GGi

INSIDER

News and Information for Members and Friends of GGI

We Stay Connected

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Disclaimer

Editorial

Dear Reader,

The worldwide spread of Covid 19, a new coronavirus, has had a major impact on our lives and the global economy. Some cities and countries are completely shut down, flights cancelled, events postponed, supply chains interrupted – here at GGI, we are continuing to monitor the situation on a daily basis as the safety of everyone involved, both members and staff, is of our utmost concern.

The Council of Ministers of Cyprus has announced a prohibition of any events or gatherings of 75 people and above on their island, and we were therefore forced to postpone the GGI European Regional Conference in Limassol to April 2021. This year, for the first time in GGI's 25-year history, we will not have a GGI European Regional Conference. We will keep you updated if any further measures related to other GGI events need to be taken.

This new virus Covid 19 is part of our globalized, interconnected age. We are an increasingly mobile world, travelling more for both work and pleasure than ever before. Infectious diseases remain one of the top 10 risks in terms of impact for the next 10 years according to the World Economic Forum's Global Risks Report 2020. Given an increasingly connected society, fighting future epidemics will no longer be the sole responsibility of public healthcare experts. Solutions require cooperation from a range of leaders, both public and private, as well as the help of the general population.

Working together will be key.
Close international cooperation, exchanging best practices, knowledge, ideas and experiences becomes more and more important in our interconnected world – and not only in the health sector for fighting epidemics, but also in our business lives. Our strong GGI network helps to make the world smaller and future trends, developments, news and valuable information from all over the world quickly accessible.

This issue of Insider once again reports on successful events which have taken place. These include the meeting of GCG M&A Dealmakers in Atlanta (GA) and the GGI Global Practice Group Chairpersons meeting in Zurich, as well as the GGI ITPG Global Tax Summit, for which international tax experts gathered in Frankfurt in February.

Following the news from our member firms, as usual, we are pleased to have the following authors share their expertise:

Mohammad Ali Syed (USA) reports on US visa options for foreign businesses and entrepreneurs. Dirk Kohlenberg (Germany) keeps you updated on amendments to the German Money Laundering Act. Post-Brexit, Richard Mander (UK) analyses the UK General Election and provides an outlook on future expectations. Sustainability is nowadays a widely-used term – Dr Thomas Ditges (Germany) writes about sustainability in financial reporting. Matthew Kindree (Canada) informs on new record-keeping requirements for private corporations under the Canada Business Corporations Act.

In the Practice Group section, you can read up on the latest news from the different GGI Practice

Groups. The Business Development & Marketing Practice Group has analysed the results of the questionnaire sent to all members – read part two in this issue.

We hope you enjoy reading Insider and would also like to extend our warmest greetings to all who have celebrations at this time of the year. May you, your families, and friends enjoy a very happy Easter, Passover or Ramadan.

Your GGI Team

Contents

We Stay Connected

Dear members of GGI, dear friends,

The last weeks and months have been for many of us challenging and show us that the world is in the process of changing dramatically. We all hope that you and your families, your colleagues, clients and friends are well and in good health. This global pandemic has forced many of us to stay at home, as serious concerns about our health are paired with the harsh impact on our daily business.

In these times, we are convinced that staying connected while staying safe is even more important than ever. We are carefully assessing the situation regarding upcoming conferences and we are negotiating with all of the hotels to find viable solutions. As soon as we have the needed clarity, we will let you know.

GGI has existed for 25 years and has witnessed complex situations: financial crises, volcanoes, economic downturns – together, we managed to overcome them all. Some lessons we can draw from the past are certainly that no crisis has lasted forever and also that it is part of our DNA to adapt, to focus on solutions, to cooperate and to succeed. That's the reason why hundreds of thousands of clients all over the world rely on GGI member firms as their trusted advisers, their entrepreneurial partners and their competent friends; not just in times of booming economies but also in times of hardship.

The fact is that now more than ever, clients need support and advice regarding their businesses. Supply chains might be disrupted, labour and employment law questions are increasing, tax refunds might generate liquidity, transactions might be stifled, force majeure aspects arise, new opportunities come up, restructuring of firms might be more immanent, alternative business sources required, divestments might generate urgently required relief, audits represent an increased asset for refinancing, debt collection becomes more essential, securing rights is crucial, litigation, due diligence and many other aspects have become fundamental.

We are far away from suggesting that the challenges will soon be over, but we are certain that there is an increased need for professional advice and for guidance for almost all clients. Crises can also be opportunities: many of our members have set up in almost no time perfectly functioning home offices and continue to be available for their clients via email, telephone and video conferencing. Task forces addressing the most urgent needs of clients have been successfully set up and all these measures underline a strong message: we stay connected, we are here for you.

We have been in touch with many members over the last days and we will continue to make individual calls to members all over the world. Many Practice Group Chairpersons have confirmed that they will be offering webinars to all our members. We will start with a series of webinars in the second half of April, offering a different range of information related to a broad variety of topics. Three aspects are essential therein. Firstly, we would like to ensure the flow of professional information and the exchange of views and ideas about specific subject matters. Secondly, we continue to offer a platform to support personal exchanges among like-minded professionals and friends. In difficult times, it is always helpful to know that there are colleagues and friends all over the world. Thirdly, we want to ensure that the contact between members stays active, dynamic and alive in times we cannot travel. This third point is essential to be prepared from a strategic point of view for the near and distant future. Should the economic challenges increase, it is even more important to maintain trusted connections globally. Whenever there is a rebound, it will be crucial to be ready to offer a full range of global services to a demanding clientele, who will eventually want to invest again in new opportunities abroad.

"We stay connected" is not just a specific programme for our members; it is also a credo, underlining our solid conviction that we all have to cooperate to overcome challenges. Our team is dedicated in their efforts to ensure that we all make the best of this situation, for the benefit of our member firms and their clients.

Please do reach out to us or to a Practice Group Chairperson if you want to be actively involved in a webinar. It is our intention to record webinars in order to keep them available as videos for those who want to view them at a later stage.

GGI remains at your full disposal.

With our very best wishes for good health and our kindest personal regards,

Claudio G. Cocca, President and Founder

Michael Reiss von Filski, Global CEO

Atlanta, GA, USA | 23 – 24 January 2020

GCG M&A Dealmakers Meeting

The second ever North American GCG / GGI Dealmakers Meeting took place in Atlanta and was another tremendous example of GGI (legal & CPA) and GCG (investment banks) coming together to find new ways to add value to their clients and practices. GGI is grateful to Taylor English for their true sense of southern hospitality to the forty participants that were present from countries across the world. The event kicked off with a private tour of the new state-of-the-art Truist Park (formerly Sun Trust Park), located just outside of Downtown Atlanta, followed by dinner inside the private club level.

North American GCG Dealmakers Meeting in Atlanta

The formal agenda began with a panel discussion titled “Bridging the Valuation Gap” led by Lee Lloyd (J. Lee Lloyd), Walter Tomlinson (Statesman Business Advisors), and Brian Smith (Freeborn Peters). Each panellist discussed the advantages and disadvantages buyers and sellers have when the earn-out approach is taken.

Following the panel discussion, Harry Cendrowski (Cendrowski Corporate Advisors) and Chris Bouck (SDR Ventures) co-led a discussion on the “Current Issues in M&A Due Diligence and Utilizing Forensics in Quality of Earnings Analysis.” Lastly, the formal programme was concluded with a transparent and open working session, led by Raj Kothari (Cascade Partners), aimed at gathering feedback on current tools and formulating new objectives and initiatives to continue the strength of collaboration between dealmakers.

Panel discussion with Walter Tomlinson, Lee Lloyd and Brian Smith

This is the second time GGI has held a standalone event specifically tailored to the active dealmakers within the GGI community and it continues to reinforce the need and value of such meetings. The similarity of the member firms that attended, both in their standing, and experience, allowed a deeper level of conversation and exploration of potential value. It has become an event with its own identity and one that high level transactional focused professionals look forward to.

Zurich, Switzerland | 31 January – 02 February 2020

GGI Practice Group Chairpersons Meeting

Christian Bredlow from Digital Mindset

The 2020 Practice Group Chairpersons Meeting took place in Zurich between 31 January and 02 February, welcoming the leaders of the GGI Practice Groups from around the world.

Once a year, the Global Practice Group Chairpersons gather in Zurich to discuss their activities, any changes, and the latest topics dominating their groups. The meeting this year once again allowed for intense and stimulating exchanges, as well as many new ideas for projects and potential collaborations between the different groups.

