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UHY

global

ISSUE 10

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The network for doing business

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WORD OF WELCOME

Welcome to the 10th issue of *UHY Global*, our magazine for international businesses. It is something of a landmark, representing a full five years of insightful reporting on global topics that matter to our clients, with expert commentary from our experienced people around the world. It is also available as an interactive online publication, without the constraints of paper, bringing our readers additional narratives, including video, and a rich resource of source material just a click away.

A word on Covid-19. When I introduced our previous issue in January and forecast a year of change, this is not quite what I – or anybody – had in mind. Experts still disagree on the depth and longevity of its impact, but even though the likelihood of global recession remains at or near 100%, I have no doubt we will, as people, and as a connected economic ecosystem, bounce right back. On behalf of UHY and all of our member firms and professionals worldwide, I wish our readers safe passage and healthier times ahead.

Indeed, our key features in this issue are all about opportunity and growth. In *Making Cities Smarter*, we explore the development of the smart city concept. Driven by social, economic and environmental needs, and enabled by vision and new technology, connected urbanisation has a lot to offer. We look at what is happening, and where.

Another question at the forefront of international expansion for ambitious businesses, governments and investors, is where the next investable growth will come from?

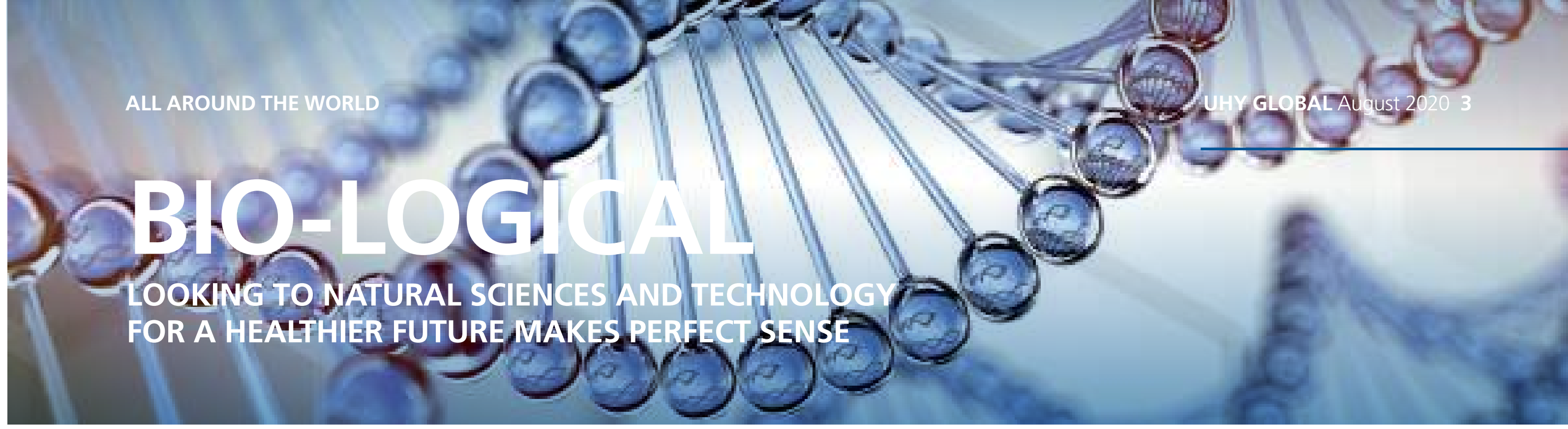
Our feature *Joining the Club* considers which emerging-market economies are shaping up to become this decade's foreign direct investment favourites, and why.

In the third of our growth-themed features, we look at new opportunities for small and medium enterprises in the Middle East, which according to the World Bank is fast becoming one of the best places to do business. In *Widening the Gulf*, we ask our UHY experts on the ground to explain what is changing.

Also, in this issue you will find our behind-the-scenes view on quality management and our regular *Perspectives* report, this time looking at the current climate for IPOs. In *All Around The World* we look at what is happening with global bioscience, and our *Serving Clients, Serving Communities* news celebrates the achievements of some of our remarkable people across the network.

As always, I hope you enjoy this issue of *UHY Global* – and if you would like to read more and dig deeper on the topics we have featured, then browse our expanded digital edition, at uhy.com/publications. Meanwhile, please let me once more wish you safe, healthy and prosperous times ahead and much success.

Dennis Petri
Chairman, UHY International



BIO-LOGICAL

LOOKING TO NATURAL SCIENCES AND TECHNOLOGY FOR A HEALTHIER FUTURE MAKES PERFECT SENSE

If one thing can bring optimism to solving some of the world's pressing challenges, it is the marriage of biology and technology.

The rate of advance in the mainstream of technology that we hear about everyday – artificial intelligence (AI), robotics, quantum leaps in computer power, the internet of things – is also reflected in the natural sciences. In particular, breakthroughs in biotechnology, though less understood in the broader global population, are by no means fewer or less dramatic. On the contrary, they are the building blocks of a sustainable future for nine billion people and counting.

MORE THAN BEER AND BREAD

In its simplest form, 'biotech' is about using biological processes for industrial purposes, most prominently in medicine and agriculture. Early and familiar examples of biotech in action would include brewing and bread-making, which create products from the manipulation of microorganisms.

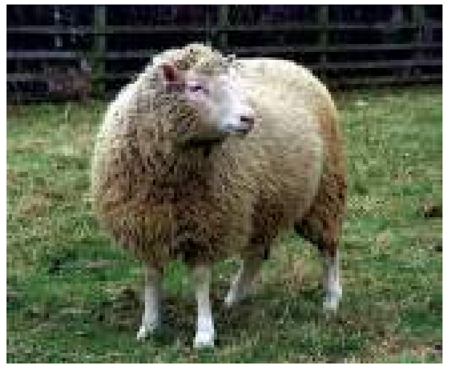
Today, biotech scientists are called on to ensure the future security of our global food and fuel supply, protect the environment, eradicate disease and create a bio-economy based on sustainable natural resources. Biotech harnesses innovation and imagination with biology and technology, to create solutions that meet our global needs.

PUSHING BOUNDARIES

In healthcare, the dangers are clear and present. Some populations are living longer while others are still emerging from health poverty. Disease is a persistent threat. The global search for a successful Covid-19 vaccine is a topical example, on top of longstanding effort to find effective treatments for cancers, organ impairments and neural disorders, among many others.

Biological science is not without other challenges. The fears of biological warfare, or a future in which robots become pre-eminent, are recognised as real societal issues. As a result, pan-governmental organisations and thinktanks are engaged in building ethical and legal safeguards to minimise risk.

This follows years of controversial headline-making by biotech pioneers. Most people remember Dolly the sheep, who was born in 1996 and became the world's most famous clone, the first mammal to be successfully created from the DNA of an adult cell. Fewer people know that Dolly's research programme yielded breakthroughs in how to manufacture potential treatments for muscular dystrophy.



ACCELERATING THE SCIENCE

There is no doubt that data-driven diagnostics and the role AI is set to play in drug discovery and targeting, for example, will accelerate progress in biotech, genetics and biosynthetic engineering. Massively complex human machinery will eventually be capable of replication. There are already ground-breaking developments which would suggest the question of artificial kidneys and bionic eyes is not a matter of if, but when.

Biotech in this sense is a critical cog in the wheel that keeps human life turning. The vast majority of bioscientific work, of course, is conducted with transparency and integrity within existing ethical and regulatory frameworks and guidelines. Technology helps this happen faster, and more effectively.

Undoubtedly, pushing the boundaries of what is possible will increasingly bring moral questions under the spotlight - but today's advances, breakthroughs and discoveries continue to build a healthier future for millions of people.

> Biotech is a critical cog in the wheel that keeps human life turning.

DIGITAL DIAGNOSTICS

The rise in popularity of the personal fitness tracker or smartwatch, is evidence of a sea change in future healthcare, enabled by technology. Consumers looking after their own health and wellbeing can do so with a sophisticated range of wearable devices that will monitor and record exercise, heartrates, oxygen capacity, sleep quality, nutrition, weight and more besides. The potential for predictive diagnostics is clear.

Increasingly, consultations with doctors and specialists will be conducted remotely. This is in large part dependent not on the technology itself, but on its adoption by people who are cautious about sharing personal health data with a medical support network online. It is likely to be a behavioural shift driven by more informed, more demanding and ultimately more trusting patients.

