



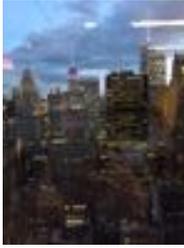
## *Helping Our Members Succeed*

June 2016

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**Events.** Our June issue of the ACAUS newsletter focuses on events. While we continue to hold many different events across our chapters, our members and our Home Institute Executives have been most keenly interested in professional and business networking events. As such, we have been working to agree topics, ideas and speakers that provide opportunities to match this expectation. Our lead item is the recent Financial Services Panel Event that we held at the Deloitte offices in New York on June 8<sup>th</sup>.

### ***Spotlight Event:***



Financial Services Panel, New York, June 8



Almost 40% of our members are part of the Financial Services industry. This sector has experienced many changes and offers a lot of opportunity. We have many experts in this field and decided that our first panel-based event would feature members who could share their industry knowledge and perspectives. We were privileged to have high caliber panelists, who made our event a huge success.

We had over 60 registered to the event. Terence Nombembe, CEO of SAICA was one of our guests. This event was also a great opportunity for SAICA members to meet with Terence and discuss their perspectives and issues. In the Home Institute Messages section of this newsletter, we have included a note from Terence about the event. Many of our friends from IFAC (International Federation of Accountants) also attended, as did Carl Cesarano, who audits the ACAUS financial statements. Several members of our Board attended, including David Powell, ACAUS President and Buks Moolman, our SAICA HI Representative, who travelled from Boston. Natasha Holbeck, ACAUS Vice-President was instrumental in organizing the venue at the beautiful Deloitte offices in Rockefeller Plaza. Sasha Carlson, our Executive Director, traveled from Houston to help host the event.

A networking reception with cocktails and refreshments followed the panel discussion. This was another great opportunity for members to make connections and grow their professional network.

We would like to thank the team at Deloitte, specifically Traci Moore and Hannah Leinberger, who worked hard to make sure our event logistics moved smoothly.

Our panelists and moderator were a perfect fit.

Eamonn, Mark, Rooney and Peter, we very much appreciated your involvement and participation. Thank you so much for making our Panel event a showcase for ACAUS.

### **Panel Guests:**



Rooney Coleman - Royal Bank of Scotland

Mr. Coleman is the Chief Financial Officer of RBS Corporate & Institutional Banking in the US. He joined RBS in 2010 after Controller roles at RBC Capital Markets in London and New York over a 10-year period. Prior to that he worked at PwC for 10 years leading on audits and accounting/regulatory advisory assignments for various international financial services firms. Whilst at PwC, Mr. Coleman spent a year on secondment at the UK's Financial Services Authority in their banking/capital markets supervisory division. He is a member of ICAEW, holds a Series 27 and has an honors degree from the UK's University of Birmingham.



Mark Elliott - Marsh - Guy Carpenter

Prior to joining Guy Carpenter in 2016, Mr. Elliot held several senior roles in Marsh's Global Finance department. He currently serves as Chief Financial Officer for the US and Canada division. Mr. Elliot joined Marsh in 2009 from KPMG where he worked for seven years advising financial institutions in South Africa, the United Kingdom and the United States. He is a South African Chartered Accountant (CA) and Certified Financial Analyst (CFA) charter holder.



Eamonn Travers - People's United Bank

Bachelor Degree in Business and Law from University College Dublin and qualified as a Chartered Accountant in Ireland. Mr. Travers has worked with Grant Thornton on both sides of the Atlantic in their Corporate Finance and Corporate Insolvency practices. More recently he joined Peoples United Bank (NASDAQ: PBCT), a regional bank in the Northeast offering commercial and retail banking through a network of 400 retail locations in Connecticut, New York, Massachusetts, Vermont, New Hampshire and Maine. Mr. Travers serves middle-market, asset-based and private equity clients in the Boston metro area.