GGI Practice Groups are institutionalised interest groups established by active GGI members and are open to all members from a range of disciplines. GGI experts (group members) from all over the world meet regularly to exchange information and find more effective approaches and solutions to clients' issues. In these meetings, group members keep up-to-date with international information and issues relevant to their practice areas. GGI encourages the exchange of ideas, views and experiences to further strengthen communication among fellow members with common practice backgrounds.

Global Practice Group Chairpersons are responsible for strategic planning, practice group management, delivery of services, and marketing and practice group positioning within GGI.

The meeting started on Friday evening with a welcome dinner at the Brisket Restaurant located in in Zurich West, a formal industrial district recently evolved into a hotspot for those at the forefront of cool in the city. Participants took this opportunity to meet each other for the first time this year in an informal and relaxed atmosphere.

On Saturday morning, the main session started with an update and overview on the Practice Groups' mission, objectives, structure and development by Michael Reiss von Filski, Global CEO of GGI. He also addressed some of the challenges faced by the Practice Group Chairs. The meeting continued with a roundtable focused on exchanging experiences and best practices in chairing a practice group.

The second part of the morning session featured a presentation by Christian Bredlow, from Digital Mindset, who discussed reasons behind current buzzwords, such as "agility" and "New Work". Mr Bredlow explained the importance of the topic for SMEs and their executives, as improved new-work flows and leadership only can be successfully implemented if they are understood and lived by the executives in the firm.

As a conclusion to this year's meeting, the Practice Group Chairpersons were treated to dinner at the Storchen Hotel, in the very heart of Zurich's Old Town.

Next year's Practice Group Chairpersons Meeting will take place in Zurich from 29–31 January 2021, another terrific opportunity to sit together and leverage the experiences of one another in order to improve even further the GGI Practice Group experience.

Frankfurt am Main, Germany
27 February – 01 March 2020

GGI ITPG Global Tax Summit in the City of Skyscrapers

Oliver Biernat, Global Chairperson of the ITPG

This year's GGI ITPG Global Tax Summit took place in Frankfurt am Main in the very centre of the city, where we were able to reach many attractions by foot – whether for leisure, shopping, dining or just exploring the German centre of finance.

Due to the spread of the new coronavirus, delegates from China and Italy stayed away but in the end there were over 50 participants present.

As usual, the event started on Thursday afternoon with a meeting of the Indirect Taxes Practice Group, led by PG Chairperson Steve McCrindle (from Haines Watts, UK). Among other topics, the import regulations of Germany, the Netherlands and the UK were discussed, with a focus on how to avoid paying import VAT and/or how to register a company for VAT purposes in the post-Brexit trading era.

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Participants enjoy great technical presentations, and also the funny ITPG quiz

Thursday evening was the first opportunity for everyone to get together, with dinner at TnT Thurn und Taxis Palais, less than a five-minute walk from the hotel. First-time attendees (new PG members) were able to get an impression of the special and friendly atmosphere within the ITPG.

The ITPG Global Chairperson and Managing Director of this year's host firm Benefitax GmbH, Oliver Biernat, welcomed the delegates on Friday morning on a hoverboard with a surprising video and presentation in Star Trek style. Afterwards, GGI Global CEO Michael Reiss von Filski emphasised in his moving greeting how important it is to meet people from different countries in view of the globally increasing right-wing extremism.

The internal ITPG topics presented by Oliver Biernat and the PG's Regional Chairs included new projects, special offers for member companies, ITPG statistics, personnel and news from the regions.

For the third time, awards were given out for the best presentations made at all ITPG meetings in the previous year. Ashish Bairagra awarded the prize for the Best Technical Tax Presentation to Oliver Biernat for the role-play court case (in Tel Aviv), "Can an Incorrect Transfer Price Send You to Jail?" The award for the Most Innovative Speaker once again went to Jeff Mowery, this time for his presentation in Marrakesh, "Driving Explosive Growth through Alternative Service Offerings".

Afterwards, Oliver Biernat and Eva Sutter checked if participants had been paying attention to the internal topics by means of a quiz. Six delegates got many answers right and could celebrate themselves as "champions" by singing along to Queen's "We are the Champions". Each of them also received an "Eye-Pad" as a prize. No, not an iPad, but when Oliver announced the prize verbally it sounded as if they would get an iPad (German sense of humour...). Information for all participants: the quiz results are kept in a safe place and will only be used in case of an absolute emergency, whatever that may be.

The first technical presentation of the event was provided by Prof Roberto Cagnazzo (from Studio Tributario Cagnazzo, Italy) as the only Italian attendee with "Taxation of Cross-border M&A in Italy". Carlos Frühbeck Olmedo (from Ficesa Treuhand, S.A.P. Auditores y Asesores Fiscales, Spain) followed with a presentation on "Application of the Spanish Participation Exemption Regime in Corporate Tax". Nick Brennan (from Citroen Wells Chartered Accountants, UK) talked about "Cross-border Estate Tax Planning – a UK Perspective", and Graeme Saggers (Nolands SA, South Africa) reported on "Exchange of Information: Does it Work? A South African Perspective". Prof Robert Anthony (from Anthony & Cie, France) dealt with "CFC and Substance".

The afternoon technical contribution was a case study, "Residency Traps", led by Ashish Bairagra (from M L Bhuwania and Co LLP, India). Participants worked together in international teams to solve different problems that may arise when foreigners become resident in another country and the tax implications that may have. All presentations were followed by Q&A sessions and lively discussions. After a long day with a lot of expert knowledge exchanged, some relaxation was necessary – and so we learned and experienced from Kathrin Arrocha, qualified yoga teacher (and also representing ATG Allgäuer Treuhand GmbH Wirtschaftsprüfungsgesellschaft, Germany), how important and health-promoting meditation and yoga are. The short breathing exercises at the end of the session was very relaxing.

We spent Friday evening in a cozy, typical Frankfurt restaurant with local specialties and used the time for extensive networking.

The Saturday was also packed with top-class topics: Jean-Pierre Verlaine (from Engelwood Global Services Sarl, Luxembourg) started with a very vivid presentation and case study on "DAC 6 - Mandatory Disclosure Regime (MDR) – A New European Tax Transparency Regime", after which a lively discussion and numerous questions arose. Marc Niederöst (from

Ashish Bairagra awarded the prize for the Best Technical Tax Presentation 2019 to Oliver Biernat

The award for the Most Innovative Speaker 2019 went to Jeff Mowery

Treuhand- und Revisionsgesellschaft Mattig-Suter & Partner, Switzerland) spoke about "The Swiss Tax Reform for Enterprises 2020", and Bärbel Wierzoch (from Kieffer Stübben & Partner Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Germany) chaired a panel discussion on "Country-by-Country Reporting: First Experience". Panellists were Fernando Lopez (from US firm, Prager Metis International LLC), Claudine Heinrich (from Hans & Associés, France), who also presented the Italian point of view on behalf of Matteo Bedogna (from Baldi and Partners, Italy), and finally Ashish Bairagra (from Indian M L Bhuwania and Co LLP), who also represented Glen Wei (from Horizon Group, China) with the Chinese view.

The last speaker of the day was Jeff Mowery (from Mowery & Schoenfeld LLC, USA). With his lecture on "Time is Money: Managing Ourselves against the Clock", he gave numerous valuable and unconventional tips on time management.

Following lunch, the participants used the afternoon for shopping, a guided tour through the city of Frankfurt, workout or a nap in order to get ready for a long but rather exciting evening.

The "Genussakademie Frankfurt" provided an excellent backdrop for the evening, where the delegates had to prepare their own dinner. With a total of nine courses under the guidance of professional chefs, the dishes were prepared at individual stations and in the end a (seemingly) huge chaos turned into a delicious dinner. Everyone agreed that cooking is a wonderful way to network. In addition, the host firm Benefitax had brought along glow sticks from which the participants made colourful jewellery and decorations – from chains to flowers, glasses and much more.

Delegates enjoyed preparing their own dinner

All in all, the GGI ITPG Global Tax Summit was once again a great success. Newcomers became friends. Friends strengthened their relationships, and all learned new tax topics from the wonderful presentations and lively discussions. It has been reported that some have also started cooking their own meals at home…

Participants showing off their self-created accessoires made from glow sticks

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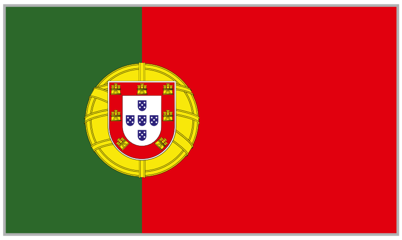

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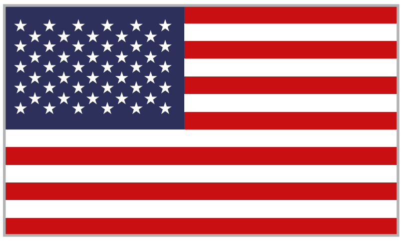

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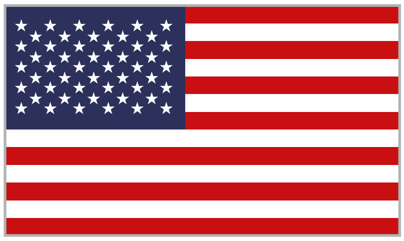

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WE WISH TO EXTEND A VERY WARM WELCOME TO OUR NEW DISTINGUISHED MEMBERS.

Do Not Miss Out on Nominating Your GGI Colleagues

If you have not yet taken the opportunity to nominate a fellow GGI member to receive GGI's Member Firm of the Year Award 2020, you may do so now. It will only take 2 minutes of your time. In order to nominate a fellow GGI member firm, just send an email to Anita Szoeke (szoeke@ggi.com) before 27 March 2020 with the following information:

- Name, firm, and e-mail address of the member who is nominating another member;
- Nominated firm;
- Reasons for nomination.

As an alternative, you can also use GGI's online voting system:

- Go to our website www.ggi.com > Member Login > GGI Awards > GGI Member Firm of the Year > Submit your nomination.
- Fill in the required information and click "Send".

Nominations must be submitted before 06 April 2020. All GGI members are eligible to submit one nomination per person. Self-nominations are not accepted.

Lawrence Grant's 50th Anniversary Fundraising Gala Dinner

GGI members came to celebrate with Lawrence Grant: Oliver Biernat (Germany), Alan Rajah (Lawrence Grant, UK), Kanish Thevarasa (Canada), Michael Reiss von Filski (Switzerland)

Lawrence Grant recently celebrated its 50th anniversary with a glittering gala dinner on Friday, 07 February, held at the magnificent Drapers Livery Hall in the heart of London.

While celebration was definitely a key element of the night, there was another very important fundraising focus of the evening: to raise money for the Young Harrow Foundation (YHF). This is a local charity that helps disadvantaged young people by positively addressing five key areas of concern (mental health, youth violence, inequality, employability, and physical health) and helping them to have the opportunity to fulfil their potential.

As well as a delicious three-course meal, entertainment from table magicians, and a delightful string quartet providing beautiful background music, a silent auction was held with a range of prizes on offer, including yacht holiday packages, designer handbags, sports memorabilia, unique artwork, and a number of exclusive experiences.

Ron Grant, one of the two founder partners of the firm, was presented with a special recognition award. Marian Lawrence also picked up an award on behalf of her husband, the late Peter Lawrence.

Some of Harrow's young people, supported by charities with whom the Young Harrow Foundation works, also gave very emotive talks about how their lives had changed, having connected with the charity.

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Michael Reiss von Filski presenting the awards

GGI Global CEO, Michael Reiss von Filski, flew over specially from Zurich to attend the event and gave out team and individual awards to acknowledge the achievements of Lawrence Grant's staff over the past 12 months. He said,

> "GGI celebrates its twenty-fifth birthday this year and it is with pride that, for those 25 years, Lawrence Grant has been a member of GGI – a founding member! What a pleasure it is to celebrate 50 years of Lawrence Grant tonight at Drapers Hall with all of you!
>
> On behalf of our Chairman and Founder, Claudio G. Cocca, the Board of Directors of GGI, our Executive Committee, and all our member firms, clients, and friends, we wish Lawrence Grant a very Happy Birthday, with due thankfulness for having always been an active, dynamic, exceptional, and dedicated member firm we can rely on and trust."

Alan Rajah added,

> "Our 50th anniversary gala evening was an incredible success and a testament to the values, ethics, and professionalism that the partnership stands for. These have enabled us to deliver a high-quality service to our clients, while at the same time fulfilling our corporate responsibility to the local community. I cannot express how thankful I am to colleagues, friends, and clients who came along from the UK and all around the world to help us celebrate this huge landmark in the company's history, and to help raise funds for young people in Harrow."

Navolio & Tallman LLP Promotes Two Long-Standing Employees as Partners

Navolio & Tallman LLP, a CPA firm based in San Francisco, has announced that Celia Lau and Stephanie P. Ringrose have been admitted into the partnership, effective 01 January 2020.
The firm prides itself on investing in and developing an entrepreneurial team that is dedicated to excellence and that helps clients achieve their goals and improve their lives through

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the advisory and professional services they provide. “Celia and Stephanie have been with the firm for 10+ years and exhibit many of the firm’s values, such as their dedication to excellence, high energy, responsiveness, and trustworthiness. We are so proud of them and believe their admission will greatly strengthen our partnership,” stated John C. Navolio, Managing Partner of the firm.

Celia Lau

Celia Lau, CPA

Celia Lau, CPA, spent the first five years of her career working with high-net-worth individuals and real estate clients at Deloitte Tax LLP in San Francisco before joining Navolio & Tallman LLP as a Tax Manager in 2010. In that time, she has expanded her breadth of experience providing tax planning, compliance, and consulting services across a variety of industries (including venture capital, private equity, hedge funds, start-up companies, and privately-held businesses) while adding depth of experience to and honing her expertise in the taxation of high-net-worth and ultra-high-net-worth individuals and real estate partnerships/LLCs. Celia is the partner in charge of the firm’s tax practice, and she also has extensive experience researching complex tax issues and representing clients in income tax return audits with the Internal Revenue Service and California Franchise Tax Board.

Stephanie P. Ringrose

Stephanie P. Ringrose, CPA

Stephanie P. Ringrose, CPA, has more than 10 years of public accounting experience in audit, review, compilation, and accounting services in a variety of industries, including real estate, trusts, alternative investment vehicles, registered investment advisors, broker-dealers, private foundations, and privately-owned businesses.

She also provides surprise examination services under SEC custody rules. Stephanie’s strong understanding of accounting and internal controls gives her the opportunity to consult with, advise, and add value to clients’ financial reporting processes. In addition to providing audit and accounting services, Stephanie is the partner in charge of the firm’s IT department.

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Equipment Leasing & Finance Association (ELFA):

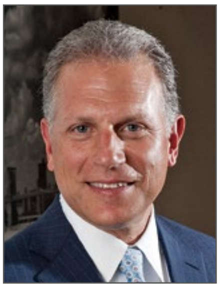
Marc L. Hamroff Appointed to the ELFA Legal Committee

The Equipment Leasing & Finance Association (the ELFA) announced the appointment of Marc L. Hamroff, Managing Partner at Moritt Hock & Hamroff LLP (MH&H), to the ELFA’s Legal Committee. Hamroff’s appointment was effective 01 January, and he will serve a three-year term on the Committee.

Hamroff previously served on the ELFA Legal Committee in the early 2000s, and he welcomes the opportunity to rejoin it. “I’m thrilled to return, after many years, to serve on the Legal Committee,” Hamroff said. “The committee’s role in supporting the complex and diverse legal issues confronting the equipment finance industry has always been second to none, and I am proud to serve with such impressive and diverse colleagues."

Hamroff has been a member of the ELFA for more than 30 years and is a frequently featured speaker and presenter at ELFA conferences and conventions. Hamroff delivered the Legal Update to the ELFA Legal Forum for many years and frequently speaks at the ELFA's Captive Finance, Credit and Collections, and Legal Forum conferences, as well as at the ELFA Annual Convention.

Ted A. Berkowitz, Partner and General Counsel of MH&H, said, "Marc has been and continues to be a leader at MH&H, in his community, and in his profession. MH&H strongly supports



Marc L. Hamroff

his commitment to contributing his experience and expertise to the ELFA Legal Committee and is proud to have Marc share his knowledge with the larger equipment leasing and equipment finance community through the ELFA."

Hamroff joined MH&H in 1983 and became a name partner in 1989. He chairs the firm's Financial Services Practice, which includes the Bankruptcy, Equipment Leasing, Secured Lending, Distressed Assets, and Creditors' Rights Groups, and provides special concentration in litigation, workout, and bankruptcy matters nationwide. As head of the Financial Services Group, Hamroff has spearheaded the representation of secured lenders, banks, and lessors in a wide range of transactions.

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Moss & Barnett's Board of Directors:

Kevin M. Busch and Timothy L. Gustin Re-elected

Kevin M. Busch and Timothy L. Gustin were recently re-elected to three-year terms as members of the Board of Directors of GGI member law firm of Moss & Barnett.

Busch serves as the firm's Chief Operating Officer and Chief Financial Officer and is a member of the firm's Financial Services, Business Law, Mergers and Acquisitions, Multifamily and Commercial Real Estate Finance, and Energy and Public Utilities practice areas.

