

The bimonthly newsletter of BKR INTERNATIONAL, the premier association of independent accounting and business advisory firms.

**VOLUME 37 • NO. 3**  
**May/June 2015**

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**CHAIRMAN'S LETTER**

As yet another busy season comes to an end in many parts of the world, BKR's annual round of regional meetings begins, affording us an exceptional opportunity to gather with our colleagues to discuss trends and brainstorm strategies to help us compete in our increasingly complex world.

I am looking forward to the upcoming **Asia/Pacific Regional Meeting** in Chengdu, China, from May 8-11, the **EMEA Regional Meeting** in Stockholm from May 15-18, and the **Americas Regional Meeting** in Philadelphia from June 5-9, and urge you to attend one or more of these outstanding events. I promise that you will be warmly welcomed in each region and return home re-energized with new ideas, an expanded circle of friends, and a new perspective on running your firm.

At our upcoming meetings, we plan to unveil the new look of BKR's Marketing Brochure and Directory of Members, and distribute copies to all attendees. We will also present BKR's 2015 Scholarship Award to deserving accounting students in our three regions, each of whom has been selected by our

**LATEST BKR STATISTICS:**

**162 Firms**  
**573 Offices**  
**80 Countries**  
**982 Partners**  
**8,669 Professional Staff**  
**1,113 Administrative Staff**

host firm together with their local university. The benefits of this initiative are exponential: the student receives much-needed financial assistance to attain their accounting degree, our host firm receives recognition in the community and builds stronger relationships with the local university and its accounting professors, and the BKR brand is enhanced throughout the world.

For those of you needing transfer pricing services for your clients, you will be interested to know that BKR has now established an alliance with Charles River & Associates (CRA). CRA is unique in that it will keep the BKR member a part of the engagement by allowing them to do all of the tax work involved, so your firm and your client both benefit! See CRA's latest article on the upcoming OECD and BEPS issues on page 9, as well as their contact information.

BKR's subregional groups have also been quite  
*Continued on page 7*

**DUBAI FIRM HOSTS BKR'S  
2015 MIDDLE EAST MEETING**

From February 10-12, members from the Middle East region of BKR International met for the second consecutive year following the initiation of this subregional meeting last year. Delegates met again in Dubai, representing member firms from Jordan, Lebanon, Iraq, Saudi Arabia, Turkey, and the United Arab Emirates.

Proceedings commenced with a drinks reception at the Oberoi Hotel, allowing delegates to get reacquainted prior to the business sessions taking place on the following two days.

BKR's EMEA Regional executive director,

**Stephen Hamlet** (London), was present throughout on behalf of BKR International and to chair the discussions. Stephen welcomed everybody to the meeting, and started by presenting an update to the group on the association and, in particular, the EMEA Region and its latest initiatives.

**Roy Kanaan** (Dubai) from the host firm, **Kanaan & Associates**, treated the group to a very useful presentation on Valuation Advisory Services and how his firm had started to grow this offering within their practice.

*Continued on page 6*

# MEMBER PROFILE:

## CHENGDU ZHONGDA (CHENGDU)

**Chengdu Zhongda**, established in 1987, was one of the first three CPA firms in Sichuan Province, China. It was founded based on 14 years of the development of the original Chengdu auditing firm and Chengdu CPAs. The original Chengdu auditing firm is a state-owned social audit agency, which has been directed and conducted by the Auditing Bureau of Chengdu since 1987. It was renamed Chengdu CPAs in 1997 by the Provincial Department of Finance.

In 2001, Chengdu CPAs, together with Chengdu Zhongda's asset appraisal firm, completed its privatization and reorganized to become today's Chengdu Zhongda. Currently, Chengdu Zhongda is composed of six independent members, providing comprehensive services in financial auditing, asset appraisal, real estate evaluation, engineering cost con-

sulting, tax consulting, judicial identification, management consulting, and more. Clients are mainly from government departments, state-owned enterprises, large group companies, and foreign subsidiaries in Chengdu, such as Volvo, Toyota, Carrefour, and Sony.

Chengdu Zhongda became a member of BKR International last year, and can now help clients take advantage of global opportunities and achieve their unique objectives in virtually any industry, anywhere in the world. The firm will continue to maintain its great passion for R&D in IT systems, the simulation of the price optimizing environment, and XBRL-applied environmental research, to name only a few.

The firm has been building up an excellent team of 60-plus professionals, including 24 CICPAs, nine CPVs, nine CTAs, and one ACCA affiliate, and most of its staff has more than 10

years of relevant experience.

Chengdu Zhongda was officially ranked 52nd among more than 400 CPA firms in Sichuan Province for 2013. They have grown to be an outstanding business partner, offering a wide range of professional services to their clients and dedicated to the prompt response to their needs.

