

Network News

MAY 2020

INSIDE THIS ISSUE

- Russell Bedford delivers its first ever Web Conference
- Dar Al-Mohassaba appointed as full member firm in Yemen
- Maintaining global connections throughout the network
- Doing Business 2020: Ireland Delivers Mixed Results
- The power of connection: Russell Bedford's first virtual Happy Hour
- RBC Corporate Services Hong Kong Limited to join SMP Group
- CEO Stephen Hamlet joins "Accounting Influencers Discussion"
- Düsseldorf member FRTG Group receives two prestigious awards
- Training and Resources
- Global Accounting Update

Russell Bedford delivers its first ever Web Conference

Over the two days of 14-15 May 2020, Russell Bedford International held its first ever Web Conference. More than 200 representatives of Russell Bedford member firms from almost 60 countries joined the conference, which was dedicated to International Tax & Business Development, with all global regions represented.

Global Chair of Russell Bedford, Bruce Saward, opened the conference with a powerful message of support and encouragement to members around the globe, with a reminder that despite ongoing difficulties, the core of the Russell Bedford network is being tested and with incredible success. The network's very existence is built on a need for members to connect, share knowledge and offer their mutual clients comprehensive global services, seamlessly - that core value system could not be any stronger today.

He said: "We are all involved in the writing of history, people will look back at this time and learn from our experiences. Accountancy is considered a numbers business, but the reality is we're actually in a people business, and every day we get to journey with our clients and help them navigate the challenges of business; whether it's tax, regulation, compliance or key life issues - what a privilege that is."

Day one of the conference welcomed guest speaker, Ed Frank, CEO of Axis Innovation, a global innovation platform connecting corporations and investors with tech start-ups. In his session, Ed discussed innovation as a service, the pace at which technology adoption is accelerating and how to prepare for change.

From the School of Transnational Governance of the European University Institute, Dr. Tatiana Falcão, was our second speaker of the day. With over 10 years of experience in international taxation and policy development, she shared her vast knowledge in her session, 'Taxing the digital economy: challenges and proposals for reform'. Tatiana discussed the history of BEPS, the unified approach and the impending surge of unilateral digital services taxes.

The first day of the conference concluded with an open forum discussion led by CEO of Russell Bedford, Stephen Hamlet, where members were encouraged to discuss how they were tackling issues in respect of COVID-19, the effects on their practices and the businesses of their clients, and how the accounting profession is positively dealing with such challenges.

Director of Primondell Ltd., an investment management company based in London, Jeremy Mindell, opened the second day of the conference with a session on current international tax issues. An expert in his field, Jeremy lectures in direct taxation, specialising in employment taxation, share schemes and international tax. Jeremy shared guidance on OECD in relation to the COVID-19 pandemic and delivered updates on Digital Services Tax and the EU directive DAC6 on cross-border tax arrangements.

The final guest speaker of the conference was Dr. Sharon Abrahams, a talent development expert who helps professionals and firms improve their performance, productivity, and profitability. Sharon shared her invaluable knowledge on the very topical subject of 'Emotional Intelligence: The key to building client and colleague relationships'. Sharon shared how emotional intelligence has been proven to be more important than IQ when it comes to greater leadership. She concluded her session with some practical advice on how to acknowledge emotions, which in turn can help us to communicate more effectively.

The conference concluded with a 'Happy Hour' networking session that allowed members to connect with their friends and colleagues and have a more informal discussion on their own personal experiences over the past few months.

Stephen Hamlet, Russell Bedford CEO commented: "After what has been a challenging few months for everyone, we wanted to give something back to our members. What started as a simple idea with the intention of replacing a postponed conference, somehow snowballed into one of the most special events we have hosted. Honestly, I can't give enough credit to our members from all regions, across different time zones, and who participated with such enthusiasm, sincere care and concern. Our members consistently come together to learn, share knowledge and encourage each other, despite the immense individual pressures they are experiencing themselves."

He added: "What the current crisis has shown us is that yes, there are difficulties to be overcome; however by moving through this process we seem to be exposing new realisations and discovering new opportunities. In effect, we are growing through this process. And so; we may emerge from this period slightly windswept, but we will have learned so much about ourselves, our colleagues and the new ways that we can shape businesses for future success."

For those who did not have the opportunity to join the live conference, please visit the Events section of the Russell Bedford Intranet to view the presentations and recordings for each session.