Gustin serves as the firm's Chairman, chairs the firm's Multifamily and

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Kevin M. Busch

Timothy L. Gustin

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Commercial Real Estate Finance and Real Estate practice areas, and is a member of the firm's Financial Services practice area.

Busch and Gustin will each continue practicing law on a full-time basis, in addition to handling their management responsibilities. They are joined on the board by co-directors, John P. Boyle, Jana Aune Deach, Brian Grogan, and James J. Vedder.

Robert Jacobson, Matt Niemiec, Lauren Clawson: Promotions to Partner

GGI member firm Kutchins, Robbins & Diamond, Ltd. (KRD), a public accounting and financial advisory CPA firm with offices in the Chicago area, would like to announce the following newly promoted partners.

Robert Jacobson

Matt Niemiec

Robert Jacobson, CPA, MST, was promoted to Partner in Tax Services. Jacobson is a seasoned professional with extensive experience in tax consulting and compliance. He specialises in real estate partnerships, service-oriented businesses, and high-net-worth individuals.

Matt Niemiec, CPA, EA, was promoted to Partner in Tax Services. His practice focuses on flow-through entities, C-corporations and high-net-worth individual taxation and planning. He focuses on manufacturing, distribution, real estate, and service and technology companies.

Lauren Clawson

Lauren Clawson, CPA, was promoted to Partner in Outsourced Accounting Services. Clawson works closely with small and medium-size organisations in various industries, including not-for-profits, professional service firms, real estate management, and start-ups. She provides business strategy for tax, finance, and accounting.

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Constantine E. Fournaris Admitted to the Delaware Bar

Constantine E. Fournaris is an Associate at the Wilmington law firm of Gordon, Fournaris & Mammarella, P.A. Born and raised in Wilmington (DE), Constantine attended the University of Delaware where he received a BS and MS in Accounting.

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He then moved on to receive his JD from Villanova University, Charles Widger School of Law. At Villanova, Constantine was President of the Tax Law Society and organised to have a group of Villanova law students work with the Volunteer Income Tax Assistance (VITA) Programme in Upper Darby (PA).

Constantine E. Fournaris

Constantine is currently pursuing an LLM in Taxation from Villanova University, Charles Widger School of Law. He is admitted to practice in Delaware and Pennsylvania.

Prager Metis CPAs Welcomes Jennifer L. Coyne as New Director

Noted Expert in Entertainment & Sports Industry Joins the Firm's Business Management Group

GGI member firm Prager Metis CPAs welcomes Jennifer L. Coyne, CPA, as its newest Director. Jennifer joins Prager Metis as a Director in the Business Management Department and will be based out of Prager Metis' Woodland Hills (CA) office.

"Bringing Jennifer on board is essential for our plans to expand our resources and further strengthen our reputation as the 'go-to' experts in Business Management Services," says Melody Young, Managing Principal.

"Jennifer's niche expertise in business management in sports will enhance the services we provide to our clients and will further strengthen our reputation. Her

Jennifer L. Coyne

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extensive and unique background is a valuable addition to the team."

Jennifer specialises in providing business management services to the entertainment industry, film production companies, music executives, artist management companies, entertainers, and professional athletes. Her specialties include complex accounting, tax services, venture capital deals, and advising sports-related businesses. Jennifer believes the importance of a successful relationship with clients is treating them like family. She also feels that education is a large part of her job and that the more her clients are engaged with their financial situation, the better financial choices that they can make.

"I'm very excited to join the Business Management team at Prager Metis," says Coyne. "We share a commitment to provide every client with both sound advice and outstanding personal service."

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US Visa Options for Foreign Businesses and Entrepreneurs

By Mohammad Ali Syed

The L intracompany transfer visa and the E treaty-investor and trader visas are excellent options for international businesses to expand operations in the US. Foreign businesses, regardless of nationality, can send executives, managers, and other workers to work for existing or new offices in the US under the L visa category. The E visa category is available only to businesses and nationals of certain countries that have treaties with the US.

Mohammad Ali Syed

The L-1 Intracompany Transfer Visa

The L-1 visa permits key professional employees to transfer from an overseas office to an existing office of a parent, branch, affiliate, or subsidiary of the same company in the US, or to set up a new office. The L-1A allows for a US employer to transfer an executive or manager. The L-1B is for an employee with specialised knowledge.

An intracompany transferee is someone who has been employed abroad continuously for one year (by the qualifying entity) and within the three years preceding their L-1 application and admission into the US. Individuals who take brief trips for business or pleasure (on B visas) will not be viewed as interrupting their one year of continuous employment.

Requirements for Eligibility

For eligibility, one must have:

- One year of work experience with the same employer during the three years preceding the application;
- Common ownership and control between the US and foreign entities;
- Start-ups/new offices need to show strong business plans, and other evidence such as a lease for office space, sales contracts, and copies of applicable business permits, etc.

Examples

- Law firms overseas wishing to set up offices in the US can use the L visa category to set up new offices in the US. These do not need to be staffed by US lawyers as long as they are not providing legal services and are engaged in marketing activities.
- Manufacturers of wine who sell wine to the US can set up marketing offices in the US.
- Tech firms who develop IT products and service US customers.

The E Treaty-Trader/ Investor Visas

The E-1 Treaty-Trader visa allows for a foreign national of a treaty-trader country to be admitted into the US for the purpose of engaging in international trade. This visa is applicable to individuals or employees of a qualifying organisation or company who will be engaged in international trade. Trade to be considered for this category includes both physical movements of goods or transportation and non-physical services (including banking, insurance, tourism, journalism, or technology).

E-1 Requirements for Eligibility

Individual

1. They must be a national of a qualifying treaty country.
2. They must show that they intend to engage in "substantial trade". The US Citizenship and Immigration Services (USCIS) states that this generally refers to "the continuous flow of sizable international trade items, involving numerous transactions over time".
3. They must carry out "principle trade", meaning at least half of all trades are between the US and the designated treaty country.
4. They must prove intent to return to their home country at the end of the visa.

Employee

1. They must be the same nationality as the principal employer and the principal employer must have the nationality of a qualifying treaty country.
2. They must meet the definition of an "employee".
3. They have a supervisory or managerial role that requires specialised knowledge or skills.
4. The employer must be either in the US on a current E-1 visa or, if applying outside of the US, they must prove that they can meet the E-1 qualifications.

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E-2 Treaty-Investor Visa

One alternative to the E-1 Treaty-Trader visa is the E-2 Treaty-Investor visa. For those with significant funds to invest and from a treaty-trader country, this may be an option. There are two ways to apply for an E-2 Treaty-Investor visa. Those in the US on another status,

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such as a B visa, can file a petition with USCIS, while in the US, to change status to E-2. Those outside the US can petition for an E-2 visa through a US consulate. Instructions on how to do so are outlined on the website of the relevant consulate. Documentation to include is typically the same as those for filing in the US, however it is essential to check with the consulate to see if other documents are required. Visas are typically granted for two to five years.

E-2 Requirements for Eligibility

1. Must be a citizen of a treaty country.

2. Must have invested or be in the process of investing funds and satisfy three criteria:

a. Legitimate possession and control of funds. The funds to be invested must have been obtained lawfully. Examples of evidence include tax returns, bank statements, and documents to support source of money.

b. Funds invested are subject to risk and loss.

c. Start of business must be imminent. Although no work can be done prior to the visa approval, the business should be ready. This may include a signed lease, a business bank account, an established website, and having purchased everything needed to start the business.

3. Applicant should be in a position to develop and direct the business. This also means that the applicant must have the appropriate education or experience necessary for the position and business.

4. Investment must be substantial. The USCIS has not defined what "substantial" means and there is no set minimum or maximum amount.

5. The investment and business cannot be marginal. There must be a business plan in place to show growth over a five-year period or that you plan to hire employees.

6. The applicant must intend to return to their home country after the visa expires.

Examples

- Korean restaurant in Washington, DC – E2 for principal investor, for essential employee chef, and for additional investor.
- Israeli pharmaceutical company setting up US office.
- UAE-based plastics-recycling business setting up operations in the US.

Amendments to the German Money Laundering Act

By Dirk Kohlenberg

Dirk Kohlenberg

With the implementation of the 4th EU Money Laundering Directive (RL [EU] 2015/849) in the German Money Laundering Act (*Geldwäschegesetz*, **"GWG"**), a transparency register was established in Germany on 01 October 2017.

According to this, legal representatives of legal entities and registered partnerships (together, **"legal entities"**) are obliged, among other things, to report details of their beneficial owners to the transparency register. The aim of introducing the transparency register is to record the natural persons behind company law structures.