But looking past issues of privacy and the need for patients to control their own data, the future of preventative health provision is one of digitally-enabled opportunity. ■

Dolly the Sheep photo courtesy of The Roslin Institute, The University of Edinburgh.

MAKING CITIES SMARTER

SMART CITY INITIATIVES ARE SPROUTING ACROSS THE GLOBE, WITH THE AIM OF CREATING TRULY CONNECTED CITIES FOR LIFE AND WORK

In January 2020, Japanese car manufacturer Toyota revealed plans to build an entire city from scratch near the foot of Mount Fuji. Named for its integrated design, Woven City will not be large, but it will be smart. Around 2,000 residents will live and work in the 175-acre site initially, surrounded by some of the most sustainable and connected technology currently available.

Woven City streets will hum with the sound of electric and driverless vehicles. Renewable energy will power its sustainably designed homes. Everything – people, vehicles, buildings – will be digitally connected, with inhabitants acting as the pampered lab rats of a real-world experiment in ultra-efficient, AI-assisted urban living.

"With people, buildings and vehicles all connected and communicating with each other through data and sensors, we will be able to test connected AI technology, in both the virtual and physical realms, maximising its potential," said Akio Toyoda, Toyota's president.

PRESSURE ON INFRASTRUCTURE

The concept of a smart city is not new, but growing concerns about climate change and overpopulation are driving ever-more ambitious projects. Scores of nations around the world are piloting their own interpretations of smart urban design, as authorities react to growing pressure on public amenities and city infrastructure.

The Netherlands, for example, has adopted a nationwide Smart City Strategy, with the aim of developing projects that will create healthier, greener, more liveable urban environments. Paul Mencke, partner at Govers Accountants/ Advisors, UHY's member firm in the Netherlands, says the need is obvious.

"The ambition of the government arises from global developments such as urbanisation, climate change, labour participation, digitisation, mobility and natural resources becoming rare. These global developments have a disruptive impact on societal systems, and they put pressure on cities to create new business models," he explains.

Paul cites the example of his own city, Eindhoven, which is creating a 32-kilometre-long cycle loop around and through the city, currently in its final stages of construction. "The route is an example of a sympathetic initiative that has a positive combined impact on mobility (reducing congestion), the reduced use of fossil fuels, public health and parking problems," he says.

Dubai, meanwhile, has long embraced the concept of technology-driven urban living. Now, its Smart City 2021 initiative boasts the ambition of demonstrably improving happiness. It aims to embed technology into every element of public life, helping to create more satisfying interactions between inhabitants, businesses and government bodies. There are currently 545 planned or ongoing smart city initiatives, harnessing AI, blockchain and paperless technologies to drive efficiency.

> Dubai's smart City 2021 initiative aims to embed technology into every element of public life, helping to create more satisfying interactions between inhabitants, businesses and government bodies.

"The basic premise for smart city adoption is to ensure every aspect and transaction of daily life in the city adds to the happiness quotient of its residents, from a smart technology standpoint," says James Mathew, CEO and managing partner of UHY James, based in Dubai, United Arab Emirates.

While smart city technologies do not have to be digital – the Eindhoven cycle track is a case in point – many inevitably are. Dubai is a leader in blockchain adoption, for instance, with a blockchain community 5% larger than the global average. And innovation does not stop there, as James explains:

"By 2030, Dubai is set to have the first smart police station with 25% of its workforce being 'robocops'," he says. "The first robot officer was launched in 2017 to patrol Dubai streets."

TECHNOLOGY FOR LOCAL NEEDS

Around the world, cities are promoting smart technologies that best meet their specific needs. According to Sunil Hansraj, joint managing partner, Chandabhoy & Jassoobhoy, Mumbai, India's Smart Cities Mission was created to help ease overcrowding in the country's biggest cities. "Its aim is to provide the burgeoning middle class with an aspirational lifestyle in their own hometowns, rather than have a large population continually migrate to the larger cities – which are bursting at the seams," says Sunil.

Overcrowding is not unique to India, of course. Combined with overall population growth, urbanisation is likely to add another 2.5 billion people to cities globally over the next three decades. But a number of India's cities have reached saturation point already, accelerating the need for smart city initiatives. The aim is to improve quality of life in India's biggest urban centres, while at the same time making smaller towns and cities more economically viable, slowing the pace of internal migration.

"Accordingly, the purpose of the Smart Cities Mission is to drive economic growth and improve quality of life by enabling local area development and harnessing technology, especially technology that leads to smart outcomes," says Sunil.

"Growth and development will enable smart cities to use technology, information and data to improve infrastructure and services."

Mexico, meanwhile, has seen the creation of 'smart zones'. "They are 'little cities' in or near a major city," says José Carlos Villegas, partner at Mexican member firm UHY Glassman Esquivel y Cía. "In addition, the Mexican technology firm Netcity is creating smart initiatives in Mexico City."

These smart zones are testbeds for technology that might eventually be rolled out across the country and, again, are aimed at helping to solve some of Mexico's most pressing urban challenges.

"With technology, we hope we can improve security systems, communication and telecommunication, electricity provision and clean water supplies," says José.

SMART MONEY

Smart city initiatives aim to improve quality of life, and by doing so confer real economic benefits. For a start, they make doing business easier. A connected network of Internet of Things (IoT) sensors could alter traffic light timings in response to changing needs, making commutes quicker and smoother. Sensors on lampposts might guide vehicles to free parking spots.

> "With technology, we hope to improve security systems, communication and telecommunication systems, electricity provision and clean water supplies."

At the same time, blockchain technology could be used to speed up bureaucratic processes and cut red tape, while data gleaned from thousands of IoT devices could lead to better evidence-led business decisions. Smart buildings, meanwhile, can reduce energy costs while maintaining optimum conditions for creative work. And truly digital cities make home and remote working easier and more productive.

Even before the first IoT sensor has been installed, the creation and management of smart city initiatives offers a significant opportunity for companies in a range of sectors. Telecoms providers, software firms, construction companies and component manufacturers are all scrambling to be involved in the first wave of smart city projects. Some forecasters estimate that the global smart cities market could exceed USD 2.5 trillion by 2025. That is an enormous figure, and the excitement around smart cities is real.

SLOW PACE OF CHANGE

For the moment at least, hype might be outpacing reality. While mega projects like Woven City create interest and publicity, in many cases the push towards smart cities is piecemeal, local and relatively small scale. In India, Sunil points out that the Smart City Mission was first discussed in 2014. Six years later, only 50% of the budget for projects has been allocated, of which about 75% has been released and an even lesser proportion utilised. "There is still some distance to go before the physical benefits will be visible," he says. "The Covid-19 crisis is not going to hasten the progress of these projects and so for now the smart cities concept may remain just that – a great concept."

In Mexico, too, government inertia is slowing the pace of change. "For example, despite the fact that businessmen and investors are aware of the importance of clean energy initiatives and are willing to invest, the government is less proactive in promoting the use of clean energy," says José.

Paul says the current situation in the Netherlands is also a scattered picture of sympathetic initiatives. "While there are quite a lot of projects, they seem to be on a local level, and relatively small in size."

A CONNECTED FUTURE?

Nevertheless, while the development of smart cities is haphazard at best, the direction of travel is set. Increasing pressure on urban environments will force authorities to act. Big business is eyeing an opportunity. Few cities are as far down the path to a fully connected future as Dubai, and the city is already seeing economic benefits.

"Smart technology initiatives are expected to account for savings worth almost USD 1.2 billion through shared government infrastructure and services," says James. "And Dubai has become a playing field for startups – the smart initiatives provide startups with a platform to scale their business and demonstrate their capabilities to contribute to the futuristic vision of Dubai."

Retail is a major contributor to Dubai's economic success, and James says the city's move to enhance data collection and analytic capabilities is providing the sector with new and valuable information. "The end objective of leveraging data and analytics in the retail sector is to gauge retail trends, analyse the performance of the sector and improve the environment for doing business in the city," he adds.

Dubai's high-end retail sector may be unique, but it is one example of what smart initiatives can do for business when targeted at local needs. In the meantime, the fully connected city may be some way off, but it is on the way. When companies like Toyota start building entire neighbourhoods from scratch just to test their technology, you can be certain that the momentum behind the adoption of smart city initiatives is only going to increase. ■

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GOING PUBLIC

INITIAL PUBLIC OFFERINGS ARE OUT OF FASHION AS PRIVATE FINANCE BACKS GROWING BUSINESSES – BUT MOST COMPANIES STILL WANT TO GO PUBLIC EVENTUALLY

Image: iStock.com/Pgiam

When the *Wall Street Journal* called 2019 the 'Year of IPO Disappointment', it raised a few eyebrows. After all, this was the year that highly regarded firms like Uber, Lyft and Slack made stock market debuts. December brought the first public listing of oil giant Saudi Aramco, the most valuable initial public offering (IPO) on record.