## Facilitator:



Peter Lacek - Citi

Reporting to the divisional COO, Peter is responsible for global and North American operations in Citi's Internal Audit function. He has extensive experience in developing and executing large scale policy and risk methodology initiatives. Peter was previously the Director of Audit Practices, Quality Assurance and Operations at MUFG Union-Bank, and also gained significant policy and client-facing audit experience at BDO in Australia and the USA. Mr. Lacek is a member of the Chartered Accountants of Australia & New Zealand.



## Panel Topics:

### Economic Overview

Our discussion started off with an overview of the economy, both at the national and international level. Our panelists and audience commented on the various topics, from risks arising from terrorist threats, Brexit, geo-political instability and the effect on interest rates and GDP growth.

Mark spoke about the increase in demand for insurance/risk mitigation and focused on the increase in capital now being required to respond to risks in general. That this is a relatively new - as focus has increased in recent years. He also shared that as the motor industry gets safer - for example safety features/self-driving cars - that risk is decreasing and that this impacts profitability.

Rooney then focused on investment banking and the uncertainties brought about by 'Brexit' and the Eurozone in general being unsettled. Despite this, he suggested that we will still see modest growth.

Eamonn talked more about overall economic outlook, proposing that we are in the 6<sup>th</sup> year of an expansion - which while being the 3<sup>rd</sup> longest in history has half previous growth rates. This, in turn, is stretching out the expansion.

Peter added that with the current political instability in the UK, US, Europe - worldwide, there is the possibility that a significant event in one geographic area can impact globally. Think Brexit, US presidential election, rise of anti-EU feeling in Europe.

## Data & Technology

While immense volumes of data and the technology to analyze it impact every industry, the Financial Service sector has specific risks and opportunities. With a large online presence, the risk with cyber security and protection of data are paramount. 68% of millennials use online banking as their only interaction with a financial institution. Banks are using technology to deal with Big Data to control costs. Due to acquisition activities, many banks have layers of technology, which can make integration a challenging prospect. Insurance and reinsurance markets use actuarial and catastrophic events to identify risk and price accordingly. IT security and compliance are key factors in the cost of compliance.

Our panel also discussed the impact of blockchain, with Rooney advocating that this is a potential disruptor that could eliminate many back-office processes currently in place in banking. A problem is that a lot of different groups are looking at their own solutions rather than finding agreement between key players on technology and direction. It was commented that blockchain has been getting >\$1 billion of VC funding – more than was on offer at the start of the internet.

Mark commented that 30-40 years ago, there were virtually no actuaries in the insurance industry, whereas today this is a key resource embedded in it. Now, increasing sophistication of analytics / data analysis allows companies to cut out segments that aren't profitable.

## Technical/ Regulatory Issues

Dodd-Frank was a main discussion topic. The regulation is dictating behavior and driving strategy. While the efforts are to make the largest institutions "too big to fail" (by requiring specific levels of reserves), a smaller bank, whose aspiration is to grow, could be tempered in its efforts to remain below a specific threshold (\$50 billion) so as to not invoke the capital reserve requirements. In addition, a bank that is above this limit may seek to pull back on activities in order to get below it.

## Skills/Talents

Financial Professionals will need to be able to integrate with multiple levels of technology. Banks will need to find products that meet the lifestyle needs of the current consumers, by offering advisory services to their younger clients.

There are now 80 million Millennials in the US alone. They have no interest in going to a bank and banks are responding by reducing the number of branches and increasing their investment in technology. Overall banks are doing 'catchup'. On the other hand, only 23% of millennials under 30 are married and have a mortgage – so there is room for growth. Major life decisions like starting a family and buying a home are exactly what brought previous generations into banks. 3 percent of the Millennials surveyed would be more excited by a financial services offering from PayPal, Square, Apple, Google, or Amazon than from their own national bank.

Question: How do banks/insurance companies relate to 'ordinary citizens' rather than just high net worth individuals? On one hand people at the lower end are drowning in debt - does the industry care enough to move people towards 'responsibility'?

Peter commented that there is a circle where someone who can't pay a loan won't get access to help and becomes a 'high risk' which increases their costs if they ever wanted to take out another loan – which they now can't get.