According to Sec. 3, subsec. 2, GWG, a beneficial owner is defined as any natural person who directly or indirectly (a) holds more than 25% of the capital shares, (b) controls more than 25% of the voting rights, or (c) exercises control in a comparable manner to a legal entity.

The provisions of the GWG were reformed by the Amending Directive (RL [EU] 2018/843), which the German legislator transposed into national law with effect on 01 January 2020. In the following, an overview of some of the major changes with regard to the transparency register are given.

Scope of the Reporting Obligations

With effect on 01 October 2017, Sec. 20, GWG stipulates the obligation for legal entities to obtain, retain, and keep up to date the information on the beneficial owners of these legal entities referred to in Sec. 19, GWG, and to notify the registry administrator without delay for entry in the transparency register (together, **"reporting obligations"**).

Accordingly, in particular German companies in the legal form of a stock corporation *(Aktiengesellschaft)*, limited liability company *(Gesellschaft mit beschränkter Haftung)*, registered association *(eingetragener Verein)*, registered cooperative society *(eingetragene Genossenschaft)*, general partnership *(offene Handelsgesellschaft)*, limited partnership *(Kommanditgesellschaft)*, and partner company *(Partnergesellschaft)*, must report the following information on their beneficial owner:

- First and last name,
- Date of birth,
- Place of residence, and
- Nature and scope of the economic interest.

The scope of the reporting obligations has now been extended, with the consequence that, pursuant to Sec. 19, subsec. 1, no. 5, GWG, the **nationality** of the beneficial owner is subject to the reporting obligations to the transparency register.

In principle, these reporting obligations will also apply from 01 January 2020 to associations domiciled abroad, unless the information has already been submitted to another register of a member state of the European Union. The intervention of this reporting fiction is not dependent on whether the nationality of the beneficial owner can be deduced from the corresponding register of a member state.

Notification Obligations in the Event of Changes

Furthermore, in Sec. 20, subsec. 1a, GWG, the obligation for legal entities which are a) obliged to notify the transparency register and b) not registered with the commercial, partnership, cooperative, or association register, has been stated to immediately notify the body keeping the transparency register if their name has changed, if they have merged or dissolved, or if their legal form has changed.

Duty of Investigation

Beneficial owners of legal entities must notify these legal entities without delay of the information required to fulfil their reporting obligations and of any changes to this information pursuant to Sec. 20, subsec. 3, GWG. If the legal entity has not received any information from the beneficial owners for the purpose of fulfilling its reporting obligations or if the information is not otherwise known to it, the legal entity must, in accordance with the newly introduced Sec. 20, subsec. 3a, GWG, demand information from the shareholders known to it, to an appropriate extent, about the beneficial owners of the legal entity. The legal entity must document its request for information as well as the information obtained.

Notification Obligations of the Shareholders

In connection with the introduction of Sec. 20, subsec. 3a, GWG, a notification obligation of the shareholders pursuant to Sec. 20, subsec. 3b, GWG, was also established. Accordingly, every shareholder, irrespective of

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whether the shareholder is the beneficial owner, must inform the legal entity within a reasonable period of time of any change in the beneficial ownership, unless a) this information is already available from the transparency register or b) the shareholder is otherwise aware that the legal entity has knowledge of the new beneficial owner.

Reporting of Inconsistencies of the Person Obliged under Money Laundering Law

According to Sec. 23a, GWG, persons obliged under money laundering law within the meaning of Sec. 2, subsec. 1, GWG (e.g., credit and financial services institutions), are obliged to report without delay to the body keeping the transparency register any discrepancies they have identified between the information on beneficial owners published in the transparency register and the information and findings on beneficial owners available to them.

Recommendation for Action

Against the background that an intentional or reckless breach of the obligations mentioned above can be punished with a not-inconsiderable fine, the management of the respective obligated legal entity is recommended, in order to fulfil its corporate compliance obligations, to carefully check the existence of a reporting obligation or compliance with the obligations incumbent on it at short notice.

In particular, those legal entities which neither have all necessary information concerning their beneficial owners nor have already requested this information from the beneficial owners known to them are advised to request this information promptly from the beneficial owners known to them and to document their request for information and any information received in a verifiable manner.

In this context, as well as with regard to all other questions concerning the transparency register and the GWG, as well as a possible liability of the management bodies of German legal entities, we are at your disposal.

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The UK General Election – What Happened and Why, and What's Next?

By Richard Mander

What Happened?

The Conservative party won its fourth General Election in a row. It increased both its share of the vote and its parliamentary majority and therefore the fundamental question of whether the UK leaves the EU or not was removed. The UK left the EU on 31 January 2020.

Why did it Happen?

Why did so many previously Labour supporters vote for the Conservative party this time? In recent polls, the main reason appears to be a dislike of the Labour party leader, Jeremy Corbyn. He has been described as weak and indecisive.

Another major factor appears to be that many voters were fed up with the dithering surrounding Brexit and they just wanted to move on from it. Other factors include the relative popularity

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of Boris Johnson and changes in the voting behaviour of the working class.

A poll of the British people between November 2018 and November 2019 rated Boris Johnson as the most popular Conservative politician and the most famous, although he is more popular with men than women and with older rather than younger people. He is described by fans as confident, humorous, admirable, and intelligent.

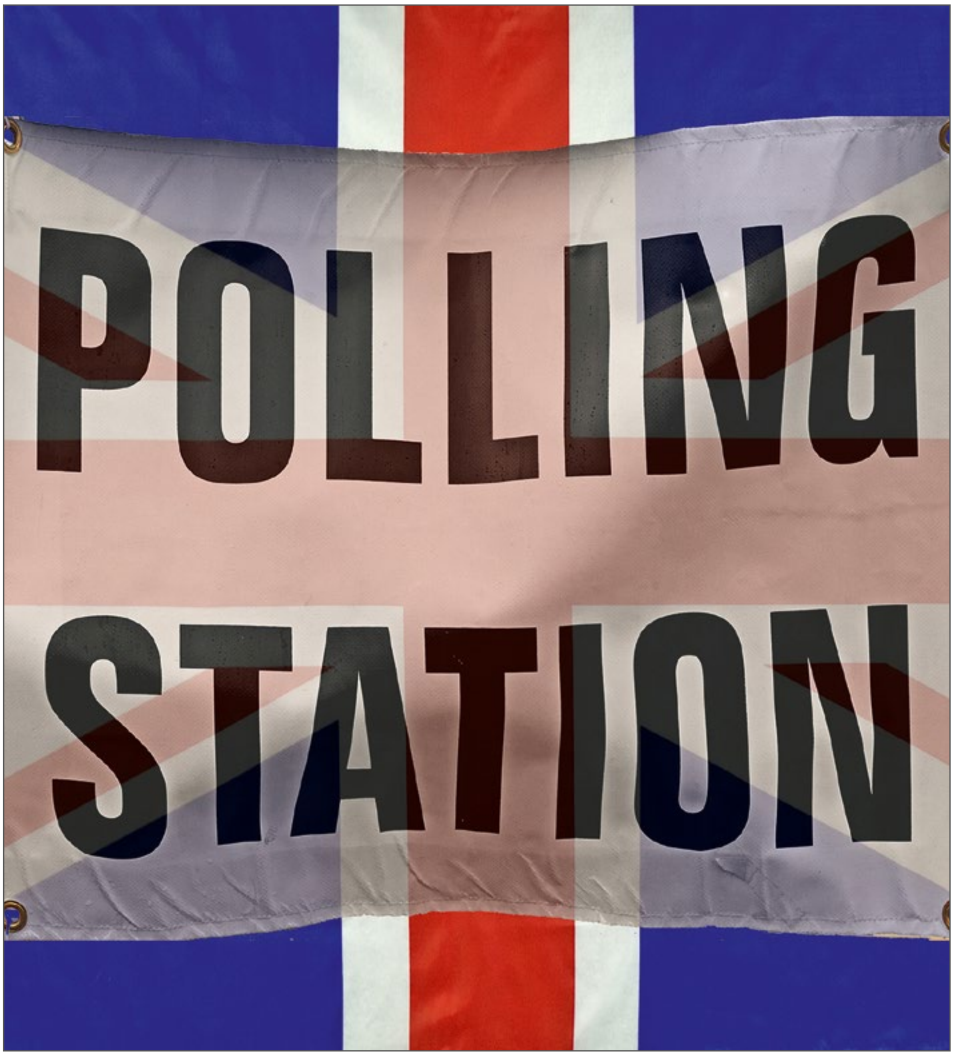
Fifty years ago, the way people voted in the UK was largely determined by social class and the working class were more likely to vote Labour. In recent elections, voting no longer differs much between working-class and middle-class voters. It does, however, differ between other groups, such as educational. Labour and the Liberal Democrats do better than the Conservatives amongst those who have a degree or higher.