So why the Wall Street gloom? Because, according to some commentators, a few high-profile exceptions masked a far less positive picture. According to investment bank Renaissance Capital, there were 159 IPOs in the US with a value of USD 50 million or more in 2019, down from 192 the previous year. Historical comparisons paint an even starker picture. Between 1980 and 2000 an average of 310 companies went public in the US every year.

The trend is global. According to data from Dealogic, the number of new listings fell by one fifth in 2019, and the trend has been gently downwards for two decades. Globally, companies raised a combined USD 188 billion from IPOs last year, a three-year low. Hopes for an upswing in 2020 have been dashed – like so much else – by the coronavirus pandemic.

Dominik Biel, partner at UHY ECA, Poland, confirms the trend from a local perspective. "We have seen a declining number of companies debuting on the Warsaw Stock Exchange since 2015," he says. "In that year 30 companies conducted the IPO process, while only seven did in 2019. It's worth noting that in 2007 the number was 81."

Nor was the small number of debuts offset by the value of the shares offered, Dominik confirms. The combined value of both existing shares and new issues on the Warsaw Stock Exchange was 25 times higher in 2017 than 2019. That is a dramatic decline. So why has the popularity of the IPO waned?

UBER NEEDS A LIFT

Dominik points to local factors, like reform of the Polish pension system and economic scandals, for contributing to the decline. Steven Pinsky, consulting principal for UHY Advisors NY, Inc., US, sees larger forces at play behind the modest number of recent IPOs.

"The public markets are subject to a plethora of external micro and macroeconomic factors which affect both regular and irregular fluctuations in market liquidity," he says. "There are times at which the market is just not susceptible to new offerings. Some of the fluctuations are typical market cycles while others are impacted by external market influences. The coronavirus crisis is a perfect example."

While coronavirus is negatively affecting IPO numbers in 2020, last year Brexit and the China-US trade standoff helped dampen investor enthusiasm. And while some smaller IPOs did well, one highly anticipated listing flopped.

Uber's stock market debut lost more in dollar terms than any other American IPO for over 40 years.

Robert Kidson, managing director of corporate finance in the London office at UHY Hacker Young, UK, agrees that enthusiasm for IPOs can ebb and flow with wider market conditions.

"Companies will choose to list their shares if the market is conducive to listings – i.e. there are investors wishing to put funds into an IPO and there is adequate liquidity in the market – and if not they will probably look at other alternatives or simply wait," he says.

Companies considering public listings refuse to be rushed into decisions. Rumours of Saudi Aramco's IPO had been circulating for years before its eventual debut.

> "Some fluctuations are typical market cycles while others are impacted by external market influences – coronavirus is a perfect example."

WAITING FOR THE MOMENT

And that, perhaps, is the crux of the issue. Growing businesses always need finance, whether to move into new territories, invest in infrastructure, or buy out competitors. One reason for the slowing rate of public listings is that so many alternative channels of finance now exist. They allow companies to remain privately owned while achieving many of their early business goals. If the IPO environment is not optimal, companies can and will wait until it is.

While private finance channels have always been an option, the sheer volume of venture capital out there is new.

According to data from Pitchbook and the National Venture Capital Association (NVCA), the venture industry ploughed USD 136.5 billion into US-based companies in 2019. In the same year, Crunchbase projects that, globally, roughly USD 294.8 billion was privately invested in nearly 32,800 deals.

Venture capital has become a huge contributor to company growth, especially in the technology and biotech sectors. Similarly, angel investment (individuals who back startups at an early stage) has helped create a startup culture, allowing a generation of entrepreneurs to turn good ideas into viable businesses. Private equity funds are seeing record levels of fundraising, while family offices are accelerating investments in private companies.

The advantage of all these channels is that they can offer quite significant funds while shielding firms from public scrutiny. "Companies that list obviously have to report their figures more regularly and are subject to the ups and down of the stock market, whereas private equity backed companies are not subject to the same public scrutiny," says Robert.

Steven agrees, suggesting that, for some companies, remaining in private ownership has competitive advantages, especially during the scaling phase of business growth. "Private companies can shield competitive information that public companies may not be able to, such as acquisitions, known risks and executive compensation," he says.

He also pinpoints another advantage of delaying an IPO.

A lot of private investment comes with the promise of business expertise, also known as 'smart money'.

"In many cases, financing sources such as private placements or private equity come with financial and operational expertise to assist companies in achieving and managing growth," he says. "Partnering with a reputable private equity fund or family office gives you access to resources such as financial advisors, operational advisors, buying groups, and business improvement consultants."

VENTURE CAPITAL CAVEATS

Venture capitalists also offer business support, and that can be invaluable to some growing businesses. But the venture capital route is not for everyone, as Mark Nicholaeff, UHY Board member, chairman, UHY Haines Norton, Australia and New Zealand, and partner, UHY Haines Norton (Sydney), Australia, explains:

"Most venture capitalists impose onerous financial conditions and depending on the quantum of the investment may require close involvement in the company. Some companies do not want a venture capitalist looking over their shoulder all the time," he says.

"On average, however, a company will always take this route first, assuming it is not too onerous, as the shareholders do not want to dilute a company that has a good future, as the value may significantly increase in the short term."

Dominik agrees that venture capital often comes with strings attached. "Companies wishing to benefit from venture capital support must take into account the partial loss of control over managing the enterprise, because these funds have a very active management policy," he says.

Entrepreneurs may resent such interference. Luckily for them, technology has also sparked the creation of completely new channels of business funding.

While not common everywhere, instruments like crowdfunding and Initial Coin Offerings (ICOs – a type of funding using cryptocurrencies), are increasingly popular in some jurisdictions. Crowdfunding is usually more appropriate for businesses at a relatively early stage of development.

"The growth of financing platforms such as Kickstarter and GoFundMe are creating an alternative financing source for growing companies," says Steven. "The cost of alternative sources is often less expensive and intrusive than IPOs. The downside is that many of these funding sources have limitations on the size of funding realistically available."

> Companies wishing to benefit from venture capital support must take into account the partial loss of control over managing the enterprise.

DELAY – NOT REPLACE

While alternative financing channels are increasingly popular, most are designed to delay the need for an IPO, rather than replace it entirely. And while many eligible companies may wait for exactly the right market conditions, they are unlikely to abandon the idea of going public altogether. For established businesses with a stable market position, IPOs remain a potent form of both financing and publicity.

"The companies that don't IPO are the ones that have minimal probability of successfully listing or do not want the regulatory burden. Otherwise IPOs are still the preferred route for most established businesses," says Mark.

Robert mentions that private investors will eventually be looking for a return, often realised by an IPO. Indeed, growth stage investment is sometimes offered in the implicit understanding that a successful business will eventually float. As Steven explains, private equity funds are seeing record levels of fundraising in part because they offer business owners cash now and the promise of more cash later – the proverbial second bite at the apple.

"It lets them take money off the table while still maintaining both operational control and enough of an equity stake that they benefit significantly from a future liquidity event, be it sale or IPO," he says. "The alternative crowdsourcing options are also allowing companies to delay the expensive IPO process or a dilutive PE investment with a less dilutive or less expensive option until larger growth investment capital is needed."

In many scenarios an IPO is still the default destination, even if it is a little further down the road than in the past. And before the pandemic, some experts were predicting that 2020 might see a bounce back in IPO numbers, as market conditions improved. That might now be delayed till 2021.

TAILORED SUPPORT

When normality resumes, the good news is that UHY has the expertise to help companies navigate the complex IPO process and make successful stock market debuts. Expert professional advice is crucial for companies considering public listing, tailored to local circumstances.

"In Australia, an operating company requires three years of audit and an Independent Accountants Report (IAR) to be included in the prospectus," says Mark. "We can provide both services. Due to our experience with many listings we can guide a company through the listing process and introduce the company to the other required service providers, like lawyers, underwriters, promoters and so on."