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### SERVICES

#### Zhongda CPAs

- Statutory audit
- Liquidation audit
- Other specific audit
- Capital verification
- Bookkeeping
- Accounting policy design
- Financial advisory
- Business consulting

#### Zhongda Asset Appraisal

- Corporate assets valuation
- Patent, trademark right, and intangible assets appraisal

#### Zhongda Real Estate Valuation

- Real estate assessment

#### Zhongda Engineering Cost Consulting

- All kinds of machinery & equipment assessment
- Buildings and construction in progress evaluation
- To prepare and verify the infrastructure projects' budgets and final accounts

#### Zhongda Tax Consulting

- Tax agent
- Tax return preparation
- Tax advisory & consulting
- Tax compliances

- Annual enterprise income tax settlement
- Other statutory tax activities
- Training program on taxation

#### Zhongda Judicial Identification

- Judicial enforced auction items evaluation
- Judicial identification services

### OUR MISSION

Providing top-grade professional services and business solutions in order to add value to our clients

### OUR VISION

Enabling our clients to go further

## BKR IN THE PRESS

BKR International was featured on India's *Financial Chronicle* website. Read the full article, "BKR Plans to Expand Its Operations in India," at <http://www.mydigitalfc.com/news/bkr-plans-expand-its-operations-india-220>.

**Howard Rosen** (St. Louis) and **Maureen Schwartz** (Executive Office) were

recently quoted on *AccountingWeb* about the US tax system. To read the full article, visit: <http://www.accountingweb.com/article/survey-americans-believe-tax-system-need-overhaul/224571>.

**Jason Tonjes** (Omaha) and Maureen Schwartz were also quoted on

*AccountingToday* regarding growth benchmarks that managing partners should use. Read the article in its entirety at <http://www.accountingtoday.com/blogs/accounting-tomorrow/news/four-growth-benchmarks-every-managing-partner-should-use-74385-1.html>.

## MEMBER PROFILE:

# ADD & SUBTRACT AB (STOCKHOLM)

**Add & Subtract AB** was founded in 1999 by **Börje Krafft**. Over the years, the company has grown and now has 20 employees, as well as offices in both Stockholm and Skokloster, Sweden.

In 2008, the firm acquired Stockholms Redovisningspool, strengthening its capacity in terms of accountancy advisory and providing more services to its clients. Add & Subtract AB became an independent member of BKR International in 2010. In April 2015, the firm merged with AU Ekonomi and extended its client base by 50%.

Today, gathered under one roof are chartered and authorised accountants, audit assistants, and authorised and approved accountancy consultants. This allows the firm to offer qualified services within a wide range of areas, from general bookkeeping, financial control, and analyses to advanced taxation issues.

Add & Subtract AB's primary mission is to provide services to small and medium-sized, owner-run businesses in need of qualified

advice on financial matters in order to create an even better base for business development and viable business concepts.

The firm provides clients with their own contact person with whom they can brainstorm ideas and anything else concerning their company's finances and taxes, regardless of the number or types of services with which they need assistance. It is a timesaver, creating trust and enabling clients to always turn to Add & Subtract AB for advice on tax affairs.

Tax regulations are constantly changing, and the firm offers clients qualified advice on both company and private taxation. Its advisory services also extend to inheritance and gifts.

For family-run firms, taxation issues are an important part of the business for both the owner and the family. Add & Subtract AB review the bigger picture and provide analyses for the short and the long run. Highly knowledgeable within taxation issues, they offer advice on efficient tax planning for the company and the

owner, creating sustainable value for both.

Add & Subtract AB are ready to assist in all phases of the firm, including company formation, partnership issues, restructuring, mergers, sales, liquidations, and much more.

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## BKR MEMBERS MAKE ACCOUNTING TODAY'S 2015 TOP LISTS

BKR International is pleased to announce that a number of member firms made *Accounting Today's* 2015 top lists.

**Anchin, Block & Anchin LLP** (New York) ranked third in the "Leaders in A&A - Firms Under \$100 mn" and "Leaders in Tax - Firms Under \$100 mn" categories. The firm also came in at 37th in the "Top 100 Firms" list.

Among the "2015 Regional Leaders" rankings, **Mize Houser & Company P.A.** (Topeka) made the "Top Firms: Midwest" list. **Gross, Mendelsohn & Associates, P.A.** (Baltimore) placed in "Top Firms: Capital Region." **Ostrow Reisin Berk & Abrams, Ltd. Certified Public Accountants (ORBA)** (Chicago) was ranked in "Top Firms: Great Lakes." **The LBA Group** (Jacksonville)

placed in "Top Firms: Gulf Coast." **Anchin, Block & Anchin LLP** made the "Top Firms: Mid-Atlantic" list. **Briggs & Veselka Co.** (Houston) was ranked in "Top Firms: Southwest." Last but not least, **Gumbiner Savett Inc.** (Los Angeles) placed in the "Top Firms: West" list.

**ORBA, Briggs & Veselka Co., and Mize Houser & Company P.A.** also made the "Beyond the Top 100: Firms to Watch" list.

Read the full report at <http://www.accountingtoday.com/news/firm-profession/accounting-today-releases-top-100-firms-ranking-74016-1.html>.

## REMINDER!

Submissions for the July/August 2015 issue of the BKR International Worldwide Bulletin are due by Monday, June 8, 2015.