However, age is the biggest dividing line in British politics, with older voters more likely to vote Conservative and younger ones Labour. The age at which a voter is more likely to have voted Conservative than Labour is now 39, down from 47 at the last election.

What's Next?

There is now a transition period until 31 December 2020 while the UK and the EU negotiate additional arrangements. The current rules on trade, travel, and business for the UK and the EU will continue to apply during the transition period.

According to Boris Johnson, post-Brexit trade talks with the EU will be completed by 31 December 2020 and new rules will take effect on 01 January 2021. All twenty-seven EU nations will have to ratify the deal and they all have their own areas of concern. France, Spain, Holland, and Denmark care about access to British fishing waters, whereas France and Germany, in particular, care about a level playing field on rules so that the UK does not obtain a competitive advantage.



Richard Mander

Regarding trade, it has already been agreed that Northern Ireland will be separate to the remainder of the UK, but the status of Gibraltar could be a sticking point in the talks. The EU may be more concerned about the rights of the three million EU citizens living in the UK than the UK are about the one million British citizens in the EU.

The UK is understood to want no tariffs, duties, or quotas on the sale of goods and appropriate equivalence on services. The EU is the UK's biggest customer for the service industry and services make up 80% of the UK economy. The fear in the UK is that the 31 December deadline will only be achieved by the UK having to make key concessions to the EU.

Despite the confusion caused by Brexit, 2019 turned out to be a reasonably good year for UK business, with the stock market up by 15%, sterling up by 4%, and the economy growing. The size of the world economy has grown by over a third in the past decade. This upward trend is showing signs of accelerating. World GDP may surpass USD 100 trillion before the next decade has ended. The International Monetary Fund estimates that in the next 10–15 years, 90% of global economic growth will originate from outside the EU. The UK may be in a stronger position, outside the EU, to benefit from that growth.

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The threat of Brexit has meant that well-run UK firms have analysed their current approach in order to develop a strategy for a better, more sustainable business model for the future.

Data suggests that, although the UK may lag behind some other EU countries and the US in terms of overall productivity, there are significant differences between different industry sectors and different areas of the UK. The UK Government has announced its intention to focus public spending on investment in some of the least productive areas of the UK and, with government funding of up to 95% for apprenticeships, the UK's overall productivity should improve over the next few years.

During London Tech Week in June 2019, it was reported that the UK ranked third behind the US and China in creating fast-growing global tech companies. The UK's booming tech industry has attracted record levels of investment in recent years. In its first year, British Patient Capital (an arm of the state-owned British Business Bank), which backs venture capital funds focused on growth businesses, made twelve investments totalling GBP 334 million. With GBP 2.5 billion of funds to invest into venture and venture growth capital funds, British Patient Capital is working alongside institutional investors with the aim of attracting a further GBP 5 billion of patient capital investment, unlocking GBP 7.5 billion of finance.

With the UK Government's National Infrastructure Strategy plan of spending over GBP 100 billion over five years on road, rail, and human capital (training), the nation looks well placed to benefit from a prosperous future outside the EU.

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Sustainability in Financial Reporting

By Dr Thomas Ditges

Dr Thomas Ditges

Climate, on everyone's lips, is just a word. Corporate responsibility extends far beyond that. The accounting system has already recognised this, though this has so far remained mostly hidden from the nonprofessional. For large undertakings and groups, especially with more than 500 employees, the German legislator has implemented the EU Directive regarding disclosure of non-financial and diversity information from 2014 with effect from 2017, amending the Directive on the annual financial statements, consolidated financial statements and related reports. The Directive concerns non-financial reporting on Corporate Social Responsibility (CSR), especially on all labour, social, and environmental issues, respect for human rights, and the fight against corruption. As in other areas, in order to create transparency through meaningful accounting and reporting, smaller companies are able to adopt the principles voluntarily and proactively. Stakeholders will be grateful; in addition to internal owners or shareholders, managers, and employees, these include external suppliers and customers, creditors, the state, and society. Not rarely has the extra-mandatory openness promoted marketing. For example, one can understand non-financial reporting as a part of voluntary abiding to the requirements of compliance, which attempts to standardise positive corporate behaviour beyond mere compliance with the rules.

Whether it all began with sustainability or with corporate governance may be left open. Following the forestry principle that no more trees must be cut down than can grow back, the principle of sustainability is based on the use and conservation of resources while permanently satisfying needs and preserving the natural ability of regeneration of the circumstances involved, above all economic, ecological, and social. Like the environmental report as part of a company's annual report in the past, today's sustainability report

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opens up sustainability management in the orientation of the company towards the future. In addition, corporate governance includes principles of corporate management for the legal and factual management and monitoring of the company in accordance with the totality of international and national rules, regulations, values, and principles on procedures, management, risks, etc. The definitions are fluid. In Germany, the action and management maxims are laid down in a code of conduct, which is adopted by a government commission of the Federal Minister of Justice and which is required by the German Stock Corporation Act for listed companies.

In particular, corporate social responsibility as the responsibility of the company in society for social and environmental issues combines economic concerns with voluntary social responsibility in a sustainable manner. This sustainability is the subject of non-financial reporting. The traditional annual financial statements included figures from the balance sheet, income statement, and notes. Since the Accounting Directive, the management report has been added as a verbalised report by the management. It is not only the CO2 decarburisation of the global economy in climate agreements, etc. that can call business models which are successful in the figures into question. Sustainability issues should be reported separately to stakeholders in order to enable them to check the consistency between figures and management's sustainability.

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Management is responsible for these non-financial statements on the course of business, business results, the situation, and the effects of the company's activities on the environment and society but is often not prepared accordingly at present. This includes the development of non-financial performance indicators, such as the development of the number of accidents at work, employee turnover, energy consumption, etc. From management's point of view, the result is an important source of information for shareholders, employees, and the interested public, presented, if possible, in a brief and meaningful way and related to the main issues. This can be implemented either in the management report itself or in a separate report, although, as always, it should be oriented on the understanding of the interested reader. The large number of technical terms used does not make this easier, but it is the result of the struggle for fairness in business life and in accounting as the accountability of those responsible.

Canada Business Corporations Act

New Record-Keeping Requirements for Private Corporations

By Matthew Kindree

Matthew Kindree

Effective 13 June 2019, private corporations regulated under the Canada Business Corporations Act are required to prepare and maintain a register of individuals with "significant control" over the corporation. Previously, the Canada Business Corporations Act (the CBCA) required corporations to maintain a register showing the names of each person holding shares of the corporation, but did not require the corporation to list individuals who were the beneficial owners of such shares or who had direct or indirect control or direction over such shares.

Individual with Significant Control

The CBCA defines an "individual" as a natural person. For the purposes of the CBCA, an individual has significant control over a corporation where:

1. The individual is the registered holder of, the beneficial owner of, or has direct or indirect control or direction over a "significant number of shares of the corporation"; or
2. Has any direct or indirect influence that, if exercised, would result in control in fact of the corporation.

For the purposes of the above, a "significant number of shares of a corporation" is, a) any number of shares carrying 25% or more of the voting rights of the corporation's outstanding voting shares, or b) any number of shares equalling 25% or more of all of the corporation's outstanding shares measured by fair market value. Two or more individuals will each be considered to be an individual with significant control if they jointly are the registered holders of, the beneficial owners of, or have direct or indirect control or direction over, a "significant number of shares of the corporation".

Record-Keeping Requirements

Subject to certain limited exceptions, all private corporations regulated under the CBCA will be required to prepare and maintain a register of individuals with significant control over the corporation that sets out:

1. the names, dates of birth, and latest known address of each individual with significant control;
2. the jurisdiction of residence for tax purposes of each individual with significant control;
3. the day on which each individual became or ceased to be an individual with significant control;
4. a description of how each individual is an individual with significant control over the corporation, including, as applicable, a description of their interests and rights in respect of shares of the corporation;
5. certain other information prescribed in the future; and
6. a description of each step taken to comply with the corporation's obligation to update the information each financial year of the corporation.

At least once during each financial year of the corporation, the corporation will be required to take **reasonable steps** to ensure that it has identified all individuals with significant control over the corporation and that the information in the register is accurate, complete, and up to date. The corporation will also be required to update the register within fifteen (15) days of becoming aware of any changes to the information contained in the register.

It is unclear at this stage what constitutes "reasonable steps" or what

actions a corporation will be required to take in order to comply with the foregoing obligations; however, our "best practice" recommendation is that the corporation review its register of shareholders annually and canvass shareholders to determine whether any individuals other than the shareholders could constitute individuals with significant control over the corporation.