Dar Al-Mohassaba appointed as full member firm in Yemen

International professional services group Russell Bedford has upgraded Yemen firm, Dar Al-Mohassaba - Hassan Al-Dailami & Co., a Russell Bedford a correspondent firm since 2012, to full member status.

Established in 1992, Dar Al-Mohassaba was formed as a partnership between Hassan Al-Dailami and Mohammed Shaiba. In 2010, Hassan Hantoosh and Khaled Ali were admitted to the partnership. The firm has continued to thrive, and has seen much success, despite Yemen's often difficult conditions.

Based in the capital, Sana'a, Dar Al-Mohassaba, one of the largest local CPA firms, is primarily an audit practice, performing statutory audits of small and medium-sized enterprises, significant government entities and branches of foreign companies.

Its corporate client base covers a variety of industries including oil and gas, real estate, healthcare, hospitality and leisure, manufacturing and construction. The firm also provides services in the areas of tax compliance and consulting, management consulting and feasibility studies.

Speaking of the appointment, Russell Bedford CEO Stephen Hamlet said: "It is my absolute pleasure to welcome Dar Al-Mohassaba to the network as a full Russell Bedford member. It is success stories like this, where a firm defies all odds in war-affected Yemen to come out trumps and succeed, that demonstrate that through grit and perseverance a firm can and will reach their full potential. I wish the entire team every success as they embark on this next step of their journey with the full support of our internationally connected network."

Hassan Hantoosh, partner at Dar Al-Mohassaba, added: "Gaining full membership status at Russell Bedford was indeed an ambition of our firm from the outset. We are very proud to become full members which fills us with optimism for the future in achieving our plans for growth and development."



Maintaining global connections throughout the network

As we have all witnessed over the past weeks and months, the COVID-19 crisis has left no-one untouched, in one form or another, and Russell Bedford is no different. The past few weeks have seen the network respond in unprecedented fashion; bringing our members daily press updates and insights on government support measures from around the globe, so that they may continue to share with their clients reliable and up to date information in support of their business needs.

It's a process that we continue to navigate, while we adapt our service offering to ensure that it's fit for purpose. In an exceptionally volatile global business environment, each week brings with it new challenges; and each week we seek to develop new strategies to function in the current environment. As we strive to keep our members connected, aiding them in sharing their experiences and their invaluable expertise, we have needed to consider alternative methods to normal practice.

On Wednesday, 8 April 2020 we held our first large-scale virtual meeting where we heard from managing partners of our member firms from across Europe, the Middle East and Africa.

So; what have managing partners across the region learned, as their lives and businesses somewhat dramatically transformed overnight? Here's what we heard:

'Remote working' works – managing partners expressed surprise at how well their teams are handling the transition to 100% remote working, and are extremely impressed by how effectively and confidently their teams are continuing to service clients; with productivity remaining very high. As one partner said, "Although in some ways the Tsunami is overwhelming us, we are reacting to the influx in a positive way."

Enhancing client benefits – bringing added value to clients through additional no/low cost services, at a time when they need all the help they can get, could be pivotal in strengthening client relationships while enhancing loyalty. Some of the examples shared were:

- 'Virtual' client support sessions
- Insurance advice
- Providing Cash Management resources.

Opportunities arising mid-crisis – a surprising number of partners shared experiences of winning new business as a result of the crisis. In difficult times such as the present, clients are often seeking the personal approach from an independently owned and managed firm, that bigger global firms are not typically known for. It provides a unique opportunity for mid-tier accountancy firms to swoop in and offer a more personal service that is so desirable in times of crisis. Partners recounted that clients in industries such as construction, logistics and some government sectors, for instance on projects for roads and highways, continue to thrive through the crisis.

Taking a proactive approach to client support – partners shared the view that now is the time to reach out to clients to let them know you're there to support them through this difficult period. As everyone (including your clients) scrambles to adjust and adapt, it's the approach and decisions you take now that your clients will remember. The message from Russell Bedford's managing partners was loud and clear; ensure that you are communicating confidently and reassuringly with your key clients, and they'll repay you with their loyalty.



Consulting on difficult decision making - accountants hold a unique position in providing their clients with not only guidance on applying government measures and advice to their businesses, but importantly advising clients on the specific actions they should take, rather than offering a general set of options. Having the confidence to direct your clients in taking those difficult decisions (even when they may not wish to take them) is where the real value is added. Making important recommendations, and advising clients sensitively as they come to make critical business decisions, has never been more important as the stakes for clients are so high.

