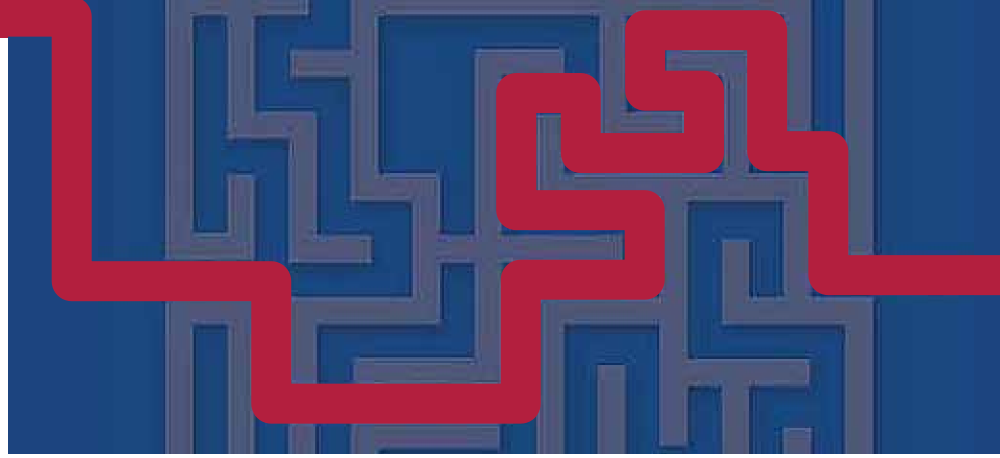


the scope of credit information available. The Philippines improved credit information sharing by guaranteeing borrowers' right to access their data in the country's largest credit bureau. In FYR Macedonia new amendments to the Law on Contractual Pledge, adopted in June 2012, allow more flexibility in the design of debt agreements using movable collateral. And in Djibouti a new commercial code that replaced the one from 1986 strengthened the legal rights of creditors and improved the insolvency framework.

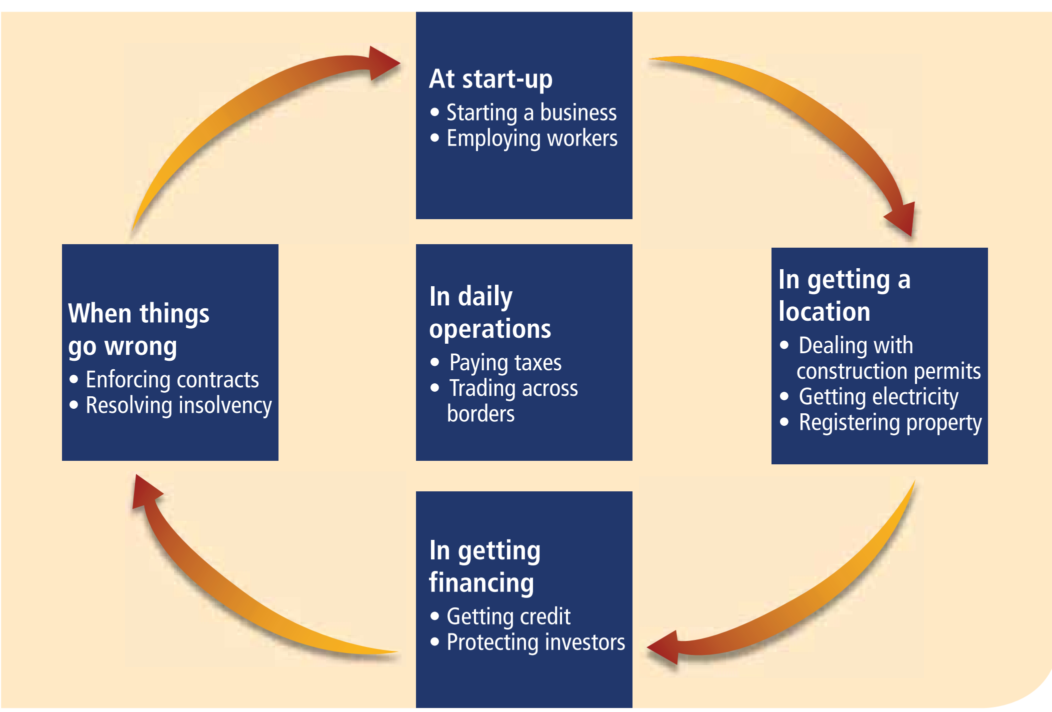
And looking at what has happened over the past five years, the data findings are promising. Since 2009 all regions of the world and economies at all income levels have improved their business regulations on average. Moreover, improvement is happening where it is most needed. The regions where regulatory processes are longer and costlier and regulatory institutions are weaker are also those where the biggest improvements have occurred.