Access to Register

The register of individuals with significant control over the corporation will not be available to the public; however, shareholders and creditors of the corporation can require the corporation to permit them access to the register during the usual business hours of the corporation.

In order to obtain access, the applicant will need to submit an affidavit setting out,

1. the name and address of the applicant;
2. if the applicant is a corporation, the name and address for service of the corporation; and
3. a statement that any information from the register will not be used except in connection with,
   a. an effort to influence the voting of shareholders of the corporation,
   b. an offer to acquire securities of the corporation, or
   c. any other matter relating to the affairs of the corporation.

The restrictions on use of the information contained in the register is the same as the restrictions on use imposed on persons granted access to the information contain in a corporation's shareholder register.

Exemptions

The requirements to prepare and maintain a register of individuals with significant control over the corporation applies only to private corporations regulated under the CBCA. Reporting issuers and corporations listed on a designated stock exchange will be exempt from the new record-keeping requirements as they are already subject to certain requirements obligating disclosure of beneficial ownership of their shares.

It is anticipated that similar requirements will be imposed under the provincial corporate statutes; however, at present, none of the provinces have instituted amendments to incorporate such requirements.

Consequences for Breach

A corporation that, without reasonable cause, fails to prepare and maintain a register of individuals with significant control over the corporation may be liable to a fine not exceeding CAD 5,000 and its directors and officers may be liable to a fine not exceeding CAD 200,000 or to imprisonment for a term not exceeding six months, or to both. A shareholder of a corporation that refuses to provide information requested by a corporation to comply with its record keeping obligations in a timely manner may also be liable to a fine not exceeding CAD 200,000 or to imprisonment for a term not exceeding six months, or to both.

The author would like to thank Modasir Rajabali, student-at-law, for his assistance in preparing this article.

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Report Crimes Against Children – It's the Law

By Elizabeth L. Troutman and Jill R. Wilson

Elizabeth L. Troutman

Jill R. Wilson

By enacting Session Law 2019-245, the North Carolina General Assembly imposed new broad-sweeping requirements to protect children, making the failure to report certain criminal acts perpetrated against children a crime. The new law mandates that any individual over the age of 18 who knows or reasonably should know that a juvenile is the victim of child abuse, a violent offense, or a sexually violent offense report that information to law enforcement.

Prior to this law, individuals over the age of 18 were required to report child abuse, child neglect, and child dependency to the local Department of Social Services. This requirement remains in place, but now child abuse and other offenses must be reported to law enforcement as well.

Notably, there is no exception if the violent offense or sexually violent offense is perpetrated by another child; nor is there an exemption for parents.

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Do not miss the GGI Practice Group Webinars

Many Practice Group Chairpersons have confirmed that they will be offering webinars to all our members. We will start with a series of webinars in the second half of April, offering a different range of information related to a broad variety of topics.

Objectives are to

- ensure the flow of professional information and the exchange of views and ideas about specific subject matters;
- offer a platform to support personal exchanges among like-minded professionals and friends;
- ensure that the contact between members stays active, dynamic and alive in times we cannot travel.

Please do reach out to us or to a Practice Group Chairperson if you want to be actively involved in a webinar. It is our intention to record webinars in order to keep them available as videos for those who want to view them at a later stage.

BUSINESS DEVELOPMENT & MARKETING (BDM) PRACTICE GROUP

BDM PG Survey results #2

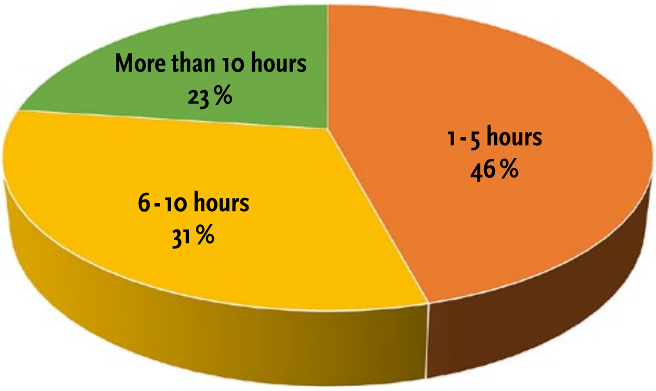
Dear GGI colleagues,

Picking up from our last column in the XX Insider, we'll review the results from our survey regarding **how many hours a week is spent on Business Development and Marketing.** Before we review the results it's important to mention that we asked those filling in the survey for their own input – most of the respondents were partners and part of senior leadership at their firms.

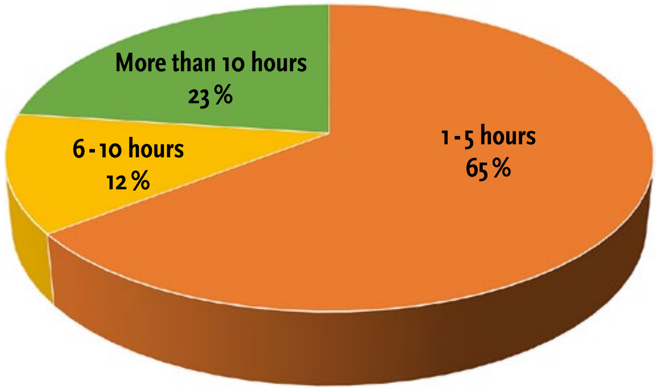
Jim Ries

Talia Berger

How many hours a week do YOU devote to Business Development?



How many hours a week do YOU devote to Marketing?



Noteworthy: Of 50 firms surveyed, in both cases 11 firms spend over 10 hours a week on both Business Development and Marketing. Following our previous column and reviewing the results, it is assumed their duties lie mostly in Business Development as 60% of firms have a dedicated marketing person.

There was no "zero hours" option given! As GGI member firms, we realise that each firm understands the importance of Business Development and Marketing and as such devotes time to both.

Over 50% of respondents devote over six hours a week (!) to Business Development efforts. This result is indeed very encouraging.

Business Development activities may include; maintaining client relationships, attending conferences and networking events, researching new opportunities in new and existing markets, and preparing quotes, bids, and proposals. These actions all might go unrewarded for long periods of time. That is why it is crucial to keep at it! Business Development in the professional service

Sixty-five percent of respondents chose the option of devoting the least time to Marketing activities. In cases where these firms have a dedicated marketing person, this is completely understandable; but we know from our last column that only 60% have a dedicated marketing person, which means there are firms that are not devoting enough effort to their branding, positioning, and reputation.

Establishing relationships, trust, and reliability to win business is not only dependent on Business industry is much more complex then selling a product with certain attributes that could be better or worse than competitors'. Our services all require a large amount of trust to be attained for our efforts to succeed. Trust and reliability are best attained by building ongoing, consistent and amiable relationships with decision makers. At the end of the day, even the CEO of a huge global company is still an individual who would like to work with a like-minded, pleasant, approachable, and of course professional individual, regardless of the size and pedigree of their firm, making every hour spent on cultivating these relationships worthwhile!

Development activities but very much verified by the Marketing efforts. Strong online presence, high rankings, and relevant published content can greatly assist and often facilitate bringing in new business. These days, even with the warmest, friendliest and most well-intentioned recommendation, almost every new contact will go online to look up the individual and their firm. What they see online or in professional publications can validate what they've been told and often be enough to "seal the deal"!

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Cracking the Code of the Directories

By Lee Saunders

Lee Saunders led a workshop as a Guest Speaker during the GGI World Conference in Marrakesh last year on the importance of rankings in today's competitive marketplace and discussed how GGI member firms could improve their rankings.

Lee Saunders

Once upon a time, in a legal galaxy far away, lawyers relied on the fact that doing great work would translate into getting more great work. While those days are far from over, the competition, both domestically and globally, demands that law firms fire up their efforts and add some fuel to their marketing engines. One of these engines is legal directories. For law firms, especially domestic law firms, the internal pressure to generate revenue is nothing new, but as corporate counsel demand maximum value, and are often looking to reduce the number of law firms they work with, visibility is all the more important – visibility on LinkedIn, social media, networking events, and the major international legal directories.
The London-based global veterans, such as Chambers and Partners, Legal 500 and IFLR1000 have been leading actors on the directory stage since the mid-1980s, and have expanded dramatically over the past decade, introducing a raft of jurisdiction-based and practice area guides, as well as GC seminars and awards. Today, they have been joined by Best Lawyers, Super Lawyers, and the myriad of rankings of tax, competition, and IP law firms and lawyers, as well as

major domestic rankings, such as Germany's Juve. The value of the legal directory market today has soared to over USD 250 million, but what about the value to law firms? Are they worth it and do clients use them?