Electronic formats are preferred for both text (e-mail, Word, or PDF documents) and photographs (TIF or high resolution JPG attachments).

# MEMBER PROFILE:

## ST. CLAIR CPA SOLUTIONS (PHILADELPHIA REGION)

Founded in 1986 as St. Clair CPAs, P.C., **St. Clair CPA Solutions** is a peer reviewed, certified public accounting and consulting firm that is consistently ranked by the regional news media among the top accounting firms and fastest-growing privately held companies in greater Philadelphia and southern New Jersey.

Additionally, from 2012 through 2015, the firm has been annually recognized by the *Philadelphia Inquirer*, *Daily News*, and *Philly.com* as one of the region's top workplaces. The firm is a Better Business Bureau (BBB) Accredited Business with an A+ rating. These honors demonstrate St. Clair CPA Solutions' corporate commitment to promoting the well-being of its clients, profession, and community.

For more than 25 years, the firm's philosophy has been to build long-term relationships by exceeding client expectations with extraordinary service and integrity in an expanding array of business and financial services. Its vision is to help businesses and individuals build and manage wealth with comprehensive financial services for every stage of the corporate and family lifecycle. St. Clair CPA Solutions

joined BKR in 2009 to provide its clients with the exceptional worldwide services and professional affiliation demanded by a global economy.

As certified public accountants and business advisors, St. Clair CPA Solutions is dependable, reliable, and proactive in problem solving through strategic thinking. Closely held entrepreneurial businesses, municipal agencies, and nonprofit organizations trust the firm's consulting support and significant experience on a wide range of financial, operational, and business issues, from complex transactions and business valuations to succession planning, mergers, acquisitions, liquidations, inventory control, employee benefits, and strategic planning.

The firm's clients, representing nearly 50 industries, rely on St. Clair CPA Solutions to understand their needs by becoming personally involved with their businesses, blending state-of-the-art technology with hands-on personal service to deliver accurate accounting, auditing and analysis, reporting and tax services, and realistic recommendations that add value and efficiency to a range of business processes.

The firm adheres to the highest standards of the certified public accounting industry and engages in the maximum levels of ongoing professional development.

The firm's partners and staff are members of the American Institute of Certified Public Accountants (AICPA), the New Jersey Society of Certified Public Accountants, the Pennsylvania Institute of Certified Public Accountants, and The Center of Public



**St. Clair CPA Solutions Shareholders Alan B. Gubernick, William St. Clair IV, Joseph L. England, and Hal J. Michels**

Company Audit Firms and Private Companies Practice Section (PCPS) Peer Review Division of CPA Firms.

Reviewed by peers every three years, the firm is proud to consistently achieve the highest possible ranking for accounting firms. This ongoing recognition by its peers is a valued measure of the firm's success, but its greatest rewards come from achieving results for clients. St. Clair CPA Solutions offers Accounting for Life, Advising for Lifecycles™.

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### SERVICES

- Accounting and Auditing
- Business Consulting
- Employee Benefits
- Estate and Retirement Planning
- Executive Compensation
- Financial and Regulatory Reporting
- Investment Planning
- Litigation Support
- Personal Financial Planning
- Retirement Plans
- Risk Management and Insurance
- Tax Services
- Wealth Management

*The financial professionals of CPA Financial Group are Registered Representatives and Investment Adviser Representatives with/and offer securities and advisory services through Commonwealth Financial Network, Member FINRA/SIPC, a Registered Investment Adviser. Tax and accounting services offered by St. Clair CPA Solutions are separate and unrelated to Commonwealth.*

# MEMBER PROFILE:

## FISCHER CUNNANE & ASSOCIATES LTD

### (PHILADELPHIA REGION)

Fischer Cunnane is based in West Chester, Pennsylvania. Founded in 1972, the firm serves businesses with core accounting, audit and tax services, but that is just the beginning: The firm has a high level focus on tax and business planning, and provides specialized services for several large, public and privately-held businesses.

Our relationship-driven approach makes a difference to our clients. So does the stability and quality of our people. The firm invests in smart, educated, and highly experienced people who are committed to helping clients achieve their goals. As a result, our firm carries the experience and expertise typically found at a national firm. We think like business owners and CFOs, because we have held those positions in a variety of public accounting, corporate, and even academic organizations. That combination of perspectives allows us to design powerful solutions to achieve business and personal objectives.

Fischer Cunnane is proud to be recognized as one of the Best Places To Work In PA for the past two consecutive years.

**Tax Planning and Consulting:** Our tax team professionals, who average 25-plus years of experience, include nationally recognized experts in areas such as corporate structure, as well as specialists in various state and local jurisdictions. Fischer Cunnane provides tax planning and consulting services including:

- Business tax strategies;
- Entity selection;
- Multi-state, nexus reviews, and local income taxation;
- Accounting for income tax provisions and uncertain tax positions;
- Cost segregation strategies;
- Transaction (M&A) planning and due diligence;
- Consolidations;
- Corporate and partnership dissolutions;
- Succession planning and exit strategies;
- Individual taxation and estate planning;
- Estate and gift tax planning;

- Wealth transfer strategies; and
- Stock options planning.

**Accounting and Audit:** Our accounting and audit services include:

- Audits, reviews, and compilations of financial statements;
- Agreed-upon procedures;
- Break-even analysis and performance measurement; and
- Interpretation and implementation of new accounting standards.

**Efficient, Client-Focused Employee Benefit Plan Audits:** Our team performs annual audits for more than 50 employee benefit plans, ranging in size from 100 to more than 10,000 participants, for both privately held and publicly traded sponsors. We are a PCAOB member firm and audit plans that file form 11-k with the Security and Exchange Commission.

**Business Advisory Services:** Our Business Advisory Services team helps clients drive profitable growth and improvement in their business performance. The team includes consulting and industry professionals who have helped some of the largest companies solve very complex challenges. Our Business Advisory Services are focused:

- **Business Strategy and Planning**, including business plan development, strategic planning facilitation, business organization and formation, and M&A due diligence and advisory;
- **Business Process and Organizational Effectiveness**, including CFO and controllership outsourcing, profitability analysis, and process and workflow improvement;
- **Technology and Management Information**, including CIO services, technology investment analysis, business intelligence and decision support systems, ERP selection and implementation project management, IT security, and PCI compliance; and
- **Compliance**, including internal audit

outsourcing, IT audit, business continuity, internal controls assessment, Sarbanes Oxley compliance, service organization reports (SSAE16), forensic audit, anti-money laundering compliance, HIPAA compliance, insurance regulatory compliance, and model audit rule compliance.

**Small Companies and Emerging Businesses:** For small and emerging businesses, Fischer Cunnane acts as an extension of the management team as clients tap into our CPAs and consultants whenever they need our support and insights. Our accounting services for small and emerging businesses include:

- Tax planning and projections;
- Entity selection;
- Start-up business issues;
- Bookkeeping;
- QuickBooks consulting;
- General ledger maintenance;
- Month-end closing;
- Compiled financial statements;
- Payroll tax returns;
- W-2s and 1099s;
- Sales tax returns;
- Personal property tax returns; and
- Fixed asset accounting.

**Custody Rule Surprise Examinations:** We perform Custody Rule Compliance exams for financial advisors.

### Are YOU on BKR's E-Update Lists?

The Executive Office sends out a short update to all firms in the U.S. and Canada each week, and to the rest of the world each month, outlining current services, benefits, meetings, and telemeetings, all of which are important aspects of your membership. To receive either of these updates, log in to Member Services, click on Edit User Profile in the left menu, and select either "E-Update" or "Worldwide E-Update."

# DUBAI FIRM HOSTS BKR'S 2015 MIDDLE EAST MEETING (Continued)

*Continued from page 1*

The remainder of the two days consisted of open discussions as to how to grow the Middle East region of BKR International and to encourage more cooperation.

Stephen Hamlet chaired discussion sessions on working together within the Middle East region and beyond, how to leverage the BKR association, and common issues facing members in the region, including approaches regarding marketing, training, and services offered.

Social activities on either side of both business sessions helped everyone relax and interact more informally, culminating with a fabulous dinner at the Atlantis Hotel at the Palm on the Thursday night.

BKR would like to thank **Adonis** and **Roy Kanaan** for hosting another successful subregional meeting for the Middle East.



**BKR's second annual Middle East Subregional Meeting was held in Dubai from February 10-12.**

With such conflict constantly being reported in the press, it is essential for that not to overshadow the vast importance of the Middle East region to the business world. It was a

pleasure to witness such enthusiasm from BKR member firms to develop and grow their practices by working closely within the BKR association.

## NICHE NEWS

### Business Development

The Business Development Practice Group held a teleseminar on March 2. Guest speaker Coral Rice, facilitator for BKR's Leadership Institute and international leadership development consultant for FranklinCovey, presented a session on "What's the Secret to Achieving Success with Your Client?" Her session focused on five different business development personality types and discussed performance based on the business development success of each type. The group will hold its next teleseminar will be held on July 15 at 2:00 p.m.

### Business Valuation

The Business Valuation Practice Group held a telemeeting on March 23. Chair **Thomas Giordano** (New York) reviewed a presentation entitled, "Forget Everything You Thought You Knew About Discounts (Why the Income Approach Should Be a Cornerstone in

Valuing Any Private Minority Interest)." The next telemeeting will be held on June 22.

### Firm Administrators

The Firm Administrators Practice Group Telemeeting was held on March 17. Strategic Alliance Partner David Bergstein from Intuit presented on QuickBooks Online Practical Application & Case Study. The next telemeeting will be held on June 23.

### Manufacturing

The Manufacturing Practice Group held a telemeeting on March 19. Guest Speaker Michael Siegel, from BKR's strategic alliance partner, alliantgroup, discussed manufacturing incentives and credits.