Across regions, starting a business emerges as the area with the largest share of reforms since 2009. But beyond starting a business, different regions focused their regulatory reform efforts on different areas. In Sub-Saharan Africa the second greatest area of focus since 2009 has been trading across borders, while in South Asia economies were more likely to focus on registering property. In East Asia and the Pacific and Latin America and the Caribbean the focus was on paying taxes, and in the Middle East and North Africa on getting credit.

Collecting the more than 57,000 unique Doing Business data points each year and placing them in a broader context of economic policy and development is a major undertaking. The team is in direct communication with a network of 10,200 lawyers and other professionals who deal with business regulation every day. They have generously donated their time to provide the legal assessments that underpin the data.

Russell Bedford International acted as one of the report's global contributors.

For more information on the Doing Business project, please visit **www.doingbusiness.org**.



Regulations as measured by Doing Business affect firms throughout their life cycle

Buying property in the UK

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Andy Noton is a partner in Russell Bedford's London member firm, Lubbock Fine.

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Throughout the past decade the UK has remained Europe's top destination for foreign direct investment (FDI). Much of this investment has come from overseas investors buying real estate – especially in London.

London has always been attractive to investors for many reasons, not least because there are no restrictions on the flow of capital into or out of the UK. Also, London is still considered one of the leading international cities and many investors view London property as a must-have trophy asset.

The UK Trade & Investment agency (UKTI) highlights reduced bureaucracy, a flexible labour market, and a corporation tax regime with the lowest rate in the G7, and the joint lowest in the G20, as further attractions to foreign investors.

With UK interest rates at 0.5% since March 2009, investors have benefitted from falling property prices, and earned yields in excess of the costs associated with their investment. Also, the relative political and economic stability in the UK means UK property is seen as a safe haven for overseas investors.

In the past five years most overseas investment in UK property has centred on London and the South East. However, 2013 witnessed an increase in demand for commercial and industrial property elsewhere in the UK.

Types of property

If you are looking at investing in UK property, as well as choosing your location you need to consider whether you want to invest in commercial, industrial or residential property.

Experts now believe there are significant opportunities outside London. Higher yields of 8-10% on regional commercial and industrial properties are starting to attract private investors.

Although properties outside London carry more perceived risk, the risk to return ratio is more attractive to those with a medium-risk appetite who consider London property to be fully priced. Investment by the UK government in large infrastructure projects such as HS2 (a new high-speed rail link between London and the North) and further expansion in the transport network is opening up new areas of the country and creating new pockets of property wealth.

As with all types of investment the key is to be one step ahead of the market and identify the opportunities before the market catches up.

Accounting issues for overseas investors

The tax position is changeable and becoming increasingly complex.

Until 2011 the position was simple: no capital gains tax and a tax on net rental income of 20% (against which the property owner could offset the costs of financing the investment).

Let's look at some different scenarios and the associated issues that overseas investors in UK property need to consider.

Residential property

If you buy residential property for your own personal use, as long as it's worth less than £2 million there are no current UK tax obligations.

If the value exceeds £2 million and you use a corporate vehicle to own the property, the company is liable to an annual tax on enveloped dwellings (ATED), and capital gains tax (for gains realised from 6 April 2012). There are exemptions for properties which you rent out or develop but these properties will be subject to income tax on the net rental income or corporate tax on development profits. The amount of ATED due depends on the value of your property as follows:

Property value	Tax due in 2013-14
£2,000,001 to £5,000,000	£15,000
£5,000,001 to £10,000,000	£35,000
£10,000,001 to £20,000,000	£70,000
£20,000,001 and over	£140,000

However, following the UK Chancellor's Autumn Statement, capital gains tax (CGT) will apply to non-residents disposing of UK residential property from April 2015. We don't yet know the details but expect a consultation on how best to introduce the CGT charge to be published in early 2014. Usually if you pay CGT in the UK you can offset it against any CGT allowance in your home country. However, if you live in a country that doesn't have a capital gains tax this becomes a cost.