Rooney commented that pre the financial crisis the banking focus was on making money. Big shift now as many banks have had taxpayer subsidies. Customers trusted banks before and now have to regain that trust. Consumers are gravitating to those who care. For example, Amazon attracts and retains customers due to its focus on service.

Mark commented on moves to different solutions such as micro insurance in Latam. Eamonn added that Fintechs will fill the gaps banks can't provide – they received \$14 billion in funding in 2014. As an example look at Lending Tree and peer to peer lending.

### **Some photos from the event...**



**(More pictures can be seen in our photo gallery at [www.acaus.org](http://www.acaus.org))**

### ***To be continued...***

The interest in the subject matter and format of this event has encouraged us to think of other industries and topics around which we could hold similar meetings. We have many industry specialists in our Chapters, and could use the panel platform to share information between other sectors of our membership. We will be analyzing our membership data to determine who/what/where fits for a next event. As always, we encourage our members to contact us with ideas and thoughts. If you have a subject you would like to learn more about or would like to participate in a future forum, please let us know. Contact [Sasha Carlson \(Executive Director\)](#) with your comments. Watch for our next event in future communications.

## Other News

### **Webinar Series**

As part of our outreach and member engagement, we are looking to our members and Home Institutes to provide a knowledge base accessible to our membership across the country. In keeping with our initiative to involve our members in a multitude of ways, we would like to develop webinars on a variety of relevant business topics. As demonstrated in the first ever Panel Discussion, our membership is comprised of high caliber professionals, able to share their knowledge and specialties in interesting and relevant ways. If you are interested in sharing your expertise on a topic you think is of interest to our membership, please [contact us](#).

### **NASBA Update on US Recognition of Foreign Accounting Designations**

Ken Bishop, in his recent President's memo (NASBA State Board Report), discussed the exciting progress on the US recognition of the Chartered Designation. AICPA and the State Boards approved the proposed new language to add a unilateral pathway model to the Uniform Accountancy Act. If the amendment is passed into law, many of these individuals would seek state licensure if there were a viable pathway available to them that would readily recognize their foreign credential coupled with years of professional experience and the passing of the U.S. International Qualification Examination (IQEX). This is a huge step for our ICAEW, ICAS and SAICA members, who are not covered under a recognition agreement in the US. If the amendment is passed into law, many of these individuals could obtain a state license for a CPA based on their international designation, recognition of their professional experience and passing of the IQEX (International Qualification Exam). ACAUS will continue to work with NASBA to support this important initiative. Read Ken's message here: <https://www.nasba.org/blog/2016/05/17/presidents-memo-thinking-internationally-continues/>

### **UK Institutes' response to Brexit Decision**

On June 23, the United Kingdom held a referendum to decide whether or not it should remain in the European Union. The result was a vote to leave. Now, the U.K. will need to determine its plan forward. Our U.K. Institutes have delivered responses to the "Brexit" decision.

CAI: [No longer Business as Usual...](#)

ICAS: [Reaction to the Result of the European Referendum](#)

ICAEW: [A Vote to Leave](#)

## Messages from Home Institutes



**Lee White, CEO CA ANZ**

The first half of 2016 has been an exciting time for us. We launched our brand campaign 'The Art of Prosperity' which focusses on how Chartered Accountants and their unique skills contribute to the success of businesses and in turn, communities and nations. We continued to advocate on behalf of members and the public on key legislative issues. In the lead up to the Australian election, we are regularly in touch with key Government contacts to position our collective views on tax, superannuation, financial services and more. We've also worked hard to develop new courses for our members which we'll launch in July. Earlier in the year we launched CA Kairos. Working with Microsoft and Westpac, CA Kairos will help small to medium sized practices cut through big data in a meaningful way so that they can better service their clients. Our focus for the remainder of the year is to grow our membership, increase the opportunities for our members to learn and connect with each other, and to deliver a better digital experience via a new website and renewed focus on social media.