Talk to General Counsel and they will tell you: Yes. GCs in Fortune 500 or FTSE 100 companies admittedly do not spend their whole days pouring over the rankings, but independent research continues to show that legal directories do play a role in helping them to decide which law firm to select, especially in foreign jurisdictions. If they know nobody there, the rankings help them to create a shortlist. If they do know the professionals there, the rankings can validate their choice of counsel to the board. With clients questioned about a lawyer's technical legal ability, professional conduct, client service, diligence, commitment, and other qualities, they also offer valuable market intelligence about the firm or lawyer in question. In short: they trust them.

Furthermore, while law firms can make their own claims about their skills and expertise on their websites, prospective buyers of legal services may be sceptical or find it difficult to verify them. With a comprehensive research methodology, the rankings provide valuable third-party endorsement.

Benchmarking yourself against your closest competitors, as well as the global firms in your market, is a valuable tool, while the rankings can also serve as a valuable recruiting tool, a magnet for the best talent emerging from law schools, attracting trainees and interns, the very future of your firm. Given these advantages, how do law firms avoid wasting their time and resources compiling, coordinating and submitting a vast number of legal submissions. Firstly, be selective. The major global directories — Chambers, Legal 500 and IFLR1000 merit your full attention. The content provided for each can be largely edited, reused, and repositioned in each of them. The content can also be vital to submit to the major law firm awards.

Once you have decided which ones carry the most weight for you, prepare early. Too many law firms, of all sizes, become experts in putting it off to the last minute. Keep your deals and cases recorded throughout the year to allow for easy access. Store press releases. File emails so you can see what work you have been doing easily. These are some of the tips that can save you time. Furthermore, pay attention to the criteria and methodology. As a former researcher and editor at Chambers, these have increasingly been introduced to help the research team meet their need to benchmark, as well as the demands on their time. With that in mind, focus on presenting the most important key messages in the correct format so that they can understand who and what you are about, in as little time as possible.

Mastering the written submission is key. It is the "voice" of the firm. Showcasing your best work is the most important factor but spend time on explaining the complex and innovative aspects of the work undertaken. From multiple jurisdictions to testing new pieces of legislation, what was your client trying to achieve and how did you help? What did you do as an adviser to get these deals across the line?

Once you have crafted your submission, which does not need to be a literary masterpiece, selecting the right clients will be vital. Ensuring their responsiveness and availability is one thing; their knowledge of the wider team is quite another. With many directories to submit for, consider referee fatigue, as well as the fact that your referees could well be listed by other law firms. Your local peers may feel like potential rivals, but if deals or cases have gone very well, use your judgement to see if they could also serve as a valuable referee. Those lawyers in other jurisdictions can also provide a useful boost.

Understanding and following some of these tips from the start of 2020 can really fire up those engines and have you revving to go when those deadlines come a knocking.

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Lee Saunders is a creative, driven, agile, and thoughtful marketing professional with more than 15 years' experience pertaining to content in the B2B sector. Lee is a longstanding former researcher, deputy editor and PR manager at Chambers and Partners. He is ideally positioned to help law firms improve the quality of their submissions, and subsequently their rankings. With more than 10 years' experience, Lee has also worked for international law firms in the UK, the US, Israel, India, and elsewhere to help improve their legal directory and award submissions. Lee advises corporate clients in relation to generating quality content that helps them shine in the right kind of spotlight.

CORPORATE GOVERNANCE & COMPLIANCE SPECIAL INTEREST GROUP

New Leadership Team of the Corporate Governance & Compliance SIG

By Anthony J. Soukenik

Anthony J. Soukenik

Dr Peter Wagesreiter

Dr Peter Wagesreiter and I are pleased to co-chair the Special Interest Group of Corporate Governance and Compliance. Francisco de la Torre (INTEGROUP, Tax, Legal & Audit, Mexico) will act as Regional Chairperson Latin America.

We look to bring new energy to our meetings as compliance is the new corporate governance. The customs, traditions and functions of board rooms in Europe may differ from the US, but the general concepts of governance, representation and insurance are very similar.

We will analyse the differences but also take note of the requirements so that our members have deliverables to take back to their clients as our topics will be relevant to lawyers, accountants and those in the investment capital platform. Whether it's the coronavirus, Brexit or the Patriot act and its progeny, regulations and reforms should not be ignored. We look forward to inviting our past and future participants to present multiple, fast-paced presentations during our 90-minute sessions so all the participants who invest their time with our special interest group shall have plenty of "take-aways", which in and of itself will have made participation in the programme and the conference worth all their investment of time and resources.

We look forward to seeing you at our meetings during Conferences in 2020!

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LABOUR & EMPLOYMENT LAW

National Labor Relations Board Ends 2019 by Overturning Multiple Obama-Era Labor Decisions

By Brian Casaceli and Nicholas Anastasopoulos

Brian Casaceli

Nicholas Anastasopoulos

In what has become a yearly tradition, the National Labor Relations Board (the "Board") ended another calendar year – this time, 2019 – with a flurry of precedent-altering decisions.

In *Apogee Retail LLC d/b/a Unique Thrift Store,* 368 NLRB No. 144 (2019), the Board held that work rules mandating confidentiality during workplace investigations are presumptively lawful. The Board's decision in *Unique Thrift Store* overturned its 2015 decision – *Banner Health System d/b/a Banner Estrella Medical Center,* 362 NLRB No. 137 (2015) – which required employers to affirmatively prove the need for nondisclosure rules in ongoing internal investigations on a case-by-case basis.

In deciding *Unique Thrift Store,* the Board was careful to note that the analysis will be different if an employer's rule mandating confidentiality is not limited in duration to "open investigations". In that instance, the work rule must be individually scrutinised to determine "whether any post-investigation adverse impact on NLRA-protected conduct is outweighed by legitimate justifications".

In a second major decision – *Caesars Entertainment d/b/a/ Rio All-Suites Hotel and Casino,* 368 NLRB No. 143 (2019) – the Board held an employer has the right to restrict its employees from using its own equipment, such as its email system, for non-work related communications, provided it does so on a non-discriminatory basis. In this respect, an employer can establish restrictions on the use of its email system, but the use restrictions cannot target union or other protected concerted communications.

The Board's decision in *Rio All-Suites Hotel and Casino* overturned its 2014 decision – *Purple Communications, Inc.,* 361 NLRB No. 126 (2014) – which held that employees given access to the employer's email communication system had a right, during non-working time, to use that system to engage in union-related activities.

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Leadership Tools to Make Revolutionary Change Happen for You and Your Business

Innovating Innovation

By David Morey

Innovation needs innovation: Innovation is broken. Business leadership is struggling to find ways to crack through corporate politics or bureaucratic silos, to move from defense to offense, to nurture real breakthrough, to drive visionary creativity in ways that add new value to everything they do. In Innovating Innovation, David Morey, one of America's leading strategic consultants, teaches, coaches, and guides you across eleven concrete and pragmatic steps that unlock and drive day-to-day innovation in your business and help you gain a long-term competitive advantage.

Make change and innovation happen: Innovating Innovation synergizes what is best in classic innovation theories with an insurgent strategic model inspired by one of Morey's first corporate clients, Apple founder Steve Jobs. It shows how to lead innovation that creates the products of visionary genius without the necessity for actual genius. It provides practical tools and guidance on building and leading the teams, working conditions, organizational structures, and cultures of market-made and market-making innovation. It illustrates a roadmap to the disruptive periphery, the organizational margins at which real innovation actually takes place.

Innovation can be taught: Innovating Innovation is a framework to counter failure. It directs you, the reader, to the consumer, the very person who will actually tell you how to innovate the benefits to create a future you can own. This book invites you to "think different," to become a change leader, to go the "wrong" way to get to the right places.

After reading this new battlefield manual for innovation, you will:

- Learn the Disruptive Periphery Concept and how it can give you the tools to help your business
- Discover a practical marketing-centric focus applied to innovation
- Reap the benefits of lessons developed from thirty years of real-world global consulting and training experience

Tiltle: Innovating Innovation: Leadership Tools to Make Revolutionary Change Happen for You and Your Business
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Have you got news to share?

A new partner perhaps?
Or new offices?
Or even new service offerings?

Keep us up-to-date with the latest happenings in your company or on any successful dealings you had with fellow GGI members! In this magazine, you will be able to announce if your firm added a new partner, if your company won an award, if you moved offices, if you offer new additional services, etc.

We invite you to share your views, thoughts and interests, and the latest news from your profession with the entire GGI Insider readership by contributing an article.

This is your magazine. All submissions are invited. The deadline for inclusion in the next issue is 04 May 2020. Please email Barbara Reiss at b.reiss@ggi.com with your contribution.

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