Commercial and industrial property held for investment purposes

If you buy a property aiming for rental income and capital growth, you or your property-owning company will need to register as a non-resident landlord (NRL). If you have 'opted to tax' the property (for value added tax purposes) you will also need to register for VAT. You must submit your NRL tax return annually for the year ending 31 March. You must submit VAT returns quarterly. The rate for both taxes is 20%.

Property held for development

If you buy a property for development, you or your property-owning company must register as a trader. As an individual you will submit an annual self-assessment covering the year ending on 5 April. If you choose to own the property through a company, you will submit a corporation tax return for which you can choose your own reporting date. The main rate of corporation tax is currently 21%; it will reduce to 20% from 1 April 2015.

You may buy property for rental income with an intention to develop it in the future. In this case the correct tax treatment is not always clear as your intentions for the property are the deciding factor. In this case you should seek professional advice and ensure you document your intentions both while buying and subsequently owning the property. For example, you might document your intentions in the minutes of a meeting.

Finance and support
for your business

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Have you ever wondered if there is any form of public financial support for your business or do you feel that grants and subsidies seem to be available to others but not you? Wherever you are in the world there is almost certainly some form of business support available but you have to find it yourself; nobody will knock on your door and offer it to you.

Doing your research

Finding out what business support is available can be a challenge. The number of schemes can be many and varied, and there may not be just one single body providing the funding. The support available may depend on what you use the money for, and support schemes can have shelf lives – schemes expire and new ones begin.

In most countries there are small business associations that offer services to members. These are a good place to start looking for advice and information about business grants. The Internet is also a valuable source of information; a quick search on 'business grants' will reveal several sources of information. Of course, your accountant should also be able to point you in the right direction.

Types of support

Business support can take a variety of forms, both financial and non-financial. Here are some examples.

Grants

These can be repayable or non-repayable, and are often targeted at specific purposes such as business start-up, product development or training. The grant can fund the full project cost but more likely will fund a proportion with you providing the balance.

Preferential loans

These are loans at an interest rate of less than the prevailing commercial rate. They may even be interest-free loans.

Equity finance

It's not only venture capitalists that provide equity finance, governments do too. Unlike a loan, which you need to repay, the provider will take a stake in your business and will profit if and when your business succeeds.

Consultancy

Maybe you don't need finance but lack expertise in a certain area. There are often schemes around that will offer you professional training or consultancy either free or at subsidised rates.

Eligibility and applying for support

Governments make grants not because they have money to give away but because they strive to create an environment for business to succeed. The payback is a thriving economy and a growing revenue stream. A government will target its limited resources where it thinks it will get the most 'bang for its buck'. Therefore, your eligibility for support will usually hinge on three criteria:

- Where you are – some grants are provided by regional government; there may also be development zones offering supporta
- The size of your business – some grants are targeted at small and medium businesses
- Your industry – grants often exist to encourage growth in certain industries.

There will be an application process that you will need to go through. This will almost certainly require you to submit a business plan explaining how you intend using the money and how it meets the objectives of the grant making body.

Summary

There is not an unlimited supply of government support for businesses and you will be competing with others for the same money. To give yourself the best chance of succeeding bear the following in mind:

- Do your homework – be aware of what support is available, and keep checking
- Make your application comprehensive and get it in early
- Have a business plan that supports the application
- Don't start your project until your application is successful.

Government grants the Spanish way

Of all the members of the Organisation for Economic Development (OECD), Spain ranks among the highest for government backing for business. There are two different schemes:

- Direct aid in the form of grants or low-interest loans
- Indirect aid consisting of favourable corporate tax treatment for business projects that meet specific criteria.

Most direct aid is granted by two ministries: the Ministry of Industry, and the Ministry of Economy and Competitiveness. Public bodies such as the Official Credit Institute (ICO) and the Centre for Development of Industrial Technology (CDTI) also issue funding. The Central Administration analyses grant applications to check both the company and the feasibility of the project before making a grant.

The Official Credit Institute (ICO) is the most important source of direct aid in Spain. In the last two years the ICO granted €22 billion a year in support for small and medium businesses.

Spanish Regional Administrations also play a part and can make grants with similar criteria as those of the Central Administration. Sustainability, development of IT and communications, and environmentally friendly business projects are all areas that are well-positioned to attract funding.

As for indirect aid, Spain is one of the trailblazers. The tax breaks available to research and innovation projects are some of the most generous in the world and can be worth as much as 60% of the project cost.

As Spain is a member of the European Union (EU), Spanish businesses have access to EU grants made by the European Commission (EC) or the European Investment Bank (EIB). The grants are aimed at strategic areas of European economic activity. The EC's Horizon 2020 and Life+ programmes together will provide €10 billion a year in funding for research and development, and environmental projects. The EIB provides finance in the form of loans for sustainable projects that contribute to EU objectives.

Say Hello to the Elephants
Quadrant One: Clarity

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Tony is a Certified Public Accountant and founding partner of Rose, Snyder & Jacobs, the Los Angeles member firm of Russell Bedford International. His client responsibilities include tax and management consulting advice to closely-held corporations, family-owned businesses, partnerships and the high-net-worth individuals that own them. He is author of the business guide Say Hello to the Elephants and is working on a second book.

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The elephant in the room – English idiom meaning that which all can see but none choose to discuss or confront.

We all have elephants – problems, needs or truths that we ignore even though we must face up to them. Often our elephants may be of a professional nature. We may also have personal elephants. In Say Hello to the Elephants I offer a way to confront issues, along with tools to address problems, achieve clarity, and make decisions. I call this Quadrant Thinking.

Quadrant Thinking

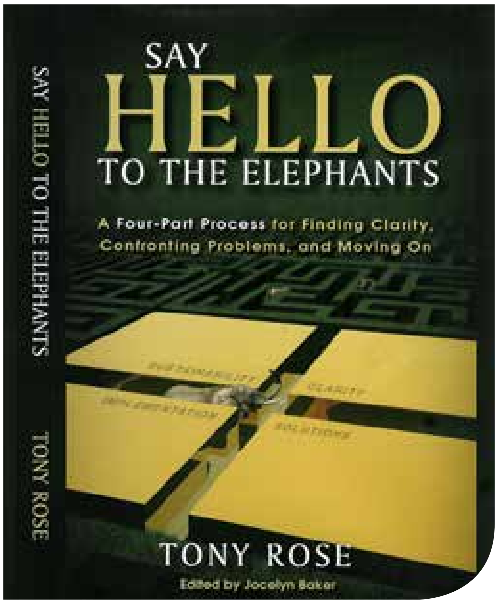
Quadrant Thinking is a four-part process. In a series of four articles I will present an overview of each quadrant.

- Quadrant One: Clarity

Here you will learn about how to think through issues and answer the question: what will this problem look like when it has been perfectly addressed and eliminated? Achieving clarity means answering the 5Ws – who, what, why, when, and where? Only then can you move on to the 'how'. Quadrant One is strategic by nature.

- Quadrant Two: Solutions

Having a clarified understanding of the 5Ws, you can choose between potential steps to make progress towards the vision and goals you have established. Here the developed solution will be in the context of the clarity you created in Quadrant One. Quadrant Two is tactical by nature.



- Quadrant Three: Implementation

Having identified the vision and goals and the preferred solution, it is time to get it done.

- Quadrant Four: Sustainability

Looking at what has been accomplished, you can see if you achieve the results you were looking for.

Saying hello to your elephants means deciding to confront the obvious problems in your business. It all begins with clarity.

Quadrant One: Clarity

Whether you are planning your day or the next week, month or year, you must identify your purpose clearly. This is the step where you establish the mission, vision, values and goals of any situation.

As a business person you have to make choices every day. Only by achieving clarity will you be able to see your options clearly and make the right choices in the context of these strategic questions. Defining your goals creates the standard by which you can choose from the various alternatives. Goals create clarity but only if they address the 'why'.

Believe in a bigger future

To have a bigger future you must believe in a bigger future. Be optimistic, be hopeful, and surround yourself with people, situations and opportunities that encourage hope.