### Marketing

The Marketing Practice Group held a telemeeting on March 11. The group discussed recruiting using mobile technology, business

development opportunities by joining local business networks, topics in firm newsletters that generate the most feedback, strategies for marketing for specialty niches, and habits and activities of younger rainmakers. The group will hold a meeting and dinner on June 7, in Orlando, Florida.

### Retirement Plan Auditors

Chair **Meresa Morgan** (Houston) moderated the Retirement Plan Auditors Practice Group Telemeeting on March 3. Topics included liquidation basis for terminated plans, employee benefit plan audit registration, enhancing audit quality initiative, fee ranges, independence issues for CPA firms with wealth management affiliations, marketing and business development ideas, and (non-) limited scope audits. The group will hold a dinner meeting on May 19 in conjunction with the AICPA Conference on Employee Benefit Plans

*Continued on page 8*

# BKR'S 2015 BIG SUBREGIONAL MEETING

The Britain, Ireland (Northern and the Republic) and Guernsey group met for their annual meeting at **Blick Rothenberg LLP's** premises in Covent Garden, London, on Monday, March 9, preceded by a group dinner on the evening of Sunday, March 8.

All member firms from the group were in attendance, and hence comprised delegates from Blick Rothenberg LLP, **Cassons** (Manchester), **Harbinson Mulholland** (Belfast), **Lince Salisbury Limited Avenue Trust Company Limited** (Guernsey), **Ormsby & Rhodes** (Dublin), and **UNW LLP** (Newcastle upon Tyne).

Chairing the event, the EMEA Region's Executive Director, **Stephen Hamlet** (London) commenced proceedings with the traditional "round table discussions," inviting each firm to provide an update on recent activities within their respective practices.

Conversations initiated a number of useful discussion points, which kept the group busy up to the fabulous buffet served for lunch.

Afternoon discussions continued on more specific topics, including an update on FRS 102, provided by **Kate Mullahy** (Dublin),



The BIG subregional group met at the offices of Blick Rothenber LLP in London on March 9.

Cloud Accounting by **Tony Reynolds** (Manchester), and tax updates from **Brendan Dwyer** (Belfast) and **Niall O'Connor** (Dublin).

The day finished with an interesting look at the opportunities in Guernsey, led by **Matt Godfrey** (Guernsey).

The meeting was received very well by all

who attended, having enjoyed another opportunity to discuss development issues within their respective firms, sharing common interests, latest service offerings, initiatives, and experiences in recent practice matters.

BKR is grateful to Blick Rothenberg for continuing to host these meetings and for their hospitality throughout the day.

## Chairman's Letter

(Continued)

*Continued from page 1*

active in recent months. **Kanaan & Associates** (Dubai) hosted BKR's 2015 Middle East Meeting at the Oberoi Hotel from February 10-12. The BIG (Britain, Ireland, and Guernsey) Group met for their 2015 annual meeting at the offices of **Blick Rothenberg LLP** in London on March 9, with a group dinner the previous evening. And last but not least, **Logista** (Pretoria) hosted this year's South Africa Meeting at the Farm Inn Country Hotel and Wildlife Sanctuary on March 20. For more details and photos of each, see pages 1, 6-8.

As my first year as chairman comes to an

end, I would like to express my sincere appreciation to all of my board members, who have work tirelessly for the good of our organization and all of our members worldwide. I'm confident that we will continue to grow even stronger in the future as we find new opportunities to learn and work together. I am honored to be chairman of such a phenomenal organization, and I look forward to our achievements in the year to come.

As always, if you have any suggestions for new member services or ways that we can add more value to your membership, I would be happy to hear from you. And, be sure to save the dates of October 31-November 3 for BKR's

banner event of the year, our 2015 **Annual Worldwide Meeting**, in one of the most beautiful cities in the world – Paris! A fantastic business and social program is already in the works to assure that you and your partners experience only the best that the "City of Lights" has to offer!

In the interim, I look forward to seeing you in Chengdu, Stockholm, and Philadelphia!

Regards,

**Howard Rosen**

# BKR'S 2015 SOUTH AFRICA SUBREGIONAL MEETING

The 2015 BKR subregional meeting for southern Africa took place in Pretoria, hosted by **Logista**.

In addition to colleagues from the host firm, South Africa was represented by delegates from **Boake Incorporated**, BKR member firm in Johannesburg.

From outside South Africa, delegates attended from **Adebola Sobanjo & Co** (Abuja), **AUDITEC-FOIRIER CONSULTING** (Douala), and **International Proximity** (Port Louis).

The conference took place at the fabulous Farm Inn Country Hotel and Wildlife Sanctuary. Prior to the business sessions, the group enjoyed various social activities, including visiting the Cullinan diamond mine and experiencing a wildlife tour of the farm.

The first session was led by **Stephen Hamlet** (London), updating the group, as BKR's executive director for the EMEA Region, on the latest activity and initiatives throughout the association.

**Ashish Jagarnath** (Port Louis) then presented an update on Mauritius and his company.

This was followed by **Vincent Ngankam** (Douala), who provided the presentation on Cameroon. Morning tea preceded an interesting look at the challenges for accountants in Africa, which took the group into lunch. The afternoon included presentations on Nigeria by **Adebola Olubanjo** (Abuja), and an external speaker discussing the economy and providing a current market overview.

The day was concluded with Stephen



**Members met in Pretoria, South Africa, for the 2015 South Africa Subregional Meeting.**

Hamlet presenting the BKR scholarship award to Talisa Aab, a worthy candidate of the University of Pretoria, accompanied by **Graeme Boake** (Johannesburg), the EMEA Region's board representative for Africa. The scholarship award is a BKR initiative created a few years ago to assist students of accounting who have shown great promise and dedication despite struggling financially.

A fantastic group dinner was had later that evening.

The second day of business included presentations on Effective Auditing and Professional Indemnity Insurance.

We thank our hosts from Logista for their hospitality throughout and, in particular, **Louis van Heerden** for all the arrangements.



**Stephen Hamlet (left) and Graeme Boake (right) presented Talisa Aab with the BKR Scholarship Award.**

## NICHE NEWS

(Continued)

*Continued from page 6*

at the Gaylord National Resort & Convention Center in National Harbor, Maryland. When registering for the AICPA conference, members are encouraged to use the special code, BKR14, to receive a 17% discount.

### Tax (Canadian)

The Canadian Tax Practice Group held a telemeeting on March 5. Members discussed new estate rules, corporations as beneficiaries of trusts, and inter vivos trusts. The next telemeeting will be held on June 24.

### About BKR's Specialized Services Practice Groups/Committees:

Firms that offer (or are developing) specialty services have formed groups to share resources and expertise. Groups hold quarterly telemeetings and/or annual meetings, and develop seminars, brochures, and more. For more information, including meeting summaries, supporting documents, and contact information, visit [www.BKR.com](http://www.BKR.com) > Member Services > Practice Groups/Committees.

# WORLDWIDE BULLETIN

is a publication of

**BKR INTERNATIONAL**

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## SUBMISSIONS

BKR welcomes news and articles from member firms, committees, and task forces, which can be submitted via e-mail, fax, or mail to BKR's Executive Office.

# OECD BEPS PROJECT: STATUS ON RISK, TRANSACTION RECHARACTERISATION, AND INTANGIBLES

By Alberto Pluviano (Charles River Associates)

This article is intended to provide a brief overview of the issues facing transfer pricing planning and documentation as the Organization of Economic Cooperation and Development (OECD) begins to release documents outlining the changes to come. Before the end of the year, the OECD will finalize most of the action items of the BEPS project aimed at countering “Base Erosion and Profit Shifting.”

Two major action items in relation to transfer pricing are: the one dedicated to “risk, recharacterisation, and special measures” and the one dedicated to intangibles.

The first major action item has developed into a rewriting of Chapter I of the OECD Transfer Pricing Guidelines. A first discussion draft has been published and has been discussed in a recent public consultation at the OECD. A revised draft is expected to be published in June of 2015.

The key new features of the revised Chapter I are expected to be:

- A more detailed analytical framework for accurately delineating the actual inter-company transaction;
- Additional guidance on the role of risk within a multinational company, aimed at ensuring that risk is rewarded where effectively managed and controlled;
- A new definition of conditions leading to when an intercompany transaction would not be recognised as originally structured by the taxpayer; and
- The potential development of special measures to counter residual “BEPS” risks.

The second major action item is a rewriting of Chapter VI of the OECD Transfer Pricing Guidelines. Started in 2010 as a traditional OECD project, this has become an important element of the BEPS project in 2013.

A semi-final version was published in September 2014. Key aspects that appear to

be almost final in the draft version are:

- All definitional aspects, focusing more on value rather than narrow definitions;
- Applicable transfer pricing methods, with a tendency to promote a broader use of profit split and valuation techniques; and
- Marketing intangibles, for which more complex and articulated guidance and examples have been introduced.

A new draft is going to be published in April 2015 (not yet available at the time of writing) focusing on:

- Intangibles ownership, for which the expected direction is that contractual rights will be considered just the starting point of the analysis, then focusing on functions, risks, and assets related to development, enhancement, maintenance, protection, and exploitation of intangibles; and
- Hard to value intangibles, for which the tendency appears to be towards broader use of ex-post adjustments.

Although not final, these projects will come to an end very quickly and a number of concerns and possible actions are already predictable. Multinational companies should consider starting a review of the implications and planning of possible actions sooner rather than later.

Please feel free to reach out to Charles River Associates if you have any questions around the OECD and BEPS issues and how they may apply to your clients.

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# MEMBER NEWS AND NOTES

## Canton, Ohio, USA

Hall, Kistler & Company LLP is proud to announce that they are a recipient of The United Way of Greater Stark County's Cornerstone Award. Only eight companies in Stark County qualified for this award. The Cornerstone Award recognizes companies that have at least 65% employee participation, follow best practices, and experience growth in their campaigns. These companies have also exhibited leadership engagement, conducted rallies, and increased \$100 based on participation.



Hall, Kistler receives the United Way of Greater Stark County's Cornerstone Award

## Dubai, United Arab Emirates

Kanaan & Associates celebrated their 35th anniversary with a reception for their clients and associates at the Oberoi Hotel in Dubai. More than 150 guests were treated to drinks and canapés, as well as presentations by Adonis Kanaan and his son, Roy Kanaan. BKR EMEA Regional Executive Director Stephen Hamlet (London) also attended this very special event and spoke on behalf of the association.



Stephen Hamlet, Adonis Kanaan, and Roy Kanaan

## Jacksonville, Florida, USA

The LBA Group is pleased to announce that Jonathan Lee, CPA, has been promoted to Tax Manager. Jon joined LBA in December 2012 as a staff accountant, and has eight years of tax and accounting experience.



Jon Lee

## Kolkata, India

Doshi, Chatterjee, Bagri & Co. has produced an analysis of the 2015 Union Budget of India. Download the document at <http://bkr.com/cmsAdmin/uploads/union-budget-2015-16.pdf>.

## London, United Kingdom

Blick Rothenberg LLP's 2015 U.K. Budget commentary is now available at [http://www.blickrothenberg.com/BR-News/News/Budget-2015?utm\\_source=b15\\_E](http://www.blickrothenberg.com/BR-News/News/Budget-2015?utm_source=b15_E). The firm received some great national press coverage following the budget announcement, including an interview with senior partner Bob Rothenberg on BBC News 24. On the day, Blick Rothenberg partners visited the offices of national newspapers, including the *Financial Times*, *The Independent*, and ITV News Online in order to provide immediate commentary. Tax tables and a tax calculator were supplied to *The Daily Telegraph*, and the TaxFax to a number of national newspapers. For a list of press coverage, visit <http://www.blickrothenberg.com/BR-News/Press>.

Looking forward, the Blick Rothenberg events schedule is promising a number of thought provoking events, including a VAT Workshop and a residential property seminar.

## Los Angeles, California, USA

Gumbiner Savett Inc. is pleased to announce that it has been ranked as one of the Fastest-Growing Firms in the U.S. See the full slide show in *Accounting Today* at <http://www.accountingtoday.com/gallery/photo>

s/the-fastest-growing-firms-in-the-us-73873-1.html.

The firm is also pleased to announce the promotion of two staff members to manager, Natasha Rudnitsky, CPA, in the Tax Department, and Joanna Lee, CPA, in the Audit and Accounting Department.



Natasha Rudnitsky

A member of the firm for more than six years, Natasha works with partnerships, individuals, and S corporations. Joanna has been with the firm for more than four years and is an audit and accounting specialist who works with construction contractors, manufacturing and distribution clients, and not-for-profit organizations.



Joanna Lee

Gumbiner Savett Inc. will sponsor the Indian Film Festival of Los Angeles for the sixth consecutive year. Read the article at <http://smdp.com/local-accounting-firm-supporting-indian-film-festival/146950>.

## Manchester, New Hampshire, USA

Howe, Riley & Howe, PLLC was featured in *New Hampshire Union Leader* regarding their recent affiliation with BKR International. Read the article at <http://www.unionleader.com/article/2-0150316/NEWS02/150319212>.

## Mt. Arlington, New Jersey, USA

Nisivoccia LLP announced that Man Lee, CPA, RMA, PSA, has been promoted to principal in the firm. Man is a member of the Governmental Entity Group and specializes in



Man Lee

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# MEMBER NEWS AND NOTES

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performing audits for county and municipal governments, school districts, as well as libraries and fire districts. Her technical expertise also includes conducting single audits of federal and state grants in accordance with the Single Audit Act and OMB Circular A-133.

**Christabel Valladares**, CPA, PSA, CITP, has been promoted to principal with the firm. Christabel is a member of the Commercial Audit Group, where she specializes in providing audit, attest, tax, and business consulting services for both profit and not-for-profit clients.



**Christabel Valladares**

**Ray Sarinelli** received his registered municipal accounting (RMA) designation.

On January 14, **Harlene Stevens**, CPA and Healthcare Group member, presented during a training webinar for the Healthcare Financial Management Association.

On January 27, Nisivoccia LLP hosted a not-for-profit seminar for clients and prospects, and a Certified Municipal Finance Officer roundtable on February 26.

**Matt Cullen**, CPA, and **Glenn Schwier**, CPA, JD, presented to the William Patterson College Accounting Society on February 4.

**Bud Jones**, CPA and partner, and **Bill Schroeder**, CPA and partner, presented on February 5 to the Warren County School Board Association.



**Bud Jones**

The Young Professionals Group co-hosted a networking event with the *New Jersey Law Journal* on February 26 in Morristown, New Jersey.

**Marcia Geltman**, CPA and partner, was interviewed for a taping of Know Your Rights New



**Marcia Geltman**

Jersey, a local cable program. Marcia also spoke to the Randolph Area Chamber of Commerce on the topic, "New Jersey and Your Taxes – Perfect Together."

**Tim Mehaffey**, managing partner, was interviewed for the February 2015 issue of *Commerce, the Business of New Jersey* magazine.



**Tim Mehaffey**

## New York, New York, USA

**Anchin, Block & Anchin LLP** has once again been named the Best North American Accounting Firm in the annual Hedgeweek awards. Anchin has won this award for five consecutive years. This award comes on top of Anchin's winning *Acquisition International Magazine's* award for best overall accounting firm for the third consecutive year.

## Paris, France

**SFC** is a partner of the Recovery Center, a computer emergency room allowing computer systems to be operated from a remote location after a major disaster. This is an ideal solution for any disaster recovery plan.

SFC also sponsored the 4L Trophy for the third consecutive year, a sporting event with humanitarian goals bringing together more than 1,400 4Ls and 2,800 drivers. More than 6,000 km were traveled by motivated teams.



**SFC sponsored the 4L Trophy for the third consecutive year.**

## Philadelphia, Pennsylvania, USA

**St. Clair CPA Solutions** is pleased to

announce that it has once again been included in the *Philadelphia Business Journal's* list of Top Accounting Firms in the greater Philadelphia region, published on February 20.

St. Clair CPA Solutions was recognized for the fourth consecutive year with a TOP WORKPLACES 2015 award by *The Philadelphia Inquirer*, *Daily News*, and *Philly.com*. In a special Top Workplaces 2015 supplement published on March 22, the firm was ranked #15 among the 35 Small Employers that received Top Workplace honors in the annual WorkplaceDynamics survey of nearly 100,000 regional employees. **Stephanie Sommers**, CPA, accepted the award on behalf of the firm at the Top Workplaces Awards Dinner held on March 19 at Vie in Philadelphia.



**St. Clair CPA Solutions Controller Stephanie Sommers, CPA (right), accepts the Top Workplaces 2015 award on behalf of the firm from Amy Buckman, manager of Public Relations for The Philadelphia Inquirer, Daily News, and Philly.com.**

## Rochester, New York, USA

**Davie Kaplan**, CPA, P.C. is pleased to announce that **Brian Sauers** has been promoted to partner within the firm.



**Brian Sauers**

## St. Louis, Missouri, USA

**Conner Ash P.C.** is proud to announce that **Howard Rosen** was featured in the *St. Louis Jewish Light*. To read the full article, visit: [http://www.stljewishlight.com/features/business/article\\_c0fe98de-c284-11e4-81bb-7fe1f91e0c37.html](http://www.stljewishlight.com/features/business/article_c0fe98de-c284-11e4-81bb-7fe1f91e0c37.html).

# 2015 MEETING/TELEMEETING SCHEDULE

May 1	Medical Practices and Health Care Practice Group Meeting Offices of Ostrow Reisin Berk & Abrams, Ltd. Certified Public Accountants Chicago, Illinois, USA
May 4	Forensic Accounting & Litigation Support Practice Group Telemeeting*
May 6-8	BKR Leadership Institute (Session 1) Hilton St. Louis Downtown at the Arch St. Louis, Missouri, USA
May 8-11	<b>ASIA/PACIFIC REGIONAL MEETING</b> The Ritz-Carlton Chengdu, China
May 15-18	<b>EMEA REGIONAL MEETING</b> Radisson Blu Waterfront Hotel Stockholm, Sweden
May 18	Real Estate and Construction Practice Group Telemeeting*
May 19	Human Resources Practice Group Telemeeting*
May 19	Retirement Plan Auditors Practice Group Dinner Meeting <i>Held in conjunction with the AICPA Employee Benefit Plans Conference</i> National Harbor, Maryland, USA
June 5 June 5 June 5-9	BKR Leadership Institute Graduate Reunion Governmental/Not-for-Profit Accounting and Auditing Practice Group Meeting <b>AMERICAS REGIONAL MEETING</b> The Westin Hotel Philadelphia, Pennsylvania, USA
June 7	Marketing Practice Group Meeting and Dinner The Swan and Dolphin Orlando, Florida, USA
June 22	Business Valuation Practice Group Telemeeting*
June 23	Firm Administrators Practice Group Telemeeting*
June 24	Canadian Tax Practice Group Telemeeting*
June 25	Future Leaders Practice Group Teleseminar*
July 15	Business Development Practice Group Telemeeting
August 5-7	BKR Leadership Institute (Session 2) Embassy Suites Chicago - Downtown Chicago, Illinois, USA
October 31-November 3	<b>ANNUAL WORLDWIDE MEETING</b> The Westin Vendome Paris, France
November 12-13	BKR Leadership Institute (Session 3) Vdara Hotel Las Vegas, Nevada, USA
November 13	U.S. Tax Practice Group Meeting Hilton Chicago O'Hare Airport Chicago, Illinois, USA
December 7	Managing Partners Roundtable Meetings The Cosmopolitan Hotel Las Vegas, Nevada, USA

\* All telemeetings are held at 2:00 p.m. Eastern Time except where noted.