

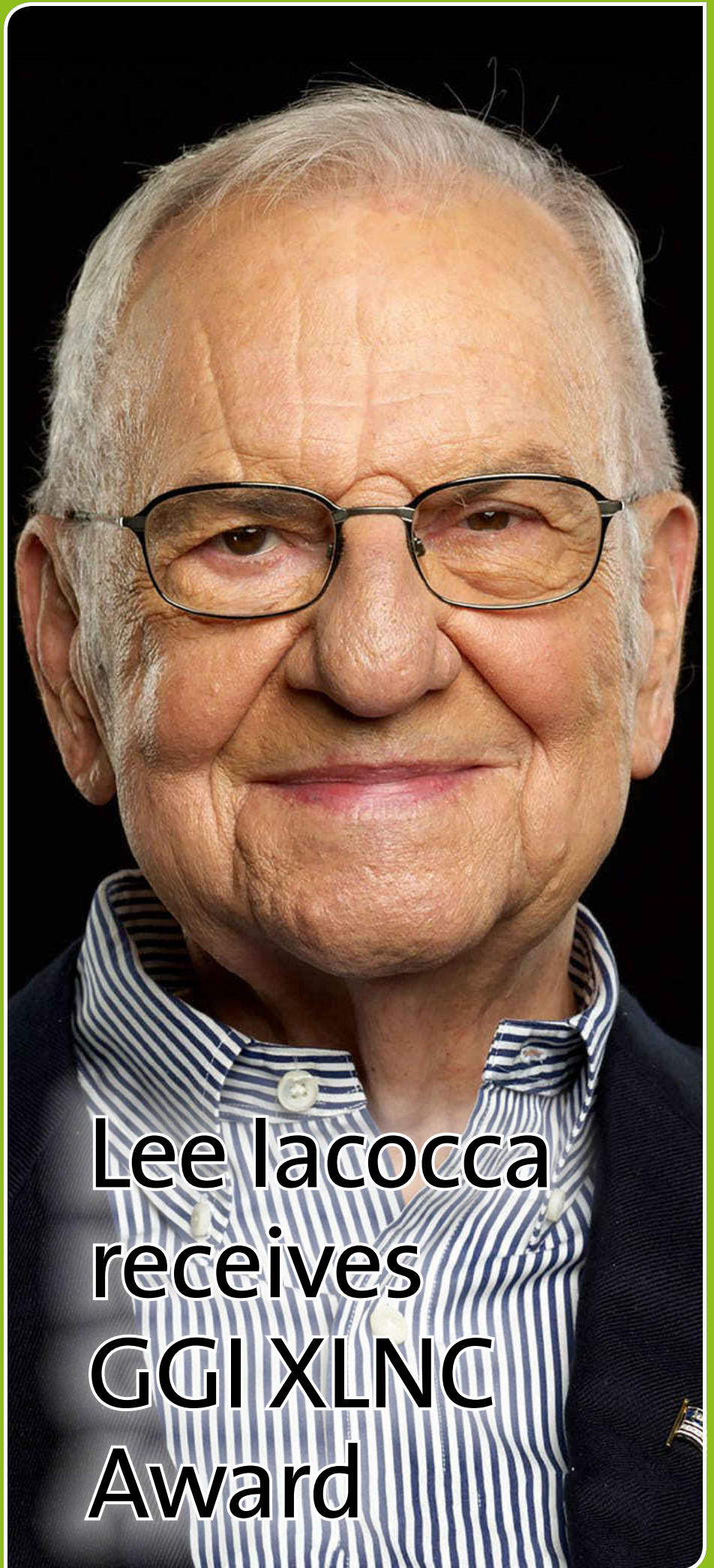


INSIDER

News and
Information
for Members
and Friends
of GGI

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**Lee Iacocca
receives
GGI XLNC
Award**

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Editorial

Dear Friends,

The New Year has only just begun, but we already have a lot to report.

The Middle East and Africa Regional Conference in Abu Dhabi, UAE, is approaching. This event will bring together GGI members from countries in the Middle East and Africa in an environment which promotes trust and the exploration of mutual business opportunities.

The first New Zealand Business Summit (NZBS) will take place in Auckland this March, demonstrating GGI's continuing expansion around the world.

This year's Regional European Conference will be held in Warsaw, Poland and promises to be a fascinating event with a varied programme and charismatic keynote speakers.

Discover what was discussed and the key highlights of the latest GGI Asia-Pacific Regional Conference which was held in Hong Kong.

Lee Iacocca received GGI's XLNC award – read about his achievements. He founded the Iacocca Institute in partnership with Lehigh University to support future leaders. One of the Institute's programmes is Global Village

on the Move, for which GGI also sponsors five promising "future leaders". Participants of the 2015 programme report on their experiences.

This issue contains many more success stories of other GGI member firms.

Raghu Marwah and Priyanka Ajmani, R.N. Marwah & Company, ask "Why can't private individuals in India take advantage of cheap lending abroad?", while Laura Rubenstein, Offit Kurman Attorneys At Law, reports on "The 4 most common employee theft schemes and how to protect against them". Finally, Prof. Robert Anthony has written an article entitled "UK non-doms taxed after 15 years! Do I stay or do I go?".

There are also various contributions from GGI Practice Groups which, as usual, all make for interesting reading.

We would like to thank GGI members for their many and varied contributions, and we hope you all enjoy reading. We wish you a healthy, happy and prosperous 2016 which affords you many opportunities to connect with your fellow GGI members, whether at a GGI conference or otherwise.

Your GGI Team

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Diary

- **05-07 February 2016**
GGI PG Chairpersons Meeting
Zurich, Switzerland
- **19-21 February 2016**
GGI Middle-East Africa (MEA)
Conference
Abu Dhabi, UAE
- **25-28 February 2016**
GGI ITPG Winter Meeting
Barcelona, Spain
- **10-12 March 2016**
GGI NZ Business Summit
Auckland, New Zealand
- **21-24 April 2016**
GGI European
Regional Conference
Warsaw, Poland
- **12-15 May 2016**
GGI North American
Regional Conference
Chicago, USA
- **23-26 June 2016 (TBC)**
GGI Latin-American & Iberian
Regional Conference
Madrid, Spain
- **24-26 June 2016 (TBC)**
GGI EasyMeet
Madrid, Spain
- **08-10 September 2016**
GGI Nordic-Baltic Meeting
Oslo, Norway
- **16-18 September 2016**
GGI German Speaking Chapter
Strasbourg, France
- **22-24 September 2016 (TBC)**
GGI North American
Developing Leaders
St Louis, Missouri, USA
- **22-24 September 2016 (TBC)**
GGI North American
Best Practices
St Louis, Missouri, USA

Please refer to our website
for actualised information
and additional events:
www.ggi.com, entry "Events"

TBC = to be confirmed

Abu Dhabi, United Arab Emirates (UAE), 19 to 21 February 2016

Middle East and Africa (MEA)

Regional Conference

Host firms BLS Behl, Lad & Al Sayegh, Al Zarooni Tureva, Auditors, Accountants and Advisors, and Rao & Ross Auditing of Accounts look forward to welcoming GGI members who are from the region or interested in doing business in any of the UAE's jurisdictions.

On Saturday, the Conference programme will start with an official welcome from the Swiss Ambassador to the UAE, H.E. Maya Tissafi. Charoline Engel, Executive Director of the Swiss Business Council's chapter in Abu Dhabi, will then offer some valuable insight into unique business opportunities in the UAE. After her speech, Kurt Blum, General Manager of Swiss Art Gate UAE, will give an overview of his business model as a Swiss citizen in the UAE.

Moving forward, Christophe Seefeld will deliver the keynote speech on "Single Family Offices – Mixed bag, same challenges".

Seefeld is an independent Swiss consultant based in Dubai (UAE) with extensive experience in advising ultra-high net worth individuals (UHNWIs) with international asset exposure. He was formerly General Manager of a Geneva-based Single Family Office (SFO) as well as being member of the Board of a corporate trust and Director of several privately-owned companies. Before this, Seefeld worked in the commercial and private banking industry for more than ten years, holding positions in Geneva and Zurich as well as Nassau in the Bahamas. He graduated from Geneva Law School in 1992. His international experience as a banker, manager, company director, trustee and advisor led him to appreciate the challenges of considerable fam-



Christophe Seefeld

ily wealth comprising business, real estate, financial and leisure assets located in several jurisdictions and more specifically the key role played by SFOs.

With this in mind, Seefeld will share his experience of the SFO industry. He will give an insight into the definition, role, services, structures and challenges shared by SFOs in today's fast-moving environment.

Mohamed Abdulla Isa will continue the Conference with his talk on "The 4 Cs to achieving professional success". Professional services firms operate in an increasingly dynamic and complex environment. When faced with such changes, decision-makers have one choice to make: adapt and thrive or don't – and die! The right choice is clear.

During his speech, Mohamed will give practical insights into how decision-makers and their firms can thrive and build on their track record using a powerful formula he coined: the 4 Cs to achieving professional success:



Mohammed A. Isa

- Developing better communication skills
- Building more connections
- Constantly pleasing your customers
- Coaching by more experienced colleagues

The audience will leave energised, entertained and inspired to apply what they have learned during this highly interactive and hands-on speech.

Mohamed Abdulla Isa has more than 15 years of international business experience, having worked in the United Arab Emirates, Saudi Arabia and Bahrain.

His last professional post was as Chief Financial Officer at Inovent, where he played a significant role in achieving key corporate milestones for the company, including the handling of the IPO and the listing on the Bahraini and Kuwaiti stock exchanges.

Before that, he worked for the multinational giant Unilever in its offices in Dubai and Jeddah. His last post with the company was the Regional Finance



Hotel Jumeirah at Etihad Towers in Abu Dhabi

Manager for North Africa, Middle East and Turkey.

In the afternoon, Mohammed Aweidah of Al Zarooni Tureva will lead an interactive workshop with the theme of “Doing business in the UAE”. This will tackle important and interesting aspects of the UAE as a region and discuss the various business structures of the Emirates, focusing on which of these lend themselves best to investors. There will be a question-and-answer session to give delegates the time to ask questions to the facilitators. This session will be factual and insightful, opening the minds of investors from all corners of the globe about how best to approach broadening their business horizons in every aspect of commerce.

At the same time, Graeme Saggors of Nolands SA will chair the International Tax Practice Group (ITPG) meeting. Participants can expect to hear from tax professionals from GGI member firms regarding tax issues from their respective countries and will be able to engage in discussion around global tax issues. This will provide not only a means of sharing knowledge, but also an excellent networking opportunity for the international tax community.

The MEA region is incredibly diverse and this diversity creates a need for deeper understanding of tax laws and administration processes across the region. The African continent is emerg-

ing as a focused strategic investment for many multinational corporations looking to access new markets. Many African countries have unique tax laws which are best understood by local professionals. Conversely, the Middle East is a hub for investment where generous tax incentives and free trade zones have made the region a popular destination for a variety of industries. Whilst it would appear that tax is not much of a concern in these countries, it is the very lack of tax laws and complexities that make it an interesting region to be understood by foreign tax professionals.

The main focus of GGI’s Middle East and Africa Regional Conference is to bring together GGI members from countries in the Middle East and Africa, while also creating an environment conducive to trust and exploring mutual business opportunities.

Benefit from the fantastic opportunities the Conference may hold for your business. The event is open to GGI members active in the

region, as well as those with an interest in expanding their operations into the area. Do not miss this opportunity to explore Abu Dhabi in the company of your fellow GGI members.

GGI members who have not yet done so are invited to register – please contact GGI Head Office (+41 44 256 18 18), Anita (szoeki@ggi.com) or Linda (soriton@ggi.com) to do so.



Skyscrapers in Abu Dhabi



Auckland Hilton Hotel

Auckland, New Zealand, 10-12 March 2016

GGI NZ Business Summit

The New Zealand GGI firms, Morrison Kent, Walker Davey, and Blackmore Virtue & Owens invite you to Auckland to show you our beautiful city and the opportunities New Zealand has to offer your clients.

The program combines topical

conference content with scenic golf courses, harbour cruises, island wineries and plenty of time to vitalise GGI friendships. By popular demand we will end the summit with a fishing trip where your catch of the day is cooked on the BBQ on board the elegant Ze-

firo. For those who don't have sea legs and want to see a little more of the country and its culture, there is a day trip to Waitomo Glow Worm Caves and the geothermal area of Rotorua. These two destinations are unique and the journey takes you through the picturesque North Island landscapes.

The conference portion of the summit takes place in the stunning Cable Bay Vineyard on Waiheke Island. We will start with a facilitated roundtable discussion where we aim to develop some specific actions to maximise business development within the GGI network. This discussion is followed by a speaker from New Zealand Trade and Enterprise (the Government's international business development agency) on the current business and investment trends into and out of New Zealand.

Over the last 5 years foreign investment into New Zealand has been substantial, with much of this investment coming from Asia. This Summit will give our Asian colleagues information on investment opportunities in both



Rotorua: The Prince of Wales Feathers thermal spring erupting



Auckland – Muriwai golf course

Australia and New Zealand which will assist you in advising your interested clients.

The GGI NZ Business Summit will have high attendance from Australian and New Zealand firms. If your clients are looking to do business in Australia or New Zealand or you would like to attract more Australasian business then we highly recommend it for you. Let's strengthen our GGI friendships and grow our businesses.

We encourage you to stay at the Hilton Auckland which has a spectacular location on a wharf in downtown

Auckland extending out over the Waitemata harbour. This hotel is within walking distance of all Summit activities and night life and is the venue for the opening cocktail function. Pricing includes breakfast for Hilton guests providing delegates with a relaxed environment to enjoy morning coffee together.

It is our pleasure to host you at the New Zealand Business Summit and we hope that you will have an informative, enjoyable and business enhancing visit.

GGI members who have not yet

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done so are invited to register – please contact GGI Head Office (+41 44 256 18 18), Anita (szoeki@ggi.com) or Linda (soriton@ggi.com) to do so.



Cable Bay Vineyard on Waiheke Island



Old Town in Warsaw, Poland

Warsaw, Poland, 21-24 April 2016

GGI European Regional Conference

This year's European Regional Conference will be kindly hosted by GGI member firms CSWP, EFS Group and SMM LEGAL.

Taking place on the Vistula River in Poland's vivid, diverse capital, participants will have the opportunity to experience Warsaw's rich history, varied architecture and modern life. This array of difference is a sign of the city's tumultuous past. Excellent museums interpret its complex story, from the joys of Chopin's music to the tragedy of the Jewish Ghetto. It's not all about the past, however: Warsaw's restaurant and entertainment scene is the best in Poland. Attendees can enjoy cuisines from around the world at an affordable price, and are also presented with a wide choice of lively bars and clubs.

For Thursday, a busy Conference programme with top-notch speakers, interactive group sessions and

networking opportunities has been planned.

Nenad Pacek promises an inspiring keynote speech. He and his businesses currently advise global and regional directors of over 380 multinational corporations. He is founder and president of Global Success Advisors, a global business and economic advisory firm, and co-founder and co-CEO of the CEEMEA Business Group, which offers corporate services and consulting to regional executives responsible for Central Eastern Europe, Middle East and Africa. The advisory focus is on helping executives understand the economic, business and political outlook for virtually all countries around the world and on helping companies build strategies for sustainable growth in emerging markets.

Nenad is former Vice President of The Economist Group (The Econo-

mist Intelligence Unit) where he spent almost two decades advising multinationals on economic and business issues as well as managing several business units. He chaired more than 100 Economist Government Roundtables with heads of government and their cabinets throughout Western and Eastern Europe, the Middle East, Africa and Latin America.

Nenad is a board member of the Center for Creative Leadership (the world's foremost provider of leadership education). He is guest faculty at Duke Corporate Education (the world's leading provider of corporate education), Notre Dame Executive MBA and a number of corporate universities. He studied international business, finance and economics.

In the afternoon, Practice Group meetings will allow participants to discuss the latest news concerning

their specific field of interest, as well as developments, expertise and experience, opinions and examples of best practice. On Saturday morning, several group workshops will take place giving delegates the chance to engage in stimulating discussion with their fellow GGI members.

As always, a diverse sightseeing programme has been arranged so that participants can get to know this exciting city in the company of their GGI colleagues. Early arrivals will be able to discover hidden traces of Jewish culture and history in a day excursion on Thursday. A walk will take them along the only surviving street of the Warsaw Ghetto, where the pre-war architecture remains in its original form. The walk continues to the Nozyk Synagogue, the Jewish Cemetery, the Museum of the History of Polish Jews and the former Jewish Ghetto. Lunch will be offered in one of the best Jewish restaurants in Warsaw followed by traditional pasha cake.

A half day tour of Warsaw has been planned for Thursday afternoon to help attendees get their bearings. This will offer an excellent first impression of this fascinating and diverse city, including its aristocratic residences, famous monuments and churches (including the Holy Cross Church which houses an urn containing the heart of Frédéric Chopin), the Presidential Palace and other government buildings. The tour continues to the Old Town where the Royal Castle is set in its historic square. This Old Market Square is buzzing with life and features the statue of the Warsaw Mermaid at its centre, surrounded by restaurants, caf-

eterias, galleries. Not missing from the tour is Warsaw's New Town with the Barbican, Madame Curie's house and the Monument of the Warsaw Uprising in 1944.

Guests can spend the Friday retracing the footsteps of Frédéric Chopin as part of a tour of Żelazowa Wola, 50km from Warsaw. Participants will visit an old Polish manor which is where the composer was born. This is now a modern reconstructed museum set in a large garden. In the afternoon the tour returns to Warsaw where Chopin spent half of his life.

On Saturday, there is the opportunity to visit the Wilanów Palace, the former summer residence of King Jan III Sobieski, the famous conqueror of the Turks at the Battle of Vienna in 1683. Attendees can explore this wonderful baroque palace, a place of great beauty; the original architecture of the palace is an amalgamation of European art with traditional Polish construction methods. Preserved sculptural facades and the interior of the Palace hark back to the symbolism of the ancient state's apotheosis of the Sobieski family and the glorification of the King's military successes.

On Sunday, there will be a tour to Krakow – do not miss this opportunity to visit the historic and cultural capital of Poland – and Auschwitz. On a rock which soars over the Vistula River, the well-defended Wawel Hill is said to have been kept out-of-bounds by a legendary dragon which lived in a cave below it. The city was not only the seat of the Polish monarchy, but also the country's capital until 1596. Krakow's



Nenad Pacek

heritage remains largely untouched and is therefore fully intact for visitors to enjoy today. Listed by UNESCO as a World Heritage Site and with its enchanting Old Town, Wawel Castle and the Cathedral complex (where former Kings of Poland and national heroes lie buried), one of medieval Europe's largest market places (the Renaissance Cloth Hall) and the Gothic Church of St Mary. After lunch there will be a visit to Auschwitz, which is the largest of the World War II Nazi concentration camps. It remains the largest "death factory" in the history of humanity and was a silent witness to human tragedy.

It is not too late for GGI members who have not yet registered to do so. Please use the online registration tool at www.ggi.com (member login > Events). The Conference programme is also available on the website.



Wilanów Palace, the former summer residence of King Jan III Sobieski



Kowloon Walled City Park

3-6 December 2015

GGI Asia-Pacific Regional Conference in Hong Kong

The 2016 GGI Asia-Pacific Regional Conference took place in the beautiful city of Hong Kong between 3 and 6 December 2015. The event at the marvelous J W Marriott Hotel located on Hong Kong Island was hosted by two local GGI member firms, Robertsons Solicitors and Notaries and Wong Brothers & Co, and attended by over 90 delegates.

Some early bird delegates played a game of golf on Thursday morning, while others spent the day enjoying an interesting cultural tour of Hong Kong with a full-day excursion visiting a tea house, Cat Street, Hollywood Road, the Mid-Levels Escalator and Chi-Lin Nunnery, as well as a Hong Kong Foodie tour for lunch. The Conference officially started with the welcome reception in the evening, giving GGI members the opportunity to get to know each other whilst enjoying some typical local cuisine.



Words of welcome: Claudio G. Cocca, President and Founder of GGI

The first Conference session on Friday morning started with a typical Lion Dance, to bestow the event good fortune and impress the audience. After experiencing this local tradition, the official opening speech was given by Reto Renggli, Consul General of Switzerland in Hong Kong, who thanked all the at-

tendees and GGI. The final words of welcome were delivered by Claudio G. Cocca, President and Founder of GGI, and the host firms represented by Frank Szeto (Robertsons Solicitors and Notaries) and Ricky Wong (Wong Brothers & Co).

The Friday morning session featured two keynote speakers, Phil Glaser and Ronnie C. Chan. Both were introduced in the previous issue of INSIDER.

Glaser gave a speech entitled "Growing your business and executing strategy using brand and culture". He talked about leadership and leaders, their role and unique challenge in putting strategy into operational practice and nurturing a powerful, living ethos that rolls up its sleeves and gets to work. A correct strategy has to reflect the true purpose and vision of an organisation. Part of that challenge lies in maximising the use of intangible assets, defin-



Phil Glaser



Ronnie C. Chan

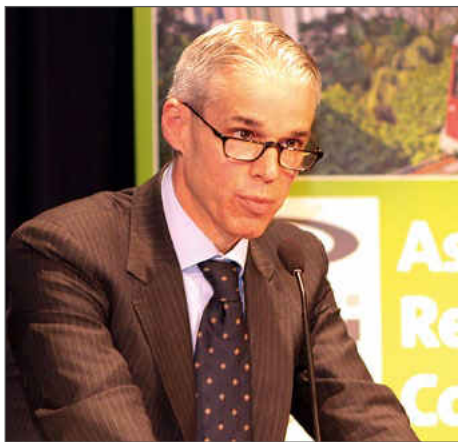


Ricky Wong, host firm Wong Brothers & Co

ing the culture that drives this strategy, the leadership required to engender this and the brand that connects this to the customer or client.

He explained that leaders connect purpose with strategy and establish culture, whilst culture determines how brand experience is delivered and the way in which brands establish a strong connection with their customers, thereby delivering a sustainable competitive advantage. The result of exploring this interconnection and strategically using intangible assets to their maximum potential is that individuals become leaders, employees become brand ambassadors, stakeholders become supporters and customers become fans.

Finally, Glaser showed a case study of Cummings Flavel McCormack Accountants, a GGI member firm, which has strategically leveraged its intangible



Reto Renggli, Consul General of Switzerland in Hong Kong

assets over the last five years and as a result established itself as a top 50 accounting firm in Australia, accelerating its growth and increasing its profit.

The second keynote speaker of the session was Ronnie C. Chan, Chairman



Frank Szeto, host firm Robertsons Solicitors and Notaries

of Hang Lung Group Limited and its subsidiary Hang Lung Properties Limited. Both are publicly listed companies in Hong Kong, with the latter being a constituent stock of the Hang Seng

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Peter Käser and Claudio G. Cocca hand over XLNC award to Phil Glaser



Claudio G. Cocca hands over XLNC award to Ronnie C. Chan.



End of the Lion Dance ceremony



Audience

Index. Hang Lung Properties reported a net profit of USD 1.51 billion for 2014.

Mr Chan addressed the topic: "Leadership in Asia, Europe and North America – what is so different?" This interesting presentation allowed for audience involvement and explored the differences between business cul-

tures in the West and Asia. Following the speech, attendees were invited to pose their questions in a Q&A session.

The first part of Friday's session ended with the presentation of the Management Report for the Asia-Pacific Region by Peter Kaeser, GGI Regional CEO Asia-Pacific.

drinks reception at the office of Robertsons Solicitors and Notaries followed by dinner at the Heichunrou Restaurant, a typical venue located at the heart of Hong Kong Island not far from Robertsons' offices.

The workshops on Saturday offered further networking opportunities. Harriet Leung (Rowbotham International, San Francisco, USA) delivered a presentation about investing in U.S. real estate, whilst Ricky Wong (Wong Brothers & Co., Hong Kong) discussed investment laws and procedures for establishing a presence in China. Lastly, Claudio Cocca held the workshop "Understanding GGI" (compulsory for new members and candidates), providing an interactive overview and a better understanding of how GGI operates, including membership criteria, the selection of members, conferences, workshops, practice groups, the charter and the workings of GGI's



New contacts are exchanged



Networking



Exchanging ideas



Audience

Head Office, Regional Offices and Executive Committee.

During the afternoon, delegates and their guests enjoyed a sightseeing tour of Kowloon, which introduced guests to some fascinating aspects of Hong Kong's heritage. They visited a street market dedicated to songbirds, a Qing dynasty fort in a charming parkland setting (Kowloon Walled City Park), one of Hong Kong's most popular fortune-telling temples (Wong Tai Sin) and a spectacular Tang dynasty-era Buddhist temple (the Chi Lin Nunnery). This Buddhist nunnery is stunning with a monastery complex that has been renovated as a piece of Tang dynasty architecture.

On Sunday, delegates had the option



Dinner at the Heichunrou Restaurant

of embarking on a tour of Lantau Island and its interesting fishing villages.

The Conference ended on a high note with the closing dinner at the hotel's Flint restaurant, during which Peter Kaeser offered his thanks to the two host firms and delegates, wishing everyone a safe trip back home.

The 2016 GGI Asia-Pacific Regional Conference will take place in Bangkok, Thailand, on 20 October 2016, the eve of the World Conference, which takes place in Bangkok from 20 to 23 October. GGI would like to invite all members to the event, which promises to be yet another fantastic meeting.



Traditional tea ceremony



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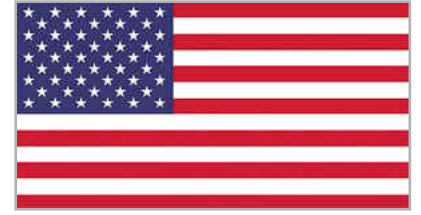
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WE WISH TO EXTEND A VERY WARM WELCOME TO OUR NEW DISTINGUISHED MEMBERS.

Lee Iacocca receives GGI XLNC Award

Lee Iacocca, who looks back on distinguished career in the American automotive industry, has received GGI's XLNC Award. He is perhaps best known for spearheading the development of Ford Mustang and Pinto cars while at the Ford Motor Company in the 1960s and for reviving the Chrysler Corporation where he served as President and CEO from 1978, and additionally as chairman from 1979 until his retirement at the end of 1992.

In 1982, President Ronald Reagan asked Lee Iacocca to head a private sector effort to raise funds for the restoration and preservation of the Statue of Liberty and Ellis Island. The Statue of Liberty-Ellis Island Foundation (SOLEIF) was founded. The Foundation's fundraising drive sparked a dramatic response. The American people contributed more than \$700 million to the repair, restoration, and maintenance of these two great monuments to freedom.

Iacocca was a passionate advocate of U.S. business exports during the 1980s. He is the author (or co-author) of several books, including *Iacocca: An Autobiography* (with William Novak), and *Where Have All the Leaders Gone?*

In 1988, Iacocca established the Iacocca Institute in partnership with Lehigh University. The idea of this was based around two main questions: How do you go about building global leadership? And how do you demonstrate to people from different cultures that

their similarities outweigh their differences?

Today the Iacocca Institute offers the following programmes:

- Build global networks
- Develop new best practices
- Cultivate professional skills
- Explore cultural diversity
- Empower individuals and work with organisations to promote leadership

The Iacocca Institute provides innovative leadership, applied management and cross-cultural learning experiences. Among its primary missions are: improving leadership and entrepreneurial skills, enhancing business and industry awareness and demonstrating the positive impact of culture and diversity in an organisational setting.

For years now, GGI has worked in close partnership with the Iacocca Institute and also collaborates with Lehigh and the Iacocca Institute on the Global Village on the Move (GVotM) project. Over this period, GGI has sponsored five young professionals to participate at the GVotM, beginning at the San Marco dei Cavoti event. This magazine features a review of the 2015 GVotM event in India on pages 17-18.

As a member of the Iacocca Foundation, Claudio G. Cocca, Founder and President of GGI Geneva Group International AG, is proud to be involved in San Marco dei Cavoti, Italy. The names Cocca and Iacocca are both historically connected to San Marco dei Cavoti, but of even greater importance today is how Lee Iacocca's leadership has always been an inspiration to Claudio G. Cocca.

We at GGI are incredibly grateful for what he has offered, from his support to his visionary outlook. This is why, on behalf of all GVotM participants and GGI members, we have awarded Iacocca



Lee Iacocca

the GGI XLNC Award as a mark of our gratitude and a token of our appreciation of his work. Lee Iacocca: "Thank you so much for honoring me with your GGI XLNC Award. Your firm certainly fits my view of the importance of globalization and the mission of the Iacocca Institute."

The GGI XLNC award has been bestowed on a number of personalities from all over the world. Among others, notable recipients include: Marco Vinicio Ruiz (former Costa Rican Minister of Foreign Trade); Supachai Panitchpakdi (former Director General of the World Trade Organisation); Clem Sunter (scenario planner and former Chair of the Anglo American Corporation); Bill Jamieson (Editor, *The Scotsman*); Shri S.S. Mundra (Chairman, Bank of Baroda); Hon. Chirau Ali Mwakwere (former Foreign Minister of Kenya); and Helen Brand OBE (CEO of the Association of Chartered Certified Accountants (ACCA)).

We look forward to continuing our cooperation with the Iacocca Institute and supporting many more future leaders in improving their leadership skills and broadening their cross-cultural learning experience.



GGI XLNC Award

Global Village on the Move (GVotM), India 2015

The 2015 edition of the highly acclaimed leadership programme Global Village on the Move took place in Mumbai and Virar, India, from 19 to 29 October. It was organised by Lehigh University, Pennsylvania, USA, and hosted by Viva College, India. GVotM programmes are held in unique centres of business around the world and aim to provide a customised professional educational experience to participants, offering a taste of the local and regional business culture and landscape.

The theme of GVotM India 2015 was "India: The Next Economic Powerhouse in the Global Marketplace". As well as courses, industry specialists, panel discussions, team business project case studies and visits to global businesses, the programme included a number of opportunities to visit sites reflecting Indian tradition, culture and heritage.

GGI sponsored five candidates to attend the programme, one from each of its geographical regions. Each spent the nine days together with professionals from around the globe, working to strengthen their leadership, networking and teamwork skills, while also meeting delegates from all over the world.

The GVotM 2016 will take place in Luxembourg and the theme will be "Leading Business Beyond Borders". We strongly encourage all GGI members to apply for a scholarship for next year's programme. For further information, please contact Marco Izzo at GGI's head office (izzo@ggi.com).

Read on to discover what the 2015 GGI Scholarship recipients have to say about the event.

ASIA-PACIFIC

Aditya Kumar

Ashwani Associates | Ludhiana, India

On a Tuesday morning, I found myself sitting in a room with 40 strangers, representing almost 15 nationalities and different cultures. Later, these strangers were

to become part of my extended family, opening their arms and welcoming me. This is how empowered I felt after attending the Global Village on the Move programme in Mumbai this year and I am very fortunate to have been selected by GGI as the Asia-Pacific delegate.

The course was diverse, engaging and profound. It included classes which enabled participants to gain an understanding of the culture and history of India, with a focus on where India might be heading in the coming years. We also looked at how India's industry is faring. I am from India myself, but nonetheless enjoyed visiting the unfamiliar locations in the Mumbai region. What's more, we were very well looked after by our hosts throughout the programme.

We were all split up into teams to work on and develop solutions for concrete projects being faced by companies. I found this to be a great experience as all the group members were from different cultures and had different perspectives on how to tackle the projects. I worked with accountants, economists, lawyers, engineers and managers from all over the world. Global Village on the Move was an opportunity to build on our knowledge, not only in relation to business, but also to different cultures. At the lectures, great emphasis was placed on the various initiatives being taken by the Indian Government to make India a superpower by 2020. On the whole, the experience was satisfying on both a per-



Aditya Kumar

sonal and professional level.

The programme was well planned and an enormous effort was made by all the organisers to ensure that it was such a great success.

MIDDLE EAST/AFRICA

Ahmeed Afolabi

**Saffron Professional Services
Lagos, Nigeria**

I found the Global Village on the Move programme in India to be a life-changing experience.

Firstly, it was such an honour to be selected to represent GGI at the programme and I would like to extend my most profound thanks to the organisation for the opportunity: thank you! I have to say that the hospitality provided by Lehigh University and Viva Group over the nine days is better than any I have ever experienced. It was warm over the entire duration of the programme.

I shared this life-changing experience with 31 other participants from 15 different countries – it was such a multi-cultural event. It was fascinating to see how these different cultures and their respective customs and norms came together. The bond we formed was so strong that these people were a family to me.

Like my home of Nigeria, India is a developing economy and this made the programme mean more to me as I could not only relate to the challenges posed by doing business in India, but also learn how they have overcome these and about their plans for the future. The

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Ahmeed Afolabi

lectures and panel sessions were delivered professionally and I found that they served as real eye openers into their subjects.

I would like to again thank my firm Saffron Professional services and GGI for this opportunity, which has allowed me to see the world in a different light.

NORTH AMERICA

Sheryl Shah
Ruchelman P.L.L.C. | New York, USA

This past October, I had the privilege of being one of the five GGI representatives at the Global Village on the Move programme in India. As I have strong ties with India,

I was eager to learn more about doing business in the dynamic country which is as global as it is cultural.

The programme consisted of ten full days of lectures, industry site visits, panel discussions and team project work. Hosted at Viva College by the kind Thakur family in the city of Virar, our stay was meticulously organised and enjoyable. Thanks to the family's connections to the different industry sectors, we had the opportunity to hear from leading professionals, officials and politicians in the field that are personally involved in the cutting-edge changes resulting in the emergence of this nation that is predicted to be the next global powerhouse.

As participants, we had the opportunity to meet other professionals from all parts of the world. Each fellow Global Villager brought a range of experiences and a unique cultural perspective to the mix. We learnt as much together as from each other. Working cooperatively added a new dimension to our level of analysis and elevated our final product to a level we could not have achieved independently.

Global Village on the Move was an incredible programme of which I am honoured to have been a part. I am ex-



Sheryl Shah

tremely grateful to GGI, the organisers at the Iacocca Institute and the Thakur family for this enriching and unforgettable experience.

LATIN AMERICA

Mauricio Saul Ramos Jimenez
Guerrero y Santana | Zapopan, Mexico

A short time ago, I, together with four other delegates from GGI, was given the opportunity to participate in Global Village on the Move, a mobile version of the Global Village programme organised by Lehigh University. It took place from 19 to 29 October 2015 in Mumbai, India. During these two weeks, more than 40 people from 15 different nations and a great variety of backgrounds not only had the opportunity to immerse themselves in the Indian culture and business world, but also to profit and learn from a truly cross-cultural exchange.

The programme included a series of lectures, speeches and panels hosted by historians, university professors, industry leaders and politicians, cultural showcases given by country delegates which included samples of items such as food, beverages and souvenirs, team projects where each group had to develop a strategy to overcome a real-life challenge facing a company and company visits, which offered the chance to see and hear firsthand the challenges facing the Indian business world. The companies visited and the team projects included all of India's major industries: banking/finance, construction, retail, film and IT. Each of these is under particular pressure in India – more so than in other countries because of the sheer size of its population of more than 1.2 billion – but also in part due to the prevalence of informal commerce and how to deal with the shift to e-commerce, the lack of financial services for most of the population and the ever-more prevalent redensification of its cities.



Mauricio Saul Ramos Jimenez

Attending Global Village on the Move was a great experience and I would strongly recommend it to anyone interested in gaining insights into the culture and business life of a particular country through immersion.

EUROPE

Silviya Slavova
Activ Ltd | Varna, Bulgaria

I was honoured to be selected to represent the world's largest multi-disciplinary alliance, GGI Geneva Group International (Europe), on the highly acclaimed programme, Global Village on the Move. The event was held in Mumbai as this year's theme was "India: The Next Economic Powerhouse in the Global Marketplace". Our kind host was Viva College, one of Mumbai's largest colleges. I was particularly impressed by their dedication to education and respect for their students.

I was lucky to have the chance to meet some amazing people and professionals from all around the world. This programme is unique in that it unites people from different cultures and helps you to see cross-cultural differences as a positive thing. One of the best aspects of the event was its international feel: this really was a truly international networking opportunity.

These ten days were a fantastic experience, both on a professional and personal level. I was lucky to meet with other GGI representatives and discuss a variety of important business issues, ranging from international taxation to advocacy.

The whole event was so well organised and scheduled, granting us the chance to gain an in-depth understanding of India from a cultural perspective, while also encountering new business opportunities and ideas for improvement. If you want to learn more about business, culture and yourself – Global Village on the Move is the place to be.



Silviya Slavova

David Neste joins GGI Executive Committee

David R. Neste CPA, MBA, CGMA, Co-Managing Partner of GGI member firm Prager Metis, has joined the GGI Executive Committee, effective January 2016, after being unanimously elected by the Executive Committee.

He succeeds Rick Mastrocola, who was a dynamic and dedicated member

of the GGI Executive Committee for a number of years.

Neste is a Partner in the Audit and Accounting Department of Prager Metis CPAs, LLC, a member of Prager Metis International Group. He has been an accounting professional since 1975 and also serves as Co-Managing Partner of the firm.

In this capacity, he provides leadership and strategic planning to more than 40 partners and principals and 200 staff members working at the seven Prager Metis office locations. He acts as a key advisor to his clients, often going above and beyond to ensure their success. Specialising in accounting and tax matters for privately held businesses, his primary areas of practice include business planning and consulting services, accounting, tax issues as well as audit and attest engagements.



David R. Neste

Neste started his career at a Big Four firm before opening his own practice. In his spare time he likes to travel and play golf and enjoys music and spending time with his family.

GGI member firm

Prager Metis CPAs, LLC

Auditing & Accounting, Tax, Advisory, Corporate Finance, Fiduciary & Estate Planning
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Soroker-Agmon representing the Madoff Trustee in Israel “Returning the stolen money is the right thing to do”

On 9 December 2015, Jonathan Agmon and Ady Nordman of Israeli GGI member firm Soroker-Agmon Advocates submitted an unusual lawsuit in Israel for approximately USD 95 million against several Israeli universities, their technology transfer companies, Israeli hospitals, and other Israeli organisations. The complaint was filed at the Tel Aviv District Court on behalf of the Madoff

Trustee heading the global liquidation of Madoff's defunct company. Claims of such a high amount are only very rarely brought before the Israeli Courts, as claims normally tend to be for between USD 1 million and USD 1.5 million.

Among the defendants are the Hebrew University of Jerusalem, Ben Gurion University in the Negev, the Weizmann Institute of Science, Bar Ilan, Tel

Aviv and Haifa Universities and the Technion – Israel Institute of Technology, as well as their respective technology transfer companies: Jerusalem Spinoza Institute, Jerusalem Academy of Music and Dance, Sheba, Rambam, Schneider and Kaplan Hospitals, Tel Aviv Sourasky Medical Center (Ichilov), Clalit Medical Services and others.

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This filing sheds light on Israeli aspects of the largest and most scandalous case of financial deception in history, namely the fraud committed by Bernard L. Madoff and his accomplices through Bernard L. Madoff Investment Securities LLC (BLMIS). In June 2009, Bernard Madoff confessed and was convicted by the United States District Court of operating the largest Ponzi scheme in history and sentenced to 150 years in prison. Investigations revealed the great scope of Madoff's fraudulent activities: accepting funds from investors, creating false representations of investing that money in securities, reporting generous profits "on paper" and paying the "profits" with money received from other investors whose deposits exceeded their withdrawals, while also placing some of the stolen money into his own and other peoples' pockets.

Even before Madoff pleaded guilty and was convicted, once the fraud was discovered in December 2008, the U.S. court in New York appointed Irving H. Picard as the bankruptcy trustee to oversee all claims against Madoff's investment house through which the fraud was committed. With his appointment, Picard was assigned the task of locating BLMIS assets and returning them to eligible claimants who deposited their money in the fraudulent investment house established by Madoff. The Trustee and his team conducted a major independent investigation and have reviewed thousands of accounts since December 2008. To date, these efforts have resulted in the recovery of nearly USD 11 billion and the return of more than USD 9.17 billion to the defrauded investors.

The investigations being carried out on behalf of the Trustee to support his recovery efforts revealed that an Israeli association, Yeshaya Horowitz, received funds originating from an account it held in BLMIS. According to the complaint: "This account, which was part of the Ponzi scheme operated by BLMIS, performed no securities transactions and never generated profits for the approximately USD 3 million initially deposited on opening the ac-



Ady Nordman

count. Nevertheless, Yeshaya withdrew approximately USD 126.5 million to its bank account, distributing it to various institutes in Israel, including the defendants. The approximately USD 123 million withdrawn from BLMIS, used to finance Yeshaya activities and donations, were therefore stolen from defrauded BLMIS customers and unlawfully transferred to Yeshaya."

In December 2010, in his capacity as Trustee, Picard filed a suit against Yeshaya and others in New York with a view to recovering more than USD 154 million that he believes were fraudulently transferred from BLMIS to Yeshaya and others. The claim asserted that the association and its legal counsel, Adv. Yair Green, knew of the fraud operated by Madoff. The claim is currently being litigated in the USA.

Concurrently, the Trustee continues to act in order to restore funds stolen and siphoned by Yeshaya to the named institutions in Israel. After considerable preparation, investigation and repeated attempts at contact with the defendants, Jonathan Agmon and Ady Nordman of Soroker-Agmon Advocates & Patent Attorneys, on behalf of the Trustee, filed a considerable claim against these organisations, all of whom allegedly received funds that were originally misappropriated but were classified as "donations" and "grants".

This claim against the Israeli "recipients" asserts that the defendants were



Jonathan Agmon

"unjustly enriched" through money stolen from defrauded Madoff victims and, as such, should return the funds to the Trustee who is authorised to return them to their rightful owners. The claim also states that efforts to negotiate with the research and medical institutions in Israel were not productive, as the defendants refused to return the money or even discuss the matter with the Trustee's representatives.

It is claimed that: "The defendants held and continue to hold the stolen funds, even after BLMIS' collapse and the uncovering of Madoff's scheme. The defendants also avoided returning the stolen amounts after Yeshaya contacted several of them and explicitly informed them that the amounts received originated from BLMIS. They continued to refuse to return the money after the Trustee contacted each and every one of the defendants, requesting that they return the money unjustly transferred to them, and avoided repaying the amounts to which the claimant is entitled to in order to distribute them among the defrauded BLMIS investors."

Even if there is truth in the argument that has been made by some defendants that they did not know at the time that the funds originated from theft and fraud, the Trustee will not accept this argument because ignorance does not "launder" the stolen money that was transferred.

"In addition, once the BLMIS fraud

was revealed and the scheme uncovered, and especially after the defendants explicitly learned that the funds received from Yeshaya came from defrauded BLMIS customers, they can no longer claim that they hold the money in good faith.”

Three years ago, the Hadasah Women’s Zionist Organisation (through its organisation in the USA) returned millions of dollars received from BLMIS, a portion of which came through Yeshaya, on discovering that the money was stolen from defrauded BLMIS customers.

On behalf of the Trustee, Soroker-Agmon states that the defendants must follow suit and return the stolen money that they received. By refusing to take the moral and respectable path, the respondents affiliate themselves with the thief – Madoff – and not the

victims. Returning the stolen money is the right thing to do.

The complaint asks that the court order the respondents to disclose complete accounts of funds received from Yeshaya and to return the unlawfully received funds.

The complaint states that: “The special facts underlying this case, unlike any ever heard in Israel, call for the Honourable Court’s special attention seeing that the defendants, wealthy and affluent institutions, deny the connection between the funds received and Madoff’s fraud. Thus, they refuse to return the funds unjustly received. When deliberating on the case, the Honourable Court is requested to set before it the images of the fraud’s direct and indirect victims. The elderly individuals who are now forced to accept menial jobs instead of retiring;

the needy, whose lives were upended when the charities that supported them collapsed because of Madoff’s scheme; the thousands who, even today, almost seven years after the affair was revealed, are unable to recover and probably will not be able to until justice is served and their stolen investments are returned.”

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The VI Permanent Commission of the Italian Parliament

Prof Stefano Loconte

appointed counsel to the Chair

Prof Stefano Loconte, Founder and Managing Partner of GGI member firm Loconte & Partners, has been appointed counsel to the Chair of the VI

Permanent Commission (Finance).

The Italian Parliament is composed of the Chamber of Deputies and the Senate of the Republic, which are equal in their functions and powers. The Italian President is in charge of the organisation of the work of the Chamber of Deputies. At the start of each Parliament, 14 Standing Committees are established, of which the 6th is the Finance Committee, presided over by Hon. Maurizio Bernardo. Prof Loconte will serve as counsel to the chair of the Committee. His activity will focus on the study, research and analysis of fiscal and tax issues Prof Loconte will above all coordinate the working group on **taxation of trust and Islamic finance**.



Prof Stefano Loconte

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New self-designed offices of Soroker-Agmon



GGI Global CEO Michael Reiss von Filski and Ady Nordman

Soroker-Agmon celebrates office opening

GGI member firm Soroker-Agmon, Advocates & Patent Attorneys have celebrated on 26 November 2015 the open-



From left to right: Jonathan Agmon, Ady Nordman and Eran Soroker

ing of their new self-designed offices in Herzliya, Israel.

Hundreds of clients and friends have attended the welcome party. Michael Reiss von Filski, GGI Global CEO, was one of the guests of honor.

The offices are located in a brand new building overlooking the Mediterranean Sea and enable Soroker-Agmon to further expand and grow in a modern welcoming environment.

All GGI members are kindly invited to visit Israel – and also Soroker-Agmon's new offices.

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Guinness World Records

Thomson Snell & Passmore the oldest law firm

GGI member law firm Thomson Snell & Passmore LLP – now in its 445th year – is celebrating being rec-

ognised as the oldest law firm in operation by the Guinness World Records (GWR). The honour will be recorded

in the Guinness World Records 2017.

Thomson Snell & Passmore was established in 1570. Since its humble be-

ginnings, the firm and its lawyers have adapted and evolved through the agricultural, industrial and digital revolutions. The firm's longevity is a tribute to its steadfast and deep commitment to working both for its clients' best interests and that of the local community. Over 400 years later, a modern law firm has emerged.

As the firm approaches its 450th anniversary in 2020, its growth strategy is focused on maintaining its position as a pre-eminent law firm in the South East. This new World Record accolade supports the firm's reputation as "Legal advisers of choice to generations of families and businesses".

Celebrating its 60th year, Guinness World Records is the only authority that records and recognises record-breaking achievements around the world. Record holders, deemed "Officially Amazing", have their achievements published annually in the Book of World Records.

Simon Slater, CEO of Thomson



Snell & Passmore, said of the achievement: "It is tremendous to be named an official Guinness World Record holder. This is an acknowledgement of the firm's unique longevity and a testament to our resilience as a law firm. This recognition underpins our promise to our clients that we will always be here to provide legal support. Looking to the future, it also strengthens our resolve to be the legal advisers of

choice to successive generations of families and businesses, with whom we have built long-term relationships in the region."

James Partridge, Senior Partner at Thomson Snell & Passmore, said: "This is wonderful recognition of the firm's achievements so far. We are at an exciting place in our history, and as the firm looks ahead – with its extensive experience and heritage – we will continue to grow by prioritising the needs of our clients and adapting our approach to the changing legal landscape."

GGI member firm

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James Partridge

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Michael A. Bondi Joins GGI member firm Moss & Barnett

GGI member law firm Moss & Barnett, A Professional Association, is pleased to announce that Michael A. Bondi has joined the firm's intellectual property team. Bondi focuses his practice on the preparation and prosecution of U.S. and foreign patent and trademark applications. He enjoys the variety of working

with both large companies who have complex multi-national trademark and patent portfolios, as well as smaller companies and individuals who are selecting their first trademark or filing their first patent application. Bondi received his J.D. from John Marshall Law School and his B.S. from the University of Illinois at Champaign Urbana.

"Michael is a major player in the patent, trademark, and copyright space, and we are excited to have him join us with his substantial portfolio of clients and their intellectual property – his addition to our team complements and greatly enhances our existing work in the knowledge economy," said Moss & Barnett President and CEO, Tom Shroyer.



Michael A. Bondi

GGI member firm

Moss & Barnett

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Prager Metis CPAs, LLC Welcomes Ralph J. Anderson as New Partner

GGI member firm Prager Metis CPAs, LLC welcomes Ralph J. Anderson, CPA, CGMA as its newest partner. Mr. Anderson joins Prager Metis as a Partner in the Tax Services group. He will be based out of Prager Metis' New Jersey office in Basking Ridge, NJ. However, Mr. Anderson has clients throughout the tri-state area.

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"We're very excited to have Ralph join the firm," says Lori Roth, COO of the Prager Metis office in Basking Ridge, NJ. "With his extensive tax background and his unique hands-on approach to working with clients, Ralph has a unique expertise that few possess. He is a perfect addition for us as his knowledge and skills nicely complement our existing tax services."

Mr. Anderson has a tax practice specializing in working with several industries. These include Real Estate, High-Net-Worth Individuals, Trusts & Estates and Financial Services. He comes to Prager Metis with years of experience as a Partner in national and large regional accounting firms.

"Prager Metis has a level of expertise, a growing reputation, that is unique to an accounting firm of its size," says Anderson. "Their firm cul-



Ralph J. Anderson

ture and tax services team, fit perfectly with my background and area of concentration. I'm very excited to join the Prager Metis team."

Austin/BFP: success can be controlled!

By Prof Dr Romuald Bertl

GGI member firm Austin/BFP is multidisciplinary organisation (tax, auditing, consulting) based in Graz, Austria, with further offices in Vienna. The team provides comprehensive expertise from

under one roof, with a view to helping and guiding companies throughout their entire lifecycle.

Senior Partner and Full Professor Dr Romuald Bertl, who founded the organisation in 1985, concurrently serves as chairman of the Institute for Accounting

and Auditing at the Vienna University of Economics and Business.

The Institute, which dates back almost 100 years, is one of the most prestigious and renowned research and teaching institutions in the fields of accounting, taxation studies and auditing



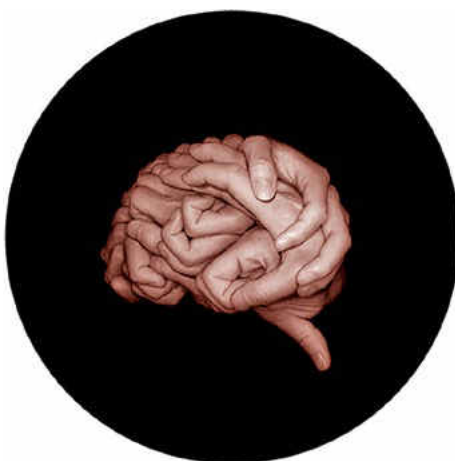
Austin/BFP office in Graz, Austria

in German-speaking Europe. Prof Bertl is also editor and co-publisher of the Austrian Journal for Law and Accounting (RWZ); co-author of “The Annual Financial Statement according to the Austrian Code of Commerce”, the 15th edition of which was published this year; President of the Austrian Financial Reporting and Auditing Committee (AFRAC) and Chairman of the Chamber of Certified Public Accountants’ professional committee on business management and organisation.

Prof Bertl’s research interests include:

- Financial statements analysis and business valuation
- Corporate Governance structures
- Quality assurance of annual audits
- Tax accounting law
- International accounting
- Public accounting procedures

Prof Bertl has gained experience in the business world, not only through his work at Austin/BFP, but also as a result



of his long stint on the board of directors for many prominent businesses including the listed company Mayr-Melnhof Karton AG and Wiesenthal Autohandels AG. As a result, Prof Bertl is familiar with his clients’ needs, the challenges they face and different business structures.

Its exceptional network in the academic setting and in the world of business gives the organisation a solid foundation for staying abreast of trends, innovation and research findings and for taking new steps as a pioneer in the industry.

Prof Bertl brings his extensive expertise to the GGI network and values the opportunity to exchange expertise with other GGI members – predominantly businesses – on an international level.

One of his first initiatives after joining GGI in 2014 was to strengthen the collaboration between Austrian GGI

members in the areas of best practice and customer support.

The combined knowledge of Austin/BFP’s over 80 tax advisors, auditors, economists, legal experts and management consultants covers all central fields of modern business consultancy. The staff includes specialists in mechanical engineering, chemistry, technical mathematics, medicine and many other areas. This expertise can be applied to classical management consulting projects, funding application management, corporate finance (especially for technology companies), complex reorganisation projects, company valuations, restructuring consulting and our own special municipal consulting area.



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Why can't private individuals in India take advantage of cheap lending abroad?

By **Raghu Marwah**
and **Priyanka Ajmani**

Background

Although the cost of money in India has been reducing, in large part thanks to Governor Rajan's generosity, the arbitrage with western economies is still at between 400 and 500 basis points. With the RBI easing regulations on commercial borrowing through the ECB, individual entrepreneurs are now looking forward to the moment when they will finally be able to dip their hand in the honeypot. Recently, this has led to widespread debate on the issue of overseas borrowing.

Let us consider whether resident individuals do have access to overseas borrowing and the extent to which the RBI has paved the way for this through the extant Foreign Exchange Management Act, 1999 (FEMA or the Ac'). There are three pillars to the analysis: the Capital Account Transactions Regulations, the Borrowing or Lending in Foreign Exchange and the Liberalised Remittance Scheme available to individuals.

Analysis

Regulation 3 of the Foreign Exchange Management (Permissible Capital Account Transactions) Regulations, 2000 lays down that any person may sell or draw foreign exchange to or from an authorised person for a capital account transaction specified in the Schedules. One of the "permissible capital account transactions" under Schedule I,



Raghu Marwah

which deals with persons resident in India, is "Foreign currency loans raised in India and abroad by a person resident in India".

To understand the aforementioned regulation it is important to refer to the Act defining who is a "person" and who is an "authorised person". Person as per section 2(u) of the Act includes an individual. Section 2(c) of Act defines authorised person as an authorised dealer, money changer, offshore banking unit or any other person for the time being authorised under subsection (1) of section 10 to deal in foreign exchange or foreign securities.

From the above, it is clear that foreign currency can be sold or drawn from an authorised person for capital account transactions subject to the regulations formulated by RBI, which therefore bars individual residents in India from raising monies abroad in the context of "permissible capital account transactions" under Schedule I



Priyanka Ajmani

since a foreign bank or lender is not deemed an authorised person.

We would also like to consider regulation 5 of FEM (Borrowing or Lending in Foreign Exchange) Regulations, 2000, which opens up two avenues for individual residents in India for borrowing overseas:

- (1) Permission to borrow from an overseas bank for execution outside India of a turnkey project or civil construction contract or in connection with exports on deferred payment terms on fulfilment of certain conditions.
- (2) Permission to borrow a sum not exceeding USD 250,000 or its equivalent from close relatives outside India.

While the first available avenue does not seem to be within the reach of an individual entrepreneur as the projects envisaged are of large size, the second (borrowing from close relatives abroad) necessitates that the loan be

received in India and not used abroad.

The third pillar of our analysis looks at the Liberalised Remittance Scheme (LRS) of the RBI which permits remittances to individuals. Under the Liberalised Remittance Scheme, authorised dealers **may freely allow resident individuals to make remittance payments with a value of up to USD 250,000 per financial year (April to March)**. This applies **for any permitted current or capital account transactions or a combination of the two**.

However, the LRS only permits remittance from India and does not permit or state that an individual resident in India can borrow overseas. As a matter of fact, it clarifies that borrowing in India

for making said remittances under LRS is not permitted and such funds must be out of one's own capital.

Conclusion

To sum up, the current RBI regulations do not seem to encourage individuals to borrow abroad. We hope that the RBI will soon relax the regulations governing individual borrowing overseas, giving said individuals an opportunity to meet their financing requirements from resources available worldwide. Resident individuals wanting to do business abroad and to borrow abroad under current regulations

would be best advised to seek professional advice regarding the structure of their business model.

GGI member firm

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The 4 Most Common Employee Theft Schemes and How to Protect Against Them

By Laura L. Rubenstein

When it comes to large-scale employee theft, fraud examiners commonly encounter four major types of fraud schemes: billing, check tampering, expense reimbursement, and payroll fraud. Here are some tips on how to detect and prevent them in your workplace.

Billing Schemestheft

False billing schemes are often used to hide large thefts. There are three primary kinds of billing schemes:

- False invoicing via shell companies: The fraudster will set up a fake (shell) company that bills for goods or services. Perpetrators are frequently



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in positions to approve these false invoices and rely on false purchase orders and receiving documents to

substantiate the lie. The names of shell companies tend to be similar to existing vendors working with the company.

- False invoicing via non-accomplice vendors: The fraudster double-pays or overpays an invoice, contacts the vendor, demands one check or payment be returned, and then intercepts the check before anyone else can see it. Perpetrators may alter the name on the check or the payee line, or create a counterfeit copy. These are commonly known as "pay-and-return" schemes.
 - Personal purchases made with company funds: The fraudster authorizes improper purchases using company funds or simply buys merchandise to return for cash. For instance, a
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perpetrator may buy eight computers when the company only needs four, in order to return the surplus for a “refund” in cash or credit in their personal name.

Though personal purchases may seem straightforward and thus easy to spot, they can go unnoticed for long stretches of time. Companies should be vigilant and look for the following red flags:

- Unfamiliar vendors
- Invoices for unspecified or poorly defined services
- Vendors that only have a P.O. Box address
- Sudden increases in purchases from a particular vendor
- Vendor addresses that match employee addresses
- Unusually quick payment or double payment of invoices
- Large billings that are broken into multiple, smaller invoices so as to not attract attention

Another indication of billing fraud are complaints from vendors. Take action whenever any vendor mentions they have been over- or underpaid, especially continually. It may be human error, or it could be theft.

Finally, make time to regularly review and verify your vendor list. It is recommended that clients institute approval procedures, at least for new vendors, so multiple employees have to sign off on a purchase before it is made. Some organizations enact these policies for any purchase over \$5,000 while others raise the ceiling to \$25,000 and above.

Check Tampering Scheme

Check tampering schemes typically occur over a sustained period, rather than a single instance, for two main reasons: the fraudster has to keep the scheme going in order to avoid getting caught and is often enabled to do so due to their unbridled position at the company. A large percentage of perpetrators are also involved in reconciling their companies’ bank statements,

meaning they have almost total control over corporate finances with little to no oversight.

Check tampering schemes fall into four main categories:

- **Forged maker:** The fraudster forges an authorized signature on a company check and then endorses the check to themselves, or creates a dual endorsement by adding their name below the payee’s.
- **Forged endorsement:** The fraudster forges the signature of the check’s intended recipient.
- **Altered payee:** The fraudster changes the name to which the check was issued.
- **Authorized maker:** The fraudster modifies a valid check, e.g., by adding a zero to the end or a one at the start of the payment amount.

Be aware of red flags that indicate check tampering:

- Voided checks
- Missing checks
- Altered endorsements or dual endorsements of returned checks
- Returned checks with obviously forged or questionable signatures
- Altered payees on returned checks
- Customer complaints regarding payments not being applied to their accounts
- Checks payable to employees, with the exception of regular payroll checks

In order to detect check tampering, companies should listen for customer complaints and take a careful look at their bank statements. Fraudsters often maneuver funds between different entities and may overlook applying payments in a timely manner, prompting customers to speak out when money remains in their accounts. If you receive these complaints, contact your bank to gain access to your statements and recently issued/cancelled checks. Though most corporate banking these days occurs online, companies can still access images and hard copies.

Check tampering prevention methods are relatively uncomplicated. Make

sure your checks come printed with physical tampering prevention and security features such as chemical stains, erasure protection, and microprinting. Checks should never be pre-signed and should never be cut by someone who is not a signatory on the recipient’s account. It is also recommended that bank statements be sent to the owner’s home precluding the fraudster from having the opportunity to open the mail and alter the statement prior to someone else reviewing it.

Expense Reimbursement Schemes

As with check tampering, there are four common and distinct forms of fraud through expense reimbursement:

- **Mischaracterized expenses:** The fraudster requests reimbursement for a personal expense by claiming it is related to the business.
- **Overstated expenses:** The fraudster requests reimbursement higher than what they paid by altering receipts or over-purchasing equipment.
- **Fictitious expenses:** The fraudster claims expenses through a fabricated or blank vendor receipt.
- **Multiple reimbursements:** The fraudster submits the same expense more than once.

These perpetrators aim to achieve their offenses by counting on “rubber-stamp managers.” So the best – and perhaps only – recourse companies have to identify expense reimbursement fraud is through a thorough review and analysis of expense accounts and reports. Companies should also enact clearly defined expense reimbursement policies and procedures to deter potential fraudsters from relying on others’ follies.

Payroll Schemes

Employees engaged in payroll frauds disburse funds to themselves or other employees rather than external parties. The most common payroll frauds are:

- **Ghost employees:** Names of individuals added to the payroll who do not actually work for the victim company, or even exist. The fraudster falsifies personnel or payroll records, generates a “ghost,” and an accomplice collects the paychecks. Ghost employees may be fictitious or a real friend or relative of the perpetrator.
- **Falsified hours and salary schemes:** Overpayment of wages. The perpetrator may fraudulently inflate an employee’s work hours or wage rate, or increase an employee’s salary – sometimes changing facts all the way back to day one.
- **Commission schemes:** Falsified or exaggerated sales, or increased commission rates. The fraudster may lie about or overstate the results of a sale, thus collecting a higher commission. When commission is based on gross rather than net sales, employees can sometimes earn fraudulent pay by conspiring with customers on bogus deals.

Payroll schemes are extremely common and widespread throughout many industries. There are several ways to stop payroll schemes in the tracks. Companies can manually distribute paychecks rather than issuing payments automatically. The same goes for W-2 forms, which when

distributed by hand can help employers identify the ghost employees. Look for duplicate Social Security Numbers, which can also point to fictitious employees.

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UK non-doms taxed after 15 years! Do I stay or do I go?

By Prof Robert Anthony

In its recent budget legislation, the UK government made a change which affects the tax paid by residents who have lived in the UK for more than 15 years while earning income from abroad. For many years, the UK has attracted a number of Asian, Middle Eastern, African, South American, European and more recently Eastern European individuals who do not have to pay tax on their worldwide income. U.S. nationals who are taxed on their worldwide income will not be as affected as others, as it is the effective rate of tax which could be an issue.

This change has come as no surprise. As a professor of international tax law and a chartered certified accountant, I remember when Gordon Brown, as Chancellor, lobbied then-Prime Minister Tony Blair to change the status of non-domiciled UK residents. Since that time, there have been a series of tax increases affecting taxation of trusts and



Prof Robert Anthony

changes to non-domiciled status. As if that wasn’t enough, capital gains tax on property for foreign residents and taxation on corporate ownership of residential property have also increased.

All is not lost. It is important to be realistic and appreciate that many people with an ultra-high net worth have

corporate structures in place which are not really affected on a taxation basis unless there are distributions. In addition, it is still possible to legally defer taxes provided UK domestic legislation is respected. Income can still be earned in the UK in a tax efficient manner. However, one should not overlook the importance of inheritance tax issues and careful planning in order to protect families – it is not all that easy. A family that has lived in the UK cannot simply up sticks to go and live elsewhere. There are other family members to consider, the lifestyle and more. Then, one needs to consider where to go. Monaco, Malta and Portugal come to mind, but this may not be the right choice for everyone. It is also important to think about more substantial issues: many people will retain their property in the UK. What will be the tax status of this in 15 years’ time?

The lifetime gift allowance enables individuals to pass their assets on to
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children by gifting them. If they do not die within seven years of this happening, inheritance tax will not be levied and there is a tapered inheritance tax rate during the period leading up to this. This is not always practical, however, and the age of the individual is relevant in this respect as well as sufficient confidence in the recipient.

Large fortunes are complicated and often require the involvement of a family office in running affairs. Are Scandinavian families prepared to move their family office to another country? Will the Swiss just leave? How will the South Africans cope? Certain nationalities may not wish to return to their home country, but in order to preserve family wealth it is important to carefully consider the implications of any decision.

In London alone there are over 500,000 French people. Some of these will be affected by this new legislation as the fiscal advantage of the UK will simply be the avoidance of wealth taxes on non-French based assets. The liberation of pension funds has led to certain foreign nationals holding considerable assets outside of the UK in the form of capital yielding assets. Careful planning is required or all these assets will become taxable.

Every case is different and it is advisable to obtain advice concerning one's individual circumstances. An international hedge fund manager, merger and acquisition partner or corporate banker distributing their profits outside the UK in a foreign vehicle or a fund in Luxembourg or elsewhere will now be taxed on those distributions after 15 years of residence. UK anti-tax avoidance legislation will focus on sham structures to avoid tax and probably treat them as transparent entities which are subject to UK taxation. The exchange of information will open a Pandora's box if these routes were put in place whilst remaining resident. Certain people carry out international trade whilst living in the UK, but their profits are currently kept outside the UK. One could argue that their services were performed in the UK, although this is not always the case. Modern



technology and the efficient exchange of information makes it much easier to establish the reach of a transaction. Germany has already interpreted differently a transaction on the basis that the contract does not need to be signed in Germany to be considered a German transaction. The UK has recently slightly modified its legislation to take into account Base Erosion Profit Sharing. It is clear that ever more tax free environments are being closed down.

Europe has attacked corporations such as Starbucks, Amazon and Apple. Now the UK is taking steps against wealthy people not paying tax. In my youth, tax evasion was frowned upon. Later it was seen as "tax planning" and now it is simply "not paying tax". This trend is unfortunately spreading through many jurisdictions. In addition,

there is constant pressure from countries on low tax jurisdictions to increase their taxation. Luxembourg has already started amending its domestic tax legislation accordingly.

Do I stay or do I go? And if I go, where to and for how long? That is the question on my mind.

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DEBT COLLECTION, RESTRUCTURING & INSOLVENCY (DCRI)

Banks and financial intermediaries in Italy

Reforms to debt restructuring agreements

By Prof Stefano Loconte
and Leonardo Angelastri

Pursuant to Section 182-bis of the Italian Bankruptcy Law, a business that finds itself in severe difficulty and facing collapse can ask the court to approve a debt restructuring agreement reached with its creditors on condition that the agreement in question is with at least 60% of the entire pool of creditors and that those creditors who have elected not to be party to the agreement are guaranteed payment of their debt in full.

The advantages for the business in securing approval of the agreement are as follows: (i) steps taken, payments made and security provided by way of implementation of the agreement that has been approved are exempt from revocation; (ii) when the proposed agreement is filed, the court can be asked to prohibit enforcement

action from being taken or pursued against the debtor while the agreement is being negotiated and yet to be formalised; (iii) the debtor can be authorised to take out pre-preferential loans where the purpose of these loans is to satisfy the pool of creditors to a greater extent.

The recent Justice Decree of 27 June 2015 (enacted in law by the Law of 6 August 2015) reformed certain aspects of the Bankruptcy Law, introducing changes in terms of debt restructuring agreements reached with banks and financial intermediaries.

The preliminary objective requirement that the owner of the business must satisfy in order to have access to debt restructuring agreements with banks and financial intermediaries in their new format is that the debts owed by the business to this particular group of creditors represent at least 50% of its overall indebtedness. Having met

this requirement regarding the type of debts owed by the business, Section 186-septies of the Italian Bankruptcy Law then requires the banks and financial intermediaries to be subdivided into “homogenous classes on the basis of legal status and economic interests”, with this subdivision certified by an expert’s report.

In particular, what stands out where these provisions are concerned is the fact that when the court approves the debt restructuring agreement pursuant to Section 182-bis of the Italian Bankruptcy Law, the business can ask for the agreement to be extended, under Section 182-septies, to take effect as against those banks and financial intermediaries who decided against signing up to it. This extension comes into play where each of the following requirements is met: (i) 75% of the banks and financial intermediaries in the same category are in support of the agreement; (ii) in accordance with the principle of good faith, the debtor has notified all of the banks and financial intermediaries that negotiations have been set in motion and has given the banks the opportunity to take part in those negotiations; (iii) as a result of the restructuring agreement, in their position as creditors, the banks and financial intermediaries will be satisfied at least to the same extent as would be the case with other alternative solutions that could, in practice, be adopted.

Another distinctive feature of these provisions is the fact that the banks and financial intermediaries to which

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Prof Stefano Loconte



Leonardo Angelastri



the agreement extends are treated as signatories to the agreement for the purposes of reaching the threshold of 60% of all creditors (meaning not just the banks and financial intermediaries alone) established by the first paragraph of Section 182-bis of the Bankruptcy Law; the business must reach this threshold in order to be able to follow this particular debt restructuring agreement procedure.

Of greatest significance in terms of novelty is the extension of the debt restructuring plan to those banks and financial institutions that did not support the plan tabled by the debtor. This principle is somewhat revolutionary in nature, making those banks and financial intermediaries subject to an agreement that the debtor has reached with other banks and financial intermediaries, being an agreement which, by its nature, will result in the amounts that they are owed being reduced.

Given that a debt restructuring agreement pursuant to Section 182-bis of the Italian Bankruptcy Law is a multilateral

contract with a common purpose, these reforms would appear to extend beyond the boundaries of the principle enshrined in Article 1372 of the Civil Code to the effect that a contract is binding in law between the parties to it. The extension of the effects of the agreement to third parties proves to have even sharper teeth when we look at the fact that the banks and financial intermediaries who did not support the agreement are, where the approved debt restructuring agreement is concerned, third parties, and the extension of that agreement by operation of law is of no advantage to them and in fact results in a worsening of their overall financial position.

In introducing these reforms, the Italian Parliament has clearly expressed a preference for keeping the businesses in question intact, viewing this as essential and ranking it over and above the bank or financial intermediary's entitlement to payment. The reasoning by the Italian Parliament on this matter is in line with that of its European counterparts as demonstrated most recently with Regula-

tion 2015/848 where, in establishing rules governing insolvency proceedings on an EU level that come into force on 26 June 2017, it declares that the main objective of the Regulation is to safeguard the assets of the business and employment levels, with this being achieved by adopting the debt restructuring route rather than seeing the company go out of business as a result of its financial collapse.

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Changes to Polish income taxes in 2016

By Artur Plutowski

Transfer pricing

In summary, the revision of reporting obligations under the BEPS results in the following changes to transfer pricing:

- Local file: an entity of a multinational group (annual revenue or costs above EUR 20 million) will be required to provide: a master file report containing standardised information relevant to all group members and (ii) a local file specifically related to transactions carried out by said entity.
- Tax havens or low-tax jurisdictions: an entity of a multinational group (annual revenue or costs above EUR 10 million and/or executing transfers to entities registered in such jurisdictions) will be required to

provide a simplified report on transactions with associated entities.

- Country-by-country reporting: an entity of a multinational group (annual, consolidated revenues or costs above EUR 750 million) will be required to provide a comprehensive report reflecting the activities and taxes paid in each country of operation.
- Taxpayers with annual revenues or costs of less than EUR 2 million will fall outside the scope of transfer pricing documentation requirements.
- The management/control shareholding qualifying as a related party has increased to 20% (previously 5%).

The country-by-country reporting obligations came into force on 1 January 2016, while the remaining changes will take effect from 1 January 2017.

Parent-subsidiary

A new condition for applying participation exemption has been introduced. Dividends or other profit distributions will not benefit from withholding tax (WHT) exemption if they pertain to an agreement, transaction or activity which does not reflect business reality and that has a fictitious character. The onus is on the recipient to prove the authenticity of the arrangement.

R&D incentives

New research & development (R&D) incentives were introduced on



Artur Plutowski

1 January 2016. However, the incentives passed by parliament are significantly less generous than the original proposals.

Taxpayers will be entitled to benefit from the “qualifying expenses” (deductible from the taxable base) as follows:

- 30% of remuneration and related social security expenses of employees involved in R&D activities; and
- 10% (20% for micro and SME) of the qualifying expenses, for example (i) for materials and supplies directly related to R&D activities, (ii) for expertise, opinions, advisory and equivalent services, and expertise for the purpose of R&D activities, if provided by a qualified scientific entity, (iii) for rental of research equipment used exclusively for R&D purposes and (iv) depreciation related to fixed assets and intangibles used for R&D purposes.

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LITIGATION & DISPUTE RESOLUTION (LDR)

Employee Non Compete Agreements in California: They're Not Enforceable

By Robert A. Bleicher

In many United States jurisdictions, covenants that restrict a departed employee's ability to compete with his former employer are enforceable with reasonable limitations. Typically, courts permit a restrictive employment covenant after applying a balancing test that weighs geographic regions, time limits, or other considerations to prevent the restriction from being overly oppressive. Not so in California, where those considerations are effectively irrelevant. Home to the world's seventh largest economy, it has the most aggressively enforced public policy against contracts that in any way prevent a person from engaging in his or her profession, trade, or business.

California's Business and Professions Code section 16600 expresses the state's strong pro-employee mobility policy. It states: "Every contract by which anyone is restrained from engaging in a lawful profession, trade or business of any kind is to that extent void." Under the California Supreme Court decision in *Edwards v. Arthur Anderson*, even partial restraints on an employee's ability to engage in his or her profession are invalid. In fact, not only are those clauses invalid, but including such provisions in an employment contract is an unfair business practice that violates California's unfair competition law, thus subjecting the employer to additional liability. Subject to a narrow exception involving the sale of a business, its goodwill, or



Robert A. Bleicher

the dissolution of a partnership, California's bar against restrictive employment covenants applies to any employment in California, which includes (1) employees living in California, (2) employees hired by California employers but who work out of state, and (3) out of state employees who perform services in California.

Following *Edwards*, restrictions that generally attempt to prohibit an employee from soliciting customers or rendering services to the former employer's customers have been held to run afoul of Section 16600. For example, in *Golden v. California Emergency Physicians Medical Group* the Ninth Circuit recently held that "no re-hire" clauses commonly found in severance and settlement agreements are invalid. These clauses typically stipulate that

the employee agrees not to work for the employer in the future. The clause at issue in *Golden* stated that, in return for settling his discrimination claim, the plaintiff would not seek employment with any facility currently owned by the employer or with any facility the employer might own or contract with in the future. The Court of Appeals concluded that this restriction violated section 16600 and that the statute applies to any agreement that causes "a restraint of substantial character" on the employee's ability to work.

Contractual provisions that seek to protect a company's trade secrets—the so-called "trade secret" exception—may still have some vitality in California. Applying this implied exception to Section 16600, some federal district courts in California – applying California state law – have enforced non-solicitation clauses in employment agreements where the clause was deemed necessary to protect the company's trade secrets. Significantly, however, post-*Edwards* several California state courts have refused to enforce such covenants and have observed that the so-called "trade secret exception" is of doubtful validity. Notwithstanding this ambiguity, California's Uniform Trade Secrets Act still bars an employee from using his former employer's trade secrets after he leaves the company.

Given California's hostility to covenants that restrict employee mobility, it is very important to carefully examine and draft any clauses that could be seen as running afoul of Section

16600. Plainly, broad provisions that seek to prevent an employee from working for a competitor or contacting clients should be revised or stricken when dealing with California employees. Further, when attempting to protect a company's trade secrets by contract—through a clause that bars the solicitation of employees or customers by the use of trade secrets—the trade secrets should be identified as clearly as possible in the form of customer lists, vendor lists, product information, strategic plans, and financial information. For some higher level employees, the “garden leave” option may be an alternative. It should be noted that no California court has yet ruled on the en-

forceability of “garden leave” clauses under Section 16600. Arguably, they are valid because they compensate a former employee for a period of time as long as they are not employed in the particular field, rather than a bald restraint on the employee's profession. Nonetheless, given the mandate of Section 16600 and its broad interpretation by California's courts, it would not be surprising if “garden leave” clauses were found to be an unenforceable restraint.

California courts vigorously enforce the prohibitions of Section 16600 and carefully scrutinize both the express and implied consequences of language that in any way seeks to limit the free

mobility of California employees. Accordingly, companies with employees or operations in California can mitigate their risk by ensuring that their employment agreements adhere to California's pro-mobility policies.

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TRUST & ESTATE PLANNING (TEP)

The Peripatetic Client

What to Expect When a Foreign Settlor Becomes a U.S. Tax Resident

By Nina Krauthamer



Nina Krauthamer

It is quite common for a foreign high net worth individual to establish a foreign trust, usually discretionary, for the benefit of members of her family. There are a host of reasons – asset protection, forced heirship provisions, privacy – for creating such a trust. It is not unusual for a beneficiary of such a trust to move

to the United States for education, work or personal reasons¹. It is less common for the settlor of the trust to make such a move, or be present for a significant period of time in the United States, but with increasing political and economic instability in many regions of the world, such moves are happening more frequently.

In addition to becoming a U.S. tax resident by becoming a permanent resident alien (a “green card” holder), a foreign person can become a U.S. tax resident by meeting a “substantial presence” test. There are a number of exceptions, based on the status of the individual (Form

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¹ See “Help - My Exclusively Foreign Trust Now Has a U.S. Beneficiary! What Are the Issues a Trustee Will Now Face?” published by the American Bar Association in the Real Property Trust & Estate eReport, August 2013.

8843), a “closer connection” to another foreign country if present for in the U.S. for fewer than 183 days (Form 8840), or a residency tie-breaker provision under an income tax treaty with the U.S. (Forms 1040NR/8833). Generally, a person can be present for roughly 120 days or less each year without meeting the substantial presence test. A U.S. tax resident is taxed on worldwide income and is subject to many reporting requirements.

Trusts can be treated for U.S. tax purposes as either foreign or domestic (U.S.), grantor or non-grantor, each with different operative rules. A trust will be a “foreign” trust for U.S. income tax purposes unless (i) a U.S. court can exercise primary supervision over trust administration (the “court test”), and (ii) U.S. persons control all substantial trust decisions (the “control test”). Most trusts established by foreign settlors will be designed as “foreign” trusts. A domestic trust is taxed on worldwide income, a foreign trust only on certain types of U.S.-source income.

Where home country tax regimes are favorable, a settlor may choose to use a foreign grantor trust (FGT), particularly when the intended beneficiary is a U.S. person. The grantor of an FGT is treated as the owner of the trust assets and is therefore treated, for U.S. tax purposes, as the taxpayer. Distributions to the U.S. beneficiary, while reported to the U.S. taxing authorities on IRS Form 3520, are not subject to U.S. income tax. A trust settled by a foreign individual will be treated as a grantor trust only if the trust is fully revocable or benefits the grantor or spouse exclusively.

N.B. The FGT should not own U.S. assets that could give rise to U.S. estate tax (e.g., stocks and securities of U.S. corporations), or should hold such assets through a wholly-owned foreign corporate subsidiary.

Most foreign discretionary trusts, however, are structured as foreign non-grantor trusts (FNGTs) with the settlor retaining limited rights to income and capital of the trust. In that case, the FNGT (not the settlor) is the taxpayer, taxed as a nonresident alien individual not present in the U.S.

So what can a foreign settlor of either



an FGT or an FNGT expect when the foreign settlor becomes a U.S. tax resident?

In the case of an FGT, the answer is straightforward – the settlor will continue to be treated as the owner of the assets of the trust, and therefore will be taxed on the trust’s worldwide income and gains. Certain investments in foreign corporations, however, may become problematic for the settlor if the foreign corporation is characterized either as a “controlled foreign corporation” (“CFC”) or “passive foreign investment company” (“PFIC”). If the settlor subsequently leaves the United States (assuming she has not obtained a green card and becomes subject to the U.S. expatriation tax rules applicable to “long-term residents”), her trust will revert to FGT status with no untoward consequences.

The rules become significantly more complex in the case of an FNGT. A discretionary foreign trust where the grantor is one of many beneficiaries may not be an FGT when the grantor is a nonresident alien, but under U.S. tax rules can be treated as a grantor trust when the grantor becomes a U.S. tax resident. Even if a previously-established trust would not otherwise be treated as a grantor trust, the trust will be treated as a grantor trust as to property transferred by the foreign individual to the foreign trust within five years of becoming a U.S. tax resident. The application of this provision may be avoided where the terms of the trust prohibit any U.S. person from receiving any income (whether current or accumulat-

ed) or any corpus, either during the life of the trust or upon its termination.

N.B. Modification of the terms of the trust prior to becoming a U.S. tax resident, if feasible, may be desirable. For example, if a trust is intended to benefit primarily non-U.S. beneficiaries, excluding all U.S. persons as beneficiaries may prevent the trust from becoming a U.S. grantor trust. Alternatively, if an FNGT is intended to benefit primarily U.S. beneficiaries, consideration could be given to domesticating the trust (or transferring a portion of the trust to a new domestic trust).

Tax planning may be necessary if the foreign individual leaves the U.S. in the future and is no longer a U.S. tax resident. An FNGT trust that became a grantor trust when the individual became a U.S. tax resident may revert to FNGT status. In that case, the tax rules would treat this change as a deemed sale or exchange of the trust’s assets, taxable to the foreign individual under a special rule applicable to transfers of property by U.S. persons to a foreign trust or estate.

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The Good ones

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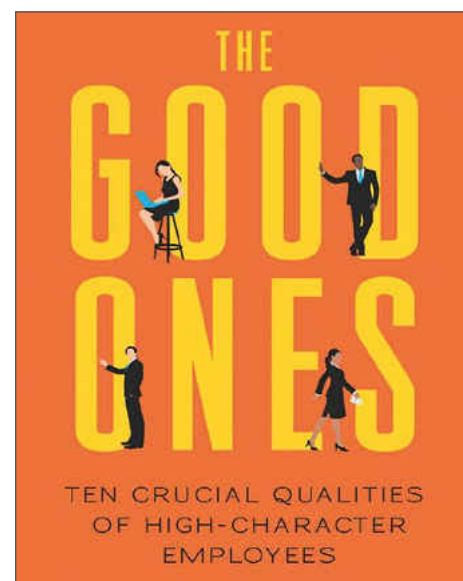
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GGI Middle East Africa (MEA) Conference, Abu Dhabi, UAE - 19-21 February 2016

GGI ITPG Winter Meeting, Barcelona, Spain - 25-28 February 2016

GGI NZ Business Summit, Auckland, New Zealand - 10-12 March 2016

GGI European Regional Conference, Warsaw, Poland - 21-24 April 2016

GGI North American Regional Conference, Chicago, USA - 12-15 May 2016

GGI Latin-American & Iberian Regional Conference, Madrid, Spain - 23-26 June 2016 (TBC)

Further Conferences & Events

What: Better Understanding the Role of the European Court of Justice in Criminal Matters

Where: Trier, Germany

When: 29 February 2016 - 1 March 2016

Brief Description: Since 1 December 2014, the Court of Justice of the European Union (CJEU) has full competence for the legal instruments adopted in the area of EU criminal justice. It is now competent for the preliminary ruling procedure, independent from a formal declaration by the Member

State. The infringement procedure, the action for compensation and the action for failure to act are also available in criminal matters.

This seminar aims to prepare EU criminal legal practitioners for the new full jurisdiction of the Court in criminal matters, enabling a consistent and uniform application of EU law in line with the most recent procedure and recommendations.

The seminar will include a visit to the CJEU, including attendance at a hearing.

Key topics

- Direct and indirect actions before the CJEU in criminal matters
- The preliminary ruling procedure, including urgent and expedited procedures
- Remedies for acts by OLAF, Europol, and Eurojust
- The case law of the CJEU in criminal matters (European Arrest Warrant, ne bis in idem, victims' rights)

MORE INFORMATION

What: Communication and Change Implementation Skills for Auditors

Where: San Francisco, USA

When: 7-9 March 2016

Brief Description: In this practical and interactive three-day seminar you will learn targeted communication strategies, effective influencing tactics, and proven change implementation skills that use a tested equation and will raise your professional profile while increasing Audit's value to the organization. You will master tools and

techniques you can use to enhance your communication, interview, and change implementation skills, including learning how to better work across borders with global audit teams and auditees. You will cover the steps you can take to build good client relationships and tackle such thorny issues as dealing with disagreement before it gets out of control, understanding cultural differences, delivering bad news, partnering with your clients to help them successfully implement audit findings, and more.

In addition, if you are currently wres-

tling with a specific communication challenge, we urge you to bring it with you so you can apply your learnings to your real-world situation. Class exercises throughout the seminar will let you put theory into practice. You will leave this intensive seminar with the tools you need to boost your communication skills and your ability to influence others so that change can be implemented in your findings.

MORE INFORMATION

What: Utility Regulation: Rates & Tariffs

Where: Hong Kong, China

When: 14-18 March 2016

Brief Description: The programme provides an introduction to, and context for utility regulation and its relationship to utility service provision and, as appropriate to public-private

partnerships (PPPs). The course describes the implications of utility regulation in service standards and tariffs implications; and understands the linkages between utility regulation capital planning and investment decision-making as well as regulatory risk and its risk perception (to both lenders and sponsors). The programme will also discuss the implications of

performance monitoring, legal and regulatory issues. As appropriate, specific sector issues will also be reviewed, mainly related to the energy and water sectors.

MORE INFORMATION



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