Employee engagement – partners shared their views on the importance of helping their teams engage with each other through regular communication; both with managers and with the need for top-down communication. It is important for teams to hear from the top those decisions being made that affect business operations. Russell Bedford member firms are also taking a very proactive approach in terms of the wellbeing of their employees through various activities including quizzes, well-being talks from mental health professionals, and interactive social sessions.

And; what will the future look like? The million-dollar question. As our members actively seek to construct future business plans, based on multiple scenarios of varying outcomes, most will agree that the way we do business is unlikely to remain the same. Some have already accepted that the traditional office arrangement may now change and are planning to adopt a more flexible approach, though most still agreeing on the value of their teams working together in an office environment.

At Russell Bedford, what will always remain the same is the set of values that define us. Our people are the core of our business, our network exists because of them, so although we will continue to adapt and adjust how we reach and service our members, their business needs will always be our top priority.

We're changing how we operate faster than we ever could have imagined possible and all with surprising success; the attitude of our members remains the same as it always is - one of strength, cohesion and positivity. We're in this together and we will come through this together.

Doing Business 2020: Ireland Delivers Mixed Results

In this year's report, Doing Business 2020: Comparing Business Regulation in 190 Economies, Ireland fell to its lowest ranking in the 17-year history of the report. Although Ireland equalled its 2019 score of 79.6, it fell one place to 24th position. Among its EU counterparts, Ireland fares well, ranking sixth in the eurozone and eighth in the wider European Union.

In maintaining its score, Ireland improved its ranking in three categories while declining in five categories. Ireland fell 13 places to 23rd position in Starting a Business, as a result of an increase of five days in the time taken to carry out the three necessary procedures. In Protecting Minority Investors, Ireland improved its score by five percentage points, moving up two places to 13th in the rankings. Perhaps Ireland's most impressive performance was in maintaining its fourth position in the important category of Paying Taxes, ranked behind only Bahrain, Hong Kong and Qatar.

More broadly, New Zealand and Singapore maintain their places in the top two, but Hong Kong moves up one place into third, with Denmark dropping to fourth. The ten most-improved nations were: Saudi Arabia, Jordan, Togo, Bahrain, Tajikistan, Pakistan, Kuwait, China, India, and Nigeria.

Doing Business 2020 is the seventeenth annual report published by the World Bank. It measures reforms and regulations implemented in 190 economies across the globe over a 12-month period that ended on 1 May 2019. Russell Bedford International is a global contributor to the report and has helped the World Bank in researching its annual Paying Taxes survey since 2009. Many Russell Bedford member firms also took part as regional contributors to the report.

Dublin based Cooney Carey was an active contributor to Doing Business 2020. Tony Carey, managing partner at Cooney Carey commented: "In maintaining its 2019 score, Ireland has shown it's still a great place to do business, particularly when utilising Cooney Carey's local expertise. Inside the EU, Ireland has much to commend itself and ranks

favourably with Germany and better than economies such as Spain, France and The Netherlands. It is worth highlighting that while Ireland's ranking in Starting a Business fell, it is still easy to start a business in Ireland. Inside the EU, only Greece and Estonia rank higher, and it is significantly cheaper and easier than the EU average to start a business in Ireland."

To access the full country report visit:
www.russellbedford.com/latest/publications/doing-business-guides.



The power of connection: Russell Bedford's first virtual Happy Hour

As the network continues to evolve and adapt to ever changing work practices, the Central Office team at Russell Bedford have been actively working towards developing new strategies and concepts that ensure our members continue to receive the membership value they expect.

One thing we've learned over the past number of weeks is that our members really value remaining connected with other members and this led us to organising an online social event to facilitate that need for connection.

On Friday, 24 April 2020 over 70 representatives of Russell Bedford member firms from around the globe came together online for our first ever virtual Happy Hour.

Members shared some of the challenges they have faced as they continue to adapt to the new norm, telling stories of their experiences in lockdown. Some joined with their children and other members of their families, and others shared advice on how they are managing in sometimes difficult circumstances. The overall sentiment, however, was one of resilience and hope for a better future.

The success of the event validates the importance of social interaction, an aspect of our global network that has always been at the forefront of our value system – collaboration being one of our core business values. And although we're all keen to return to a time when we can be together, for now we're making the best of a difficult situation.