Robert says that for companies that have not listed before, UHY Hacker Young provides a 'hand-holding' service throughout the process. In Poland, UHY ECA also provides a complete service, including preparing businesses for the rigours of reporting as a public company, while Steven says UHY Advisors provides 'comprehensive attest and compliance services' as well as a full menu of ancillary solutions.

IPO numbers have declined in recent years, as companies tap into other sources of finance to meet initial business goals. But for companies that make it that far, an IPO can still be the ultimate aim. The UHY network is ideally placed to help companies thrive as they transition from private to public entities. ■

For more information about UHY's capabilities in corporate finance services, email the UHY executive office, **info@uhy.com**, or visit **www.uhy.com**

Image: iStock.com/andykazie

TOP PRIORITY FOR COVID TAX SUPPORT

Image: iStock.com/JohnnyGreig

The Organisation for Economic Cooperation and Development (OECD) has prioritised work on targeted and temporary tax policy and tax administration measures related to the coronavirus pandemic. As well as the ongoing publication of key fiscal and monetary policy responses, this includes a toolkit and summary document outlining measures taken by governments around the world to support taxpayers in response to Covid-19.

As work patterns have changed, and some cross-border workers and individuals have found themselves stranded in jurisdictions that are not their country of residence, the OECD has advised that coronavirus-related tax concerns should be treated as exceptional. It has also highlighted the importance of countries working together to mitigate potentially significant compliance and administrative costs, and to alleviate the unplanned tax implications and any other new burdens arising as a result of the Covid-19 crisis.

For further information on OECD's Covid-19 tax guidance, see **www.oecd.org/tax/tax-policy**

OLYMPIC HOPES REMAIN

John Coates, chair of the International Olympic Committee's (IOC) coordination commission has said that the postponed Tokyo Olympics and Paralympics should stand as a beacon of hope with the Olympic flame being 'the light at the end of the tunnel', despite ongoing uncertainty as to whether the Games will take place in 2021.

The 2020 Olympics have been rescheduled for 23 July to 8 August 2021 and the Paralympics for 24 August to 5 September 2021, in the hope that this will allow sufficient time for health authorities and the organisers to address the changing landscape and disruption caused by the coronavirus pandemic. But health experts have warned that the Games may still be in doubt due to uncertainties around the ability of the host nation and countries around the world to control Covid-19.

Planning for the rescheduled Games is being led by two new task forces – the Tokyo Organizing Committee's (TOC) 'New Launch' and the IOC's 'Here We Go'. Toshiro Muto, CEO of the TOC, said that although there is no guarantee that the Games will go ahead in 2021, they will continue to work hard to make preparations, adding, "We sincerely hope that come next year mankind will manage to overcome the coronavirus crisis."

The costs associated with rescheduling the Games are likely to be significant, with estimates ranging from USD 2–6 billion. The estimated real cost to Japan was already twice the official budget of USD 12.6 billion prior to the postponement, primarily due to the construction of secondary infrastructure. Although these costs have largely been borne by the Japanese government, domestic companies – including Nomura, Toyota, Canon and Panasonic – have supported the Tokyo Olympics to an extent unmatched in previous Games, committing over USD 3 billion in sponsorship revenue. The TOC is hopeful that this support will continue.

The rescheduling of what had been referred to as the 'Recovery Olympics', representing a huge rebuilding effort after the 2011 Fukushima earthquake and tsunami, marks the first time in history that the Games have been postponed.

SOMALIA SET TO REJOIN GLOBAL ECONOMY

Following a range of broad economic reforms, the International Monetary Fund (IMF) and the World Bank have announced that Somalia is eligible for debt relief through the Heavily Indebted Poor Countries (HIPC) initiative – enabling the country's reintegration into the global economy after 30 years.

Under the HIPC initiative, Somalia's debt will be reduced irrevocably from over USD 5 billion to USD 557 million in three years' time if the country sustains its commitment to reform. Bridge financing has been provided by Norway, Italy, the UK and the European Union (EU). Debt relief will normalise Somalia's relations with the international community, providing greater access to financial resources that will help strengthen the economy, accelerate growth, improve social conditions and raise millions out of poverty.

Kristalina Georgieva, Managing Director of the IMF praised the Somali government's successful reform efforts, which have laid the foundation for inclusive economic growth. "I am confident a more resilient and prosperous future lies ahead for the people of Somalia," she said.

Somalia is also planning to hold its first democratic elections since 1969 in late 2020 and early 2021.

(left to right), Sean, Chris, Danielle, Dennis

POWERING AHEAD

When Dennis Petri, partner, UHY LLP and managing director of UHY Advisors MI, Inc, became chairman of UHY at the end of last year, the world was blissfully unaware of the fear, personal losses and economic impact that Covid-19 would bring in 2020. The challenges at work and at home continue, but Dennis is certain that UHY as a business is on course to be stronger than ever.

"I have been thrilled by the overwhelming support and resilience of our member firms across the world right from the start of this pandemic," says Dennis. "At every level of our network, new leaders have emerged and established ones are still proving their weight in gold. This is the value of UHY's global team and I am so proud to be part of it. For us it is business as usual and we will continue to manage the situation until things finally settle back into a new normal."

This tenacity was obvious in Dennis from a young age. Describing himself as a 'natural optimist', he is used to turning disappointments into victories. Having originally wanted to study medicine he diverted to accountancy when his excellent grades were not quite good enough for medical school.

"I just missed out on the necessary straight As across all the sciences," says Dennis, "but both my father and grandfather had been accountants so it was an obvious decision for me to follow in their footsteps. I have never looked back. It is a wonderful profession to be involved in."

Dennis quickly established himself as an ambitious new employee at Follmer Rudzewicz & Co. who he joined straight after graduating in 1983. He was there when they merged with five similar sized CPA firms in the United States. One of the firms was the New York firm Urbach Kahn & Werlin. When Urbach and Hacker Young in London, UK, decided to work together and establish an international network, UHY International was launched and Dennis has stayed at the firm since its conception, 34 years ago.

"Loyalty and enterprise have always been important to me. I was looking for opportunities to grow professionally and bring something valuable to the firm. I became interested in the international aspects of business so when the US was looking for partners to participate in UHY International, I jumped at the chance and have been involved ever since," says Dennis.

"At my first UHY International meeting, over 15 years ago, I was introduced to Steve Fisher, one of our now-retired chairmen. He saw something in me, became an informal mentor and has been instrumental in my lifelong belief that taking an international view and striving for a global reach is imperative in our profession."

"Thanks to Steve I understood that there was room for me to help the network build a world-class reputation. Four years ago I was appointed by the US firm to serve on the Board and that was a wonderful milestone," says Dennis. "I have always kept up with the 'day job' supporting my clients and particularly since my appointment as chairman I have many new commitments, but I relish them all and am privileged to be in the position I am within this network."

A big priority for Dennis is to produce UHY's new five-year strategy for 2021-25. "The strategy will be built from, among other things, a cross-network survey to review member firms' satisfaction levels, together with Board input. We are planning a robust new strategy that considers everyone's opinions and will form strong foundations for our network to thrive for generations.

"Some of our top priorities are that we will continue to encourage cross border referrals so we can offer our clients the widest choice about which countries they can operate in with the guarantee of a seamless, quality UHY service.

> As chairman I have many new commitments, but I relish them all and am privileged to be in the position I am within this network.

"We will also be reviewing when and how we introduce more use of artificial intelligence (AI) which is nascent in our industry, particularly in the compliance area, but we are constantly looking at how best it will work to enhance our client offer," says Dennis. "Board members have been tasked with coming forward with ideas. I am a great believer in staying ahead of the game and being innovative, responsive and dynamic."