Looking forward to something can make the difference between success and failure. Having something to aim for means you set goals that motivate you to get there.

Clarity is the enemy of the status quo

Even with the best intentions you may fail to get there because you don't know where there is. Clarity is the means by which you clear the hurdles that prevent you from succeeding. Clarity and dealing with the elephants that stand in your way will move you further and further towards where you want to be.

Focus on the goal not the distraction

You can't achieve clarity if you don't focus on the goal. Distractions can take the form of people, setbacks, fear of failure, and even fear of success.

- Identify the people holding you back, then ignore them
- Don't dwell on a setback any longer than is necessary to learn from it
- Understand that everyone has failed at something. Those with a clear vision do not see it as defeat
- Having a clear vision of what success looks like enables you to welcome new challenges, not fear them.

Clarity planning takes effort – and pain too

Reaching clarity is not always easy and it can be painful. However, considering you are often going against the status quo and perhaps working against others' intentions for you or your company, pain can be a key part of clarity planning and has three knock-on effects:

- You must accept pain as part of the process
- The act of reaching clarity can present you with painful truths
- You must be patient.

Disappointment, frustration and anxiety are all painful but it is up to you whether they stop you from moving forward. When you finally achieve clarity the pain will have been worth it.

Finding your elephants and procrastination

Some of your elephants will be obvious but you may still feel like ignoring them.

Most people procrastinate because they lack clarity of outcome. They don't know what they want so they don't know what to do to achieve what they want.

Once you have clarity you can avoid procrastination. Quadrant Thinking gives you three options:

- Deal with it
- Delegate it
- Schedule it.

Elephants do not go away so deal with them.

Finding your elephants and the decision swamp

When you lack clarity it seems like the harder you try to solve a problem the worse it gets. This is what noted behaviourist Dr Brad Spencer calls the decision swamp.

To stay out of the decision swamp you need to change your thinking. Start by looking at problems as symptoms – what you perceive as a problem is often a symptom of a different problem. Once you are clear on what the problem is you can be clearer about the actions you need to take.

Wielding your strengths

Just as identifying problems is essential to reaching clarity, so is identifying your strengths – the core elements that make you and your business unique.

Strengths give you confidence to do the right thing and avoid walking into traps. Your strengths will help you plan for the future and choose the right path to get you there.

Finding your elephants, even if you do not have an MBA

You need to ask the right questions to see the elephants that stand in your way. Use a SWOT analysis to examine your strengths, weaknesses, opportunities and threats.

By asking the right questions you can work on eliminating fears and threats, and capitalise on strengths and opportunities.

With clarity, solutions become manageable. Once you know what you want you will find it much easier to identify what you need to do to achieve it. We will discuss this further in Quadrant Two: Solutions.

Managing money globally – a guide

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James Hickman is Managing Director of Caxton FX and has key oversight of the growth of the business, making sure Caxton FX is able to offer value and services that benefit all its customers. He began his financial career at Williams de Broe as an investment manager and subsequently joined Brewin Dolphin IM as Senior Divisional Director. He joined Caxton FX in May 2003.

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Doing business on an international level can seem daunting and complicated, but if you ensure you have the right services and the right people in place it can be easy.

Get your foreign exchange right

The value of currencies relative to each other changes constantly and it is important you recognise that this can have a material impact on your bottom line. For example, you have agreed to pay a fixed sum in foreign currency for a delivery of goods at some time in the future – so you know the equivalent currency value amount today, but this could change by the time you are due to deliver the foreign currency. By not taking immediate action you run the risk that the foreign currency is more expensive when you do eventually trade, which will result in a loss.

There are many methods you can use to mitigate foreign exchange risk and you should seek advice from your bank or foreign exchange dealer to determine the best approach for your circumstances and attitude to risk. Whatever your strategy, being aware of all the potential outcomes is crucial. Foreign exchange markets are difficult to predict and if you go into it understanding the risks you will find it easier to focus on running your day-to-day business.

Managing multiple relationships

Multiple counterparty relationships are essential when managing money abroad. Banks are not the only provider of foreign exchange liquidity, so to ensure that you are getting the best value it is useful to compare pricing with at least three different institutions.