So, what did we learn from our first Happy Hour?

- We learned that connecting with colleagues, even when it's through a computer screen, is incredibly uplifting
- Hearing from colleagues on the challenges that they're working through really helps to make you feel less alone in your own challenges, and take inspiration from how others approach issues
- The lockdown has sparked much creativity in terms of problem solving; our members are having to come up with solutions to new challenges at speed and they're doing so with surprising ease and success

Keeping in touch and checking in with each other has never been so important; no business wants to see their employees fall through the cracks and out of touch with their colleagues or disconnected from their business mission.

We need to ensure that we are communicating effectively and listening to each other. Finding joy in the small things while working hard to balance workloads with other commitments. Remembering to smile through adversity while sticking together, even if for now that can only be virtually. Leaning on those around us when we need them, while being the support for others when they need us. We're adapting to these strange times but that doesn't have to mean we can't thrive in these times.



Happy Hour concluded with a fabulous rendition of John Lennon's 'Imagine' by our 'in-house' pianist, the son of one of our Mexican partners – a heartfelt ending to a very special hour of connection with Russell Bedford members.

RBC Corporate Services Hong Kong Limited to join SMP Group

The SMP Group of Companies, a global professional and financial services group and member of Russell Bedford International, has today announced a deal to acquire RBC Corporate Services Hong Kong Limited, a division of RBC Investor & Treasury Services. The transaction is subject to regulatory approval.

SMP and RBC have a long history of working together to provide global solutions for private wealth structuring. SMP previously acquired RBC's Bahamas and Cayman Island corporate services businesses in 2016 and 2017, respectively, in similar deals that delivered significant value for both the SMP Group and the client base. The Caribbean and Hong Kong businesses have continued to work closely together since these acquisitions.

David Hudson, Group CEO of SMP Group, commented: "Hong Kong is an immensely important jurisdiction for us, in which we are driving impressive growth and raising the bar for internationally compliant corporate and private wealth services. This deal with RBC will accelerate our ambitious plans for the region, in a way that enhances our existing global service offering and brings an extended support network to clients. We're extremely excited to start working with new colleagues and new clients alike."

Commenting on the transaction, Andrew Gordon, Managing Director, Asia, RBC Investor & Treasury Services, said: "Our decision is based on our strategy to focus investments in key markets and products where we have a competitive advantage. We believe it is in the long-term interest of our clients and employees to transfer to SMP, an organization with a focus on corporate services activities."

The deal has been undertaken with the support of Palatine Private Equity LLP, the UK mid-market private equity house that partnered with SMP in its 2019 management buy-out, with additional debt funding from Apera Asset Management.



CEO Stephen Hamlet joins "Accounting Influencers Discussion"

CEO, Stephen Hamlet shares insights on leadership, agility, client service, adaptability and mental resilience in a panel session as part of the "Accounting Influencers Discussion" series.

Follow the link to watch the video:

www.youtube.com/watch?v=pxO47L7tKas&feature=youtu.be



Düsseldorf member FRTG Group receives two prestigious awards

Russell Bedford's member firm, FRTG Group, has been selected by German news magazine, FOCUS, as a top tax firm in Germany for 2020. The Düsseldorf based firm was also listed in the German business magazine, Manager Magazin, as one of Germany's TOP 10 Best Auditors, scoring an incredible 472 out of 500 points.

FRTG Group ranked among top tax firms specialising in the energy industry, production and transport and logistics industry, in various practice areas including:

- Insolvency and Restructuring
- Legal advice
- Conversions and M&A
- Administrative enforcement
- Auditing

The FOCUS award is validation of the high quality of consulting services offered by the firm in the various categories and business sectors. It equally underlines the competence, professionalism and service quality of the team at FRTG Group.

The award 'Germany's Best Auditors 2020/21' by Manager Magazin, aims to improve the transparency of the market and reward those accountants who satisfied their clients with excellent performance. This recognition gives FRTG Group a significantly better rating than many of the largest and best-known auditing companies in the country.

Managing partner of FRTG Group, Wolfgang Hohl, said: "We are very proud of our results, which would not be possible without the high performance and dedication of our employees. This is also a result of our international orientation and the quality of our partners in the RBI network. As the awards are based on the feedback and judgment of their clients, it gives us considerable pride to know that our clients feel that they are receiving an exceptional service. We will continue to strive towards maintaining this same level of high service quality to current and prospective clients."



Training and Resources

At Russell Bedford, we understand the importance of supporting our members with respect to employee training and development. We partner with a number of external training organisations to deliver various learning opportunities for our members.

Please take a look below to find out how your firm may benefit from these opportunities. [Please ensure that you log in to the Russell Bedford Intranet before clicking on the links.]

CPE / CPD / TRAINING

To support members with continuing professional education (CPE) and continuing professional development (CPD), we've partnered with a number of organisations including Becker, CCH, AICPA and most recently, Kaplan, to bring you discounted rates for various training opportunities. Follow the link to find out more:

www.russellbedford.com/intranet/resources/technical-resources/cpe-cpd-training/

2020 Group Webinars

Through our partnership with the 2020 Group, every month we offer members at least two webinars designed to keep you up to date with international tax, accounting and practice management issues. To view the list of upcoming webinars and to sign up for each webinar, please follow the link below:

www.the2020group.com/international-webinars-booking-russell-bedford-2020/

COVID-19 Webinars

As our members continue to navigate new challenges as a result of the COVID-19 crisis, we aim to bring you up to date advice and guidance to support your business through this period. Follow the link to see our upcoming schedule of free webinars:

www.russellbedford.com/intranet/centres-of-excellence/covid-19/covid-19/webinars/

Global Accounting Update

A round-up of updates and commentary on new standards, regulations and ethical issues

[Six Ways for SMPs To Evolve and Thrive in the Covid-19 Environment](#)

To say that the coronavirus (or Covid-19) pandemic is one of the major catastrophes of the 21st century may not be an exaggeration. Members of the IFAC SMP Committee (SMPC) recently shared their experiences about how Small Firms and Professional Accountancy Organizations (PAOs) are responding to the crisis. Chair of the IFAC Small and Medium Practices Committee, Monica Foerster, and technical manager with IFAC's Global Accountancy Profession Support (GAPS), Johnny Yong, share six key focus areas for small and medium sized practices (SMPs) to evolve and thrive post Covid-19.

[5 Steps to Consider When Making Technology Investments](#)

Based on the 2018 IFAC Global SMP Survey (the Survey), 46% of 6,258 small and medium sized practices (SMPs) were planning to invest less than 5% of their next 12 months' forward revenue on technology products and services, while one third plan to invest less than 1%. Technology is a game changer and a disruptive force on so many business fronts; thus, it is important for firms to make the necessary investment in technology to remain relevant to their clients. Members of the Small and Medium Practices Committee, George Willie and Michael Mbaya discuss.

[Reporting and Fraud Risk Arising from COVID-19 Pose Significant Challenges for Professional Accountants](#)

Globally the COVID-19 crisis is causing huge financial implications for many organizations, as well as exposing them to a variety of other emerging risks related to virtual operations, cybersecurity, and changes in relationships with customers and suppliers that put pressure on operations and service delivery. This new environment creates a heightened risk of fraud and improper financial reporting, as new opportunities and pressures can arise for both internal employees and external parties. Stathis Gould, Director at IFAC, and Laura Leka, Senior Technical Manager in IFAC's Global Accountancy Profession Support team discuss.

Forthcoming conferences:

Asia-Pacific Web Conference 2020

The 2020 Asia-Pacific Meeting, which was due to take place on 2-3 July 2020 in Singapore, will now be run as a Web Conference on the same dates. Over the coming weeks we will be updating the Events page with more conference information, to find out more please visit the Events page of the Russell Bedford intranet.

37th Annual Global Conference 2020

An official decision is yet to be made in regards to the Annual Global Conference 2020, due to take place in Vienna, Austria on 21-25 October 2020. If we are not able to hold this as a physical meeting, we will run another web conference around the same dates. We expect to finalise our decision by 30 June 2020, so please look out for our announcement soon after this date.

All conference information is accessible via the [Events](#) section of the Russell Bedford Intranet. If you experience any problems accessing the intranet, please contact Central Office for support.

Russell Bedford - key facts and figures 2020

- More than **35 years** of global service
- **Top 20** global accounting network
- **USD 525 million** global fee income
- **700 partners** and over **6,500 staff**
- Some **350 offices** in **100 countries**

For previous editions of Network News, visit our [Network News webpage](#).