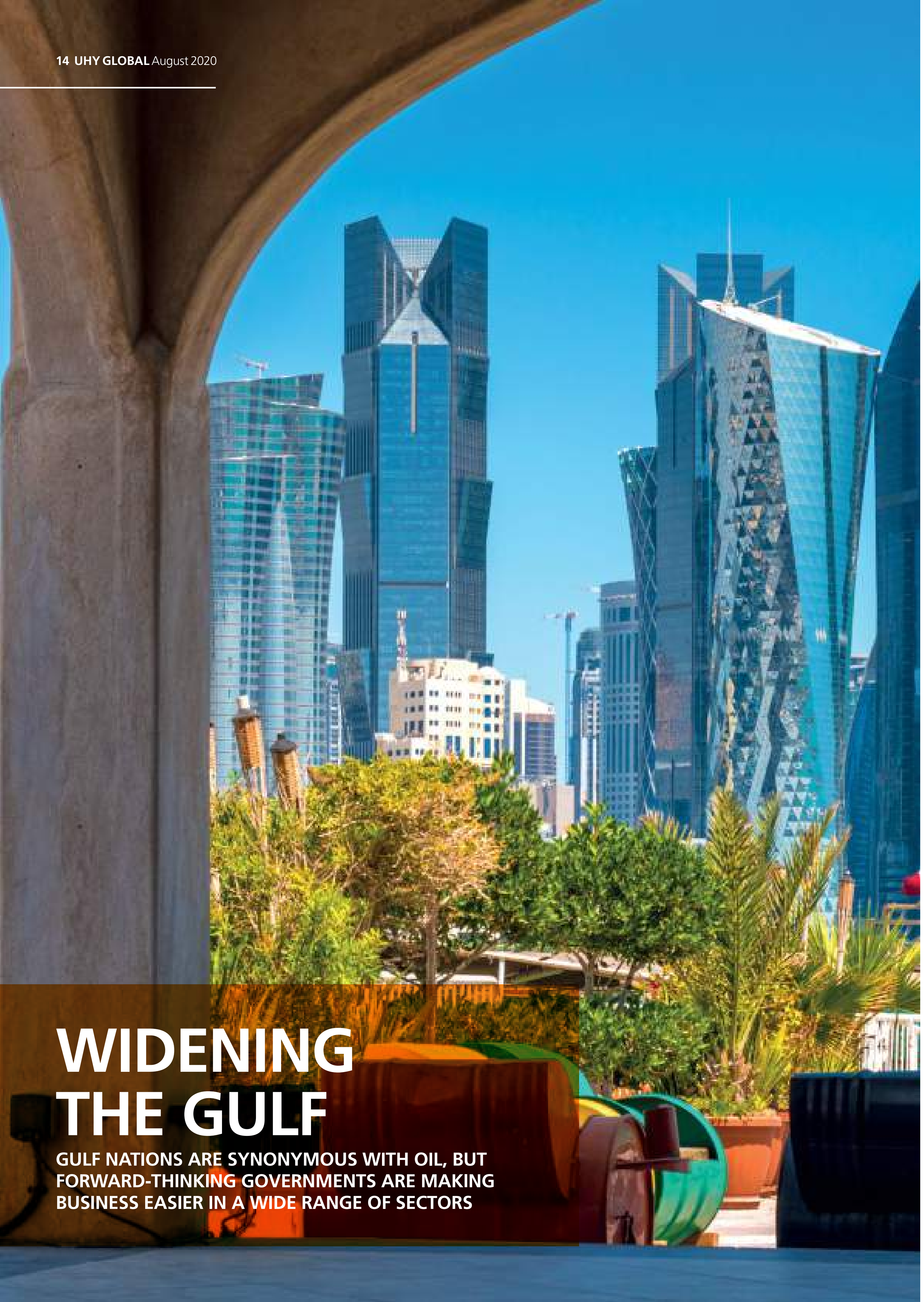
Outside work Dennis is an avid reader, a keep-fit fan and passionate about playing golf. In lockdown he treated himself to a driving range net which he set up in his garage – "It will go on giving me pleasure long after all the impact of Covid-19 is over," he says.

Dennis and his wife Chris have six children between them. All adults now, they are spread across many regions of the US. "We have two of our children and two grandchildren living locally and we absolutely love seeing them. We are also fortunate to be a very close-knit family and even through lockdown we all stayed in touch virtually. I hope it has made us all think differently about the importance of family, as well as our regional and global communities."

Dennis with his twin grandchildren

"I think that at the height of the pandemic many of us realised how important people are to us. At UHY we continued to 'meet' virtually and we even organised happy-hours online, but nothing can equal the value of talking face to face," says Dennis.

Despite, or perhaps because of, the recent confines of Covid-19 and its repercussions, Dennis is more determined than ever to concentrate on the things that are most important to him – "Building the strongest UHY network and celebrating the wonders of friends and family. My wife Chris is my rock and my sounding-board and our children and grandchildren are a constant joy. We are very lucky." ■



WIDENING THE GULF

GULF NATIONS ARE SYNONYMOUS WITH OIL, BUT FORWARD-THINKING GOVERNMENTS ARE MAKING BUSINESS EASIER IN A WIDE RANGE OF SECTORS

According to the World Bank's Doing Business 2020 study, economies in the Middle East and North Africa (MENA) are doing more than ever before to improve the business climate for small and medium sized enterprises (SMEs). To emphasise the point, four Arab nations are in the study's top 10 countries globally for improving conditions for business.

These findings are not down to luck. Collectively, governments of the MENA region enacted 57 business climate improving regulatory reforms in the 12 months to May 2019, up 14 on the previous period. Gulf economies were responsible for 35 of those.

Saudi Arabia, Jordan, Bahrain and Kuwait all made the top ten improvers list, and the United Arab Emirates (UAE) ranked 16th in the world overall for ease of doing business in 2020. In fact, the UAE's rise up the World Bank list over the last decade has been impressive, as Anand Ramani, corporate finance partner at UHY James, UAE, explains.

"Our ranking today compares to a ranking of 46 amongst 181 countries a decade ago. This is a direct reflection of the significant efforts taken by the UAE government in improving the overall business environment in the country."

SMALL FIRMS IN FOCUS

And it is not just the UAE. Governments around the Gulf have been proactively liberalising economies, reducing red tape and inviting foreign investment. Qatar has taken huge legislative strides towards a goal of attracting more overseas capital. Kuwait recently leapt 13 places in the ease of doing business rankings in just one year.

"The Kuwaiti government is supporting the private sector financially and non-financially," says Wael Arafa, managing partner at Kuwaiti member firm UHY Pillars. "Young people in Kuwait want to be entrepreneurs, and are supported in that aim by the government through institutions like the Kuwait National Fund for Small and Medium Enterprise Development, the Industrial Bank of Kuwait, the Kuwait Direct Investment Promotion Authority and others."

SMEs have become a chief focus of economic activity in the region for a number of very good reasons. Populations are growing at a significantly faster rate in the Gulf Cooperation Council (GCC) area (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE) than the global average, and young people make up a larger proportion of the total than elsewhere in the world. Governments hope SMEs will absorb large numbers of young people entering the labour market over the next few years.

> Young people in Kuwait want to be entrepreneurs, and are supported in that aim by the government.

The potential is certainly there. One study found that SMEs could be worth USD 920 billion to the wider GCC economy by 2022, and employ 22 million people. Some countries are leading the charge towards a more diverse and innovative SME culture. The study noted that, in its Vision 2021 initiative, the UAE had set a target to increase the share of SMEs in its non-oil GDP from 60% to 70%.

IMPACT OF OIL

In fact, there is a growing acceptance of the need for economies to diversify away from over reliance on oil and gas. Saudi state-owned oil company Saudi Aramco was listed in the world's most valuable IPO last year partly to allow the government to plough funds into the country's non-oil sector. The UAE, while never as dependent on oil as some Gulf nations, is already well on the way to a more balanced economy and sustainable long-term prosperity.

The oil and gas sector contributed only 25.9% of GDP in 2018, and that is expected to reduce to less than 20% in the next few years.

"Going forward, we do not see the oil and gas sector playing a major role in the future economic development model of the UAE," says Anand. "Once the contribution from oil and gas drops below 20%, it will become just one of the sectors contributing to GDP, alongside trade and the financial services and manufacturing sectors."

In that regard, the UAE is unusual in the region. In Kuwait, which controls 8% of global oil reserves, it is difficult to overstate the importance of oil to the economy. But even here, the need for diversification is widely accepted.

"Oil will continue to play a vital role in the economy," says Wael. "But the non-oil sector has experienced a slight increase and, with Kuwait and other countries in the region supporting projects aimed at broadening economic activity, we will certainly see an increase in non-oil projects and a wider spectrum in trading."

Moomen Elsalawy, partner at UHY Ammo & Co, Qatar, says that, Covid-19 notwithstanding, the Qatari economy is likely to expand significantly in the next decade, and that much of that expansion will come from non-oil sectors.

"Recent economic policy is focused on developing Qatar's non-associated natural gas reserves and increasing private and foreign investment in non-energy sectors, so I think that there will be a range of sectors beside oil that grow in importance," he adds.

> We do not see the oil and gas sector playing a major role in the future economic development model of the UAE.

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AMBITION BACKED WITH ACTION

In fact the pace of change in Qatar has recently increased, alongside the level of government support. Qatar is currently subject to a blockade by neighbouring countries, including Saudi Arabia, the UAE, Bahrain and Egypt. They accuse Qatar of backing militant groups, something the Qatari government denies. Moomen says the blockade has forced Qatar to strive for economic self-sufficiency.

"New factories were set up following the blockade to secure self-sufficiency, and the number of plants has doubled in the first six months, compared to the same period the previous year," he says. "New food, cement, plastic and steel production plants have been developed at a particularly fast pace, and a total of 730 new industrial facilities have been registered."

Qatar's SMEs are also encouraged by the government's focus on foreign investment, which includes generous incentives. Moomen says that, taken as a whole, Qatar's open market policy grants investors the opportunity "to make good profits and benefit from the freedom of unrestricted travel and movement of funds."

In the UAE, too, ambition has been backed with action. Anand mentions a recent economic stimulus package aimed at local businesses in Dubai and Abu Dhabi. The package includes a three-year freeze in government fees and proposals to allocate 20% of government contracts to SMEs. In addition, the country is one of the most digitally advanced in the world, fuelling the rapid emergence of a digital startup culture. And that is not all.

"If we set aside the recent impact of coronavirus, which is having a global impact on travel, trade and tourism, generally speaking the hospitality, healthcare, education and fintech sectors have all registered significant growth in the last few years in the UAE," says Anand.

In Kuwait, the financial services sector is experiencing significant growth, and the Kuwaiti government is also channelling support towards the food processing and construction industries. In addition, Wael says UHY Pillars now works with a wide portfolio of SME clients in the retail, real estate, services and non-profit sectors, and that many small and medium sized companies are transitioning to fully exploit the potential of the digital economy.

MEETING NEW NEEDS

As the region diversifies, UHY members are upgrading skills and specialisms to meet the needs of new business sectors. "At UHY Pillars we are trying to capture clients' needs and provide customised services," says Wael. "For example, the last two years have seen a boom in the food and beverage sector, and in response we have developed new services to cover the needs of our clients and potential clients in this area."

UHY James in the UAE is also broadening its expertise as new types of business seek its services, many from the technology and sustainability sectors. "We now have clients from proptech, fintech, crypto currency, specialised healthcare, AI, vertical farming, hydroponics and more," says Anand. "In the past, our clients were from manufacturing, real estate, trading, healthcare and hospitality."

SMEs across the region rely on high quality professional advice of the kind offered by local UHY member firms. While the non-oil SME sector is growing, there are still real challenges to overcome. Chief among these, says Anand, is access to finance.

"Unfortunately, many of the financial institutions still follow checklist-based banking and collateral-based lending, instead of cashflow-driven criteria. SMEs, given the nature and size of their business, generally struggle to offer these collaterals or satisfy the documentation requirements," he adds. ■

For more information on UHY's capabilities in the Middle East and North Africa, email the UHY executive office, **info@uhy.com**, or visit **www.uhy.com**

MEXICAN WAVES

OLMIX IS A BUSINESS THAT MIGHT JUST CHANGE THE WORLD

> Our strategy is to use specialists in every country we are active in.

The company develops solutions for more natural, sustainable plant, animal and human nutrition and health. Its 'blue biotech' focus on the complete food chain – from sea to plate – might sound ambitious, but the science behind the soundbites makes sense. So does the company's decision to appoint UHY member firms to help its expansion into South America.

Olmix marine solutions are based on macroalgae, a varied source of nutrients and bioactive compounds. Macroalgae offers a range of innovative ways to reduce the need for pesticides in plants, antibiotics in animal feed and chemical additives in human food and healthcare.

The company is based in Brittany, France, but has now expanded into 28 locations, including the Americas. The group has a turnover of around USD 200 million and over 900 employees. It opened its Mexico subsidiary – Olmix Mex – in 2014.

LOCAL KNOWLEDGE IS KEY

Olmix faced the same challenges all businesses encounter when seeking rapid international expansion. Each new location demands local knowledge. As a French company, Olmix needed local partners to steer the business through the intricacies of national and regional regulation, especially as it moved beyond the familiar tax, accounting and legal regimes of the European Union.

"Our group strategy is to use local specialists in every country we are active in – partners with knowledge of local legislation, accounting and politics," says Robert Bandner, regional manager for the Americas at Olmix Group. "We made a strategic decision long ago not to use the Big Four."

As Robert implies, the role of an accounting firm, in this scenario, is about more than tax and audit. Olmix operates in a heavily regulated sector. When the group prepared to open a Mexican subsidiary in 2014, it looked for professional services providers that also offered a wider advisory function.

Olmix met with three local accountancy firms, and as a result UHY Glassman Esquivel y Cía, UHY's Mexican member firm, was awarded the task of helping Olmix develop a successful presence in the country. Six years later, the UHY member firm – and specifically UHY's José Carlos Villegas and his team in Mexico City – is still Olmix's preferred accountancy partner.

RANGE OF SERVICES

The team provides Olmix with accounting, tax, payroll, and invoicing services. Additionally, UHY Glassman Esquivel y Cía provides legal support and business advisory services, and prepares price transfer studies.

"We chose UHY Glassman Esquivel y Cía because they gave us the complete set of services we needed," says Robert. "We were also attracted by reasonable pricing and trustworthy people."

Since Olmix Mex was created six years ago, the company has significantly expanded its activities in the country. Robert believes the partnership between Olmix Mex and UHY Glassman Esquivel y Cía has been key to that success.

"We have achieved our strategy in Mexico thanks to the support of UHY Glassman Esquivel y Cía," he says. "We rely on the cooperation and vigilance of the people at UHY to give us the service we need."

PERU CONNECTION

The partnership between Olmix Mex and UHY Glassman Esquivel y Cía has been so rewarding that, when Olmix was considering opening a subsidiary in Peru, it asked José Carlos Villegas for a recommendation. He had no hesitation in reaching out to UHY Blancas Sandoval & Asociados, UHY's member firm in Lima.

Olmix has now created a Peruvian subsidiary with the help of Carlos Sandoval at UHY Blancas Sandoval & Asociados. What is more, the company is considering opening further import and sales offices in Central and South America. José would not hesitate to recommend other member firms of the UHY global network in future, as Olmix Mex continues to be delighted with the service it receives.

"The quality service we get from UHY goes beyond a simple accounting service," says Robert. "We have a special relationship and we trust them to make sure Olmix can keep developing in the right way."

For more information about UHY's capabilities in the health sciences, pharmaceutical and biotech sectors, contact the UHY executive office **info@uhy.com**, or visit **www.uhy.com/sectors**

JOINING THE CLUB

WHAT ARE THE EMERGING ECONOMIES TO WATCH IN THE 2020s?

They call it the '7% club', and the figure has not been chosen at random. National economies that grow at seven percent are likely to double in size every decade, and if you make it into this exclusive club you might be on the fast track to a very bright future.

Or that, at least, is the theory. The 7% club is not real, of course. There are no perks of membership, no club outings, and no seat at the top table. The club is the invention of international banking group Standard Chartered, who coined the term to categorise a group of economies that it thinks will boast particularly impressive growth rates over the coming decade.

As we all know, forecasts can quickly fall victim to events, and never more so than now. The Covid-19 outbreak has rendered economic crystal ball gazing an especially hazardous pastime. But Standard Chartered's research, released last year, may still have value. Almost every country on earth is likely to miss growth targets in 2020. But if the 7% club members' fundamentals are sound, they could still be on course for rapid growth over the remaining years of the decade.

There is good reason to hope they are. Standard Chartered researchers Madhur Jha and David Mann say, "Faster growth not only helps to lift people more quickly out of absolute poverty, but is also usually accompanied by better health and education, as well as a wider range of – and better access to – goods and services."

BRICS AND PIECES

The 7% club is not the only high growth club in town, however. Economists are forever trying to predict where the lightning of fast and sustained growth is likely to strike next, so they can better advise clients looking for new and lucrative investment opportunities. The most famous example is the BRICS group, an acronym coined by Goldman Sachs economist Jon O'Neill in 2001 to cover Brazil, Russia, India and China, with South Africa added later. BRICS highlighted the economies best placed to surge in the early years of the 20th century.

In 2005 the BRICS researchers introduced the 'Next 11', a group of countries they believed would develop more slowly, but were on course to become world economic powers, nonetheless. South Korea, Mexico and Vietnam were all on the list, and South Korea has certainly lived up to expectations. Other forecasts have included African nations like Nigeria and Ethiopia.

Are these predictions of economic take-off accurate? Vietnam is regularly touted as an emerging economy to watch, and growth of well over 6% has been sustained for a number of years. Standard Chartered believes manufacturing and growth led by foreign direct investment (FDI) is likely to continue to drive its economy. Thanh Nguyen, partner at UHY's member firm in Vietnam, UHY Auditing & Consulting Co Ltd, agrees that the country has the fundamentals in place to remain a beneficiary of sizable quantities of foreign investment in the coming years.

"There are many reasons for Vietnam to be an FDI hotspot, such as its strategic geographical location, young and cost-effective labour force, the transition of FDI from China and other countries, and an enormous market with large purchasing power potential," he says.

FDI creates jobs and wealth, and while it is far from the only factor behind sustained growth, it is often an important one. The 7% club research agrees with Thanh that Vietnam could benefit from redirected FDI as investors cool on China, where growth has slowed considerably after years of spectacular economic expansion.

NEW ASIAN TIGERS?

If the forecasts are right, South-East Asia as a whole is likely to attract significant FDI in the coming years. Like Vietnam, the Philippines is a contender for Standard Chartered's high growth club. According to authors Jha and Mann, "It has the potential to move into the 7% club with greater infrastructure investment and an increased focus on developing the under-tapped tourism sector."

The Philippines is currently third in the region for GDP, 0.5% above the regional average. Michael Aguirre, managing partner, UHY M.L. Aguirre & Co. CPAs, Philippines, also believes the fundamentals are in place to attract an increasing share of FDI.

"The growth and the projection rests on the country's sound macroeconomic fundamentals, a steady growth in the labour market composed of a young population, continued investment in infrastructure, and the enactment of investment focused legislation, which includes incentives for foreign ownership, tax reforms, and improving the ease of doing business," he says.

In these two South-East Asian cases the 7% club research appears, at the moment at least, to be right on track.

But there are no guarantees. In 2010 Standard Chartered identified Nigeria as a potential 7% club member, and the country remains the third largest host economy for FDI in Africa, behind Egypt and Ethiopia.

Lawrence Etukakpan, head of business development, UHY Maaji, Nigeria, believes the country has clear advantages when it comes to attracting FDI.

"Nigeria has traditionally attracted a significant amount of FDI compared to the African average as a result of our partially privatised economy, comprehensive and advantageous tax system, significant natural resources and low cost of labour," he says. "The size of the domestic market – Nigeria is the most populous country in Africa – is also important."

DOMESTIC STRESS

But FDI has decreased significantly in the last two years. According to the United Nations Conference on Trade and Development (UNCTAD), FDI flows to Nigeria totalled USD 1.9 billion in 2018, compared to USD 3.5 billion in 2017. This decline is a blow to the Nigerian economy where, in 2018, FDI represented 25.1% of the country's GDP.

Lawrence says that domestic issues have become problematic for the economy, including factional violence and insecurity in some areas. "The nation's infrastructure deficit is another major investment deterrent," he adds. "The lack of stable power means manufacturers have to rely on expensive alternative energy sources, such as diesel generators, though the government is working hard to address the situation."

Vital elements in every nation's appeal to foreign investors also include a transparent and fair legal system and a policy of economic liberalisation. Some of the Nigerian government's attempts at liberalisation have borne fruit, as has its policy of promoting public-private partnerships and strategic alliances with foreign companies. The country has leapt 15 places for ease of doing business in the most recent World Bank report, making it one of the list's top ten improvers.

Although UHY Maaji & Co is working with clients to help them meet the demands of policy and regulation, bureaucratic obstacles remain. Lawrence talks of a 'challenging investment climate characterised by some stringent government policies, bureaucratic bottlenecks for securing permits and an unreliable legal framework. Standard Chartered agrees, saying that 'perceptions of a more adverse business environment have not helped growth'.

> "The lack of stable power means manufacturers have to rely on expensive alternative energy sources, such as diesel generators, though the government is working hard to address the situation."

Image: Vietnam stock photos/Shutterstock.com

STABILITY AND TRANSPARENCY

If Nigeria can meet its challenges, it has the potential to rejoin the 7% club in years to come. And in every country aiming for sustained growth, stable government and a transparent commitment to free trade are key factors. Thanh believes Vietnam's compliance with a number of high-profile free trade agreements (FTAs) has accelerated the speed of governmental reform in the country and pushed a liberalising agenda.

"We have about 13 FTAs in place and these – especially the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the European Union-Vietnam FTA – continue to create an impetus for Vietnam to speed up its ongoing institutional reform and improve its business environment," he says.

In the Philippines, too, state policy actively encourages FDI. The most recent measures include, in 2018, the Ease of Doing Business and Efficient Government Service Delivery Act, a law that aims to improve the efficiency and transparency of government procedures in regard to business applications.

Michael believes that, taken together, pro-business legislation is designed to 'attract, promote, and welcome productive FDI investments that significantly contribute to national industrialisation and socioeconomic development'.

LOCAL KNOWLEDGE IS KEY

Another factor that contributes to growth potential is a strong professional services sector. Robust professional support networks smooth the path to increased FDI by providing potential investors with the local expertise they need to meet regulatory requirements.

"We provide a wide range of services to support foreign firms operating in Vietnam, from the early stages of investment planning, including market entry strategy, to licence applications and subsequently the operating stage," says Thanh. "We deal with all compliance requirements in Vietnam in terms of statutory audit (under both IFRS and VAS, the local accounting standards), internal audit, tax and accounting."

That is true of UHY in the Philippines and Nigeria too. Indeed, UHY member firms in emerging economies around the world have wide experience in helping foreign investors set up businesses or acquire existing companies and comply with local tax, employment and business regulations. They also offer informed advice about local business conditions and opportunities, and will happily work with other UHY member firms from across the network to provide end-to-end accountancy services for cross-border clients.

The full effects of the coronavirus pandemic on the short-term fortunes of well-placed emerging economies remain to be seen. Similarly, the recent rise of populist leaders with anti-globalist agendas threatens even the most confident of forecasts. Nevertheless, in the longer term, a young and cost-effective labour force, backed by legislators that actively encourage entrepreneurialism and foreign investment, mean that a number of nations are on course to become truly global economies this decade. ■

For more information about UHY's capabilities, email the UHY executive office, **info@uhy.com**, or visit **www.uhy.com**

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QUALITY CULTURE

In our regular *Cogs and Wheels* section, we look at some of the components that make up a successful international accountancy network. In this issue, our focus is on quality, a wide ranging topic but one of the most critical dimensions for a professional service organisation.

In a world of globalising standards, increasing regulatory cooperation across international borders and calls for better transparency and data protection, it is no wonder that one of the biggest goals for an organisation operating across the world, is to achieve compliance and consistency with the profession's international standards. Quality standards in audit and assurance are the measures of corporate financial integrity that underpin global commerce, so it is no surprise that accounting regulators and professional bodies are on a mission of continuous improvement.

Global networks like UHY, delivering client services through independent member firms across more than 300 business centres worldwide, must continue to achieve the highest standards of performance, now and in the future. And not only in audit, but in tax, advisory, consultancy and every other service, regulated or not, that will help to support the health and growth of its client businesses.

STRATEGIC HEART

The UHY network has always chosen to put quality centre-stage in its global strategy, recognising that network integrity, a robust compliance infrastructure and the professional quality and competence of its member firms, are essential to success.

Quality informs the organisational culture, the brand values and the goals of carefully managed growth. UHY continues to extend its national and global footprint to meet the growing needs of international clients, but without compromising on standards, ensuring that a rigorous member firm recruitment process includes significant due diligence on quality measures, client delivery and brand fit. All UHY member firms adhere to a stringent quality charter as a condition of membership.

SUPPORTIVE INFRASTRUCTURE

In order to compete with the best, UHY member firms lock into the network's compliance infrastructure, engaging with its quality management processes and various support mechanisms designed to ensure that performance to standards remains world class and consistent across the board. This reassures regulatory bodies and clients, and further strengthens UHY's international reputation.

Having one-to-one engagement with member firms, within a friendly and relaxed but always professional culture of working together, is critical in a profession where regulatory development can move quickly to address corporate stakeholder concerns on, for example, audit efficacy or tax transparency. UHY's membership quality and membership training working groups, comprised of senior member firm partners representing the network's primary regions of EMEA, Asia-Pacific and the Americas, ensure not only that the quality strategy is maintained and developed, but also that member firms fully understand and are ready to implement regulatory revisions to practice in good time to support their clients.

COMMUNICATING AND SHARING

The success of UHY's quality strategy and operations, lies not only in the network's relationship with its member firms, but also in firms' relationships with each other. Sharing news, updates, case studies, knowledge and expertise around the world gives plenty of opportunity to prepare and implement quality management changes at practice level – and when member firms in different countries are working with the same cross-border clients, maintaining a consistent quality of service is paramount.

As member firms in the network share an international outlook, UHY's annual regional and global events provide an excellent platform for networking, learning, sharing and doing business. From a managing partners' forum to the annual conference, these events, which include a rich technical programme, are critical to member firms' quality development. While Covid-19 has led to physical regional events being cancelled this year, these have been replaced with interactive online sessions, and member firms have been communicating with each other and the UHY Board via videoconference. Now, more than ever, mutual support and sharing ideas for clients is critical. The network's intranet, UHY Exchange, also provides a 24/7 online home for communicating and sharing, and a comprehensive library of resources.

So with quality at the very heart of the organisation, an infrastructure to deliver consistent client service to international standards, and a culture of working together, the UHY network of member firms is well-prepared to support clients through the most challenging times.

For more information about UHY's capabilities, email the UHY executive office, **info@uhy.com**, or visit **www.uhy.com**

PARALYMPIC HOPES LIVE ON AS WORLD WAITS

> "Shelly demonstrates the qualities we admire in life as well as in work – tenacity, hard work, good humour and determination not just as a sportswoman but as a human being."

The postponement of the Tokyo 2020 Olympic and Paralympic Games has been disappointing for the athletes scheduled to compete – and despite being rescheduled to 2021 the uncertainty surrounding the Covid-19 pandemic is keeping the event in doubt.

For her Paralympics campaign in 2020, UHY Hacker Young, UK is sponsoring elite British athlete Shelly Woods, whose medals in T54 wheelchair racing include silver in the London Paralympics 2012 marathon, silver and bronze in the 1500m and 500m at Beijing 2008 and winning the London Marathon twice.

"The postponement of the Olympic and Paralympic Games is huge but what is happening around the world right now is a bigger deal and everyone's health and wellbeing is more important," says Shelly.

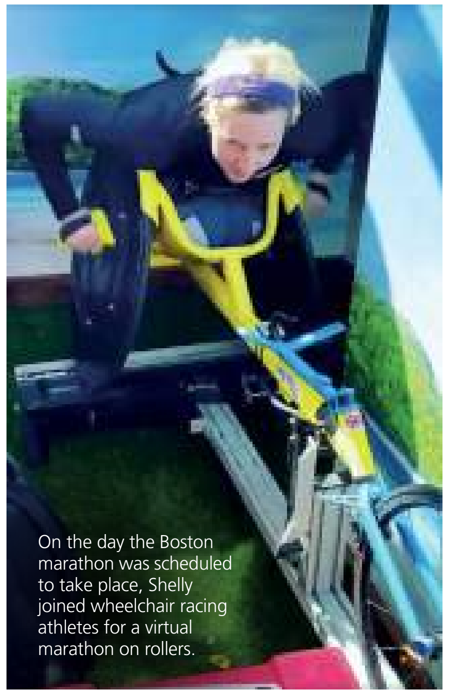
"I'm trying to see the setback as an opportunity to do more training to be in the best shape I can be as well as making the most of the time with my family. My goals have not changed – just the dates. I also started creating motivational fitness videos for athletes in lockdown which hopefully provided some inspiration for people stuck at home."

Shelly was due to compete in the Boston and London marathons in April 2020, but both were postponed to later in the year. "If they go ahead I have a busy autumn season with Boston, London, Berlin and New York marathons all just weeks apart in September, so we keep training!

"I'm grateful to UHY for its continued support – it enables me to compete at the highest level with the world's best. I am fully focused on recalibrating my campaign for Tokyo 2021 in the hope that the Games will go ahead then."

UK group Chairman Colin Wright says, "During these difficult and uncertain times, we look to our sporting heroes for inspiration and hope.

"Shelly demonstrates the qualities we admire in life as well as in work – tenacity, hard work, good humour and determination not just as a sportswoman but as a human being. UHY Hacker Young is privileged to support her and we look forward to seeing her compete."



On the day the Boston marathon was scheduled to take place, Shelly joined wheelchair racing athletes for a virtual marathon on rollers.

Shelly will also be supported by her husband Chris Oxley, (*pictured with Shelly, right*) who is a partner at UHY Hacker Young's Manchester office.

To follow Shelly's progress follow her on Twitter **@ShellyWoods86**, via the UHY Twitter account **@UHYHackerYoung**. Look out for the hashtag **#UHY4Shelly.**

PARTNER JOINS CAPA BOARD

The managing partner of UHY's member firm in Nepal has been appointed as a board member to the Confederation of Asian and Pacific Accountants (CAPA).

With a 27 year career in audit, accountancy and management consulting, and multi-sector expertise, Dr Suvod Kumar Karn, (pictured above left) of UHY Suvod Associates, based in Kathmandu and Itahari, has served on numerous platforms representing Nepal, and was president of the South Asian Federation of Accountants (SAFA). He is also a board member of the Nepal Rastra Bank, the Central Bank of Nepal.

CAPA represents 33 national professional accountancy organisations (PAOs) from 24 jurisdictions that operate or have an interest in the Asia-Pacific region, representing two million accountants across the region.

"I am delighted to be appointed to the board of CAPA, a valued organisation that contributes to the development of professional accountancy organisations, promotes quality accounting and is a voice of the profession," says Suvod. "As directors we look forward to helping steer CAPA's 'strategic plan towards 2025' over the next few years."

The confederation is one of four regional organisations recognised by the global accountancy profession, represented by the International Federation of Accountants (IFAC).

HONOUR FOR MEHMET

Mehmet Sengulen, managing director, UHY Advisors NY, Inc., US, has been honoured as one of the Long Island Business News '40 under 40' for 2020.

The award recognises those who have a track record of success, who have distinguished themselves in business, government, education or not-for-profit, who are involved in mentoring and promoting their profession and who give back to their communities.

Michael Mahoney, Northeast regional managing director, UHY Advisors, says: "Mehmet is a natural leader and ambassador for UHY, held in high esteem by his peers and clients and well deserving of this award."

Mehmet is a previous recipient of SmartCEO magazine's Accounting Rising Star and M&A Advisor's Emerging Leaders awards. He says, "It is an honour to receive this award. I look forward to continuing to provide the next level of service to my clients."

FUNDING THE FACTS

Always keen to support new talent and promote the global development of accountancy skills at a prestigious place of learning, UHY LLP, US is helping to fund a new data analytics course for audit and control at the University of Albany School of Business, New York.

"This class gives students all the skills they will need to succeed after graduation," says Mike Zovistoski, partner, UHY LLP, Albany (pictured far left), who was joined at the presentation by fellow Albany School of Business alumnae, Alex Zhang, partner, UHY LLP, Albany, (second from right), Saolam Nguyen, accountant, UHY LLP, Albany, Jessica Blaha, senior accountant, UHY LLP, Albany (third from left) and Howard Foote, managing partner, UHY LLP, Albany (far right).

"It gives us great pleasure to be able to invest in the future of our industry and give back to the university that supported many of us into this great profession," he says. "Feedback from students was excellent. One described it as the most useful class the student had taken at the School of Business, another thanked us for no longer making her afraid of data analytics. This feedback makes our funding feel so worthwhile."

CSR PRAISE

A Spanish online magazine specialising in business corporate social responsibility (CSR) has honoured the Madrid office of UHY Fay & Co, UHY's member firm in Spain.

Celebrating its 15th anniversary by recognising businesses that embrace sustainability, *Corresponsables* praised UHY Fay & Co for its work. The firm was presented with a yearbook with a dedication giving particular thanks to Max Gosch, partner, and UHY Fay & Co's CSR and compliance teams for 'helping to build together a better world with journalism and responsible communication'.

Max Gosch said: "We are grateful for this recognition and congratulate *Corresponsables* for being a leading entity in promoting good practices in the business sector, related to sustainability and CSR."

Max Gosch