On the payments side some institutions are better at sending funds to certain parts of the world than others. For example, if your business regularly sends money to China you may find some financial institutions can't send Yuan direct and insist you send US dollars. So by having several institutions on your books you will be able to find the right people for the right job.

You should also bear in mind that when it comes to managing your global payments, a lot depends on the size of your company. SMEs for example are unlikely to have a team of individuals running a treasury department; so it makes sense to choose a banking partner with global coverage to ensure they can manage global payments. You may need to receive money from customers all over the world so you need to make sure your bank can handle this.

Use a reputable institution

Make sure that any company you deal with has a good reputation and is properly regulated. For example, in the UK any respectable broker is authorised and regulated by the Financial Conduct Authority. Financial regulation isn't something that is exclusive to the UK so it is worth you investing time choosing the right foreign exchange partners.

There is also the issue of money laundering, for both you and the company you use. In some transitional economies the liberalisation of foreign exchange markets provides room for currency movements and as such laundering schemes can benefit from such policies. Financial institutions, that either intentionally or unintentionally launder money, are also at risk. There is a thin line between a financial institution suspecting that it is being used to launder money and the institution becoming criminally involved with the activity. The scenario is usually one employee colluding with a criminal group; this employee will circumvent the bank's depository procedures to launder money. However, the bank is still liable for the actions of its employees. Hence, it is essential that banks adopt and enforce the new legal procedures in deposit taking and keep tight controls on staff likely to be useful to money launderers – one of the UK's leading banks has been convicted of money laundering twice and faced a substantially large fine, alongside widespread criticism. With any company you deal with, you should ensure they have the highest standards in place to protect you from financial crime.

News in brief

- Gerry Higgins, tax partner in Russell Bedford's Dublin member firm Cooney Carey, has been appointed as chairman of the Collections sub-committee of TALC – Ireland's Taxation Administration Liaison Committee. TALC was established in 1989 to facilitate liaison between Revenue (the Irish state tax authority), the Irish Tax Institute, the Consultative Committee of Accountancy Bodies of Ireland (CCABI) and the Law Society of Ireland. TALC is the main forum for representations between Revenue and practitioners on the administration of tax in Ireland.

- Russell Bedford has announced the addition of Lyon-based Pyramide Conseils to its global network of independent accounting, consulting and audit firms. This addition marks an important step in the creation of a national French network, including the group's long-standing member firm, Transparence, in Paris.

  Established in 1989, Pyramide Conseils is now one of the top mid-tier accounting firms in the Lyon area. Its services include all aspects of accounting and tax compliance, audit, payroll services and business consultancy. The firm's 1000-plus clients include entrepreneurs and SMEs in the retail, construction, real estate, professional services, and hotel and leisure sectors.

- Russell Bedford member firm BIK & Co has expanded its footprint in the Chicago area market through a merger with local independent Thomas J Davey & Associates, based in Burr Ridge, Illinois.

  Established over 20 years ago, Thomas J Davey & Associates is a full-service firm providing tax and accounting services to over 500 clients. The firm's founder, Tom Davey, CPA has joined the BIK & Co partnership.

- Russell Bedford has again been ranked among the world's top 20 audit and accounting networks in the International Accounting Bulletin 2014 World Survey.

  The 2014 survey shows Russell Bedford in 17th position globally, with combined annual fee income of USD 383 million. The network is ranked in 12th place among Latin American networks, with regional fee income of USD 56 million.

  Russell Bedford CEO Alan Bezzant commented: "2013 was a year of intense competition, and maintaining our place among the world's leading networks is deeply gratifying. Our standing in Latin America is a clear reflection of the performance of our member firms, our strong brand recognition in the region and our commitment to expansion by integrating new member firms."

- Russell Bedford International has announced the further expansion of its Italian network with the addition of TREVOR S.r.l. This development comes just three months after a new tax and business consulting practice in Bologna joined the existing Milan and Rome tax and accounting firms.

  Established in 1986, TREVOR S.r.l. is a specialist independent external audit practice with four principals and around 30 personnel in total. Serving multinational and domestic clients in the energy, utilities, banking and finance, pharmaceuticals and retail sectors, it is one of only 20 audit firms in Italy that are registered with CONSOB, the Italian stock exchange commission.

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