**Pat Costello, CEO CAI**

More than 10% of Chartered Accountants Ireland members are based overseas. The Institute's strategic plan aims to grow our relevance in the global context and continue to improve the international reputation of Irish Chartered Accountants. This update provides US-based colleagues with a flavour of some initiatives we've been working on to deliver this.

Chartered Accountants Ireland has developed some new online resources for members engaged in international business. In collaboration with Enterprise Ireland and Invest Northern Ireland, we created [www.exportstartguide.com](http://www.exportstartguide.com) as a resource for our exporting members and people in practice advising potential exporters. We're aware that members overseas often provide great assistance when Irish companies approach them for advice on entering new markets, particularly the US. We hope that the practical materials and case studies in [www.exportstartguide.com](http://www.exportstartguide.com) will help with this. A major project for Chartered Accountants Ireland this year is the launch of our new IT system and brand new website. This is due for launch in the coming months and members will see enhanced content and more tailoring options on the new site, which we hope will better support our overseas members.

We're also very aware of the importance of international mobility – both for our prospective students, and also for our members whose careers take them overseas. We have engaged extensively with the National Association of State Boards of Accountancy in the USA (NASBA) and the American Institute of CPAs (AICPA) to

renegotiate our mutual recognition agreement. This unique agreement has now been extended and we expect the matter will be concluded shortly.

Also for members on the move, the Institute provides careers advice and mentoring by phone and via Skype. You can find information on these services, along with online CPD and Distance Specialist Qualifications on the Institute website.

As always, I encourage our overseas members to reach out to the Institute if we can provide support, and invite you to contact me personally at [pat.costello@charteredaccountants.ie](mailto:pat.costello@charteredaccountants.ie)



### **Joy Thomas – President & CEO, CPA Canada**

As the new President and CEO of Chartered Professional Accountants of Canada, it is my pleasure to share with ACAUS members some of the top international issues of interest from a Canadian perspective.

Building innovative, adaptive and resilient organizations and combatting tax evasion are two top issues on the agenda of our newly-appointed Prime Minister, Justin Trudeau, and his government. Canadian CPAs, through our legacy bodies and now CPA Canada, are known as thought leaders on these issues, both of which are important to Canadians and economies around the world.

Climate-related risks and opportunities, particularly in the context of building adaptive and resilient organizations, are important issues for businesses worldwide. CPA Canada is making this issue an important area of focus so we can provide thought leadership and support our members.

When it comes to advocating for effective taxation systems, Canadian CPAs have been active both domestically and internationally. CPA Canada works with the Canada Revenue Agency, the Department of Finance and thorough international organizations to make recommendations for improving the efficiency and effectiveness of taxation systems. CPA Canada authored a 2013 White Paper calling for reform of Canadian tax laws in a way that clarified the misconceptions over tax evasion and tax avoidance.

We are putting our words into action by working closely with the Canadian government and with the OECD, through the Global Accounting Alliance and the Business Industry Advisory Committee, to help find workable solutions to help eliminate tax evasion and identify unacceptable tax avoidance.

Addressing the negative economic effects of tax evasion and building adaptive and resilient organizations are just two of many global issues that are important areas of focus for Canadian CPAs. There are others of interest to our international members that I look forward to sharing in future communications.



**Anton Colella, CEO ICAS**

2016 has been an important year for our members across the world. We have been working with our staff and members to increase the connections through a number of initiatives.

In the US, we have an ICAS-based network of Contact members, who arrange events within the ICAS family. These events, as well as the many opportunities within ACAUS, foster a strong relationship within the membership and with the other ex-pat professionals in the local areas.

As well as our contact member network, we launched CA Connect. [CA Connect](#) is a powerful online search and networking tool that has been developed exclusively for ICAS members. This exclusive search and messaging tool enables members to find and make contact with the global CA community. Using CA Connect, members can search for and contact anyone from across the ICAS global membership of 21,000 CAs.

In addition to CA Connect, we have also developed Career Connect. Over 500 participants have already signed up to Career Connect; our new global, virtual programme that connects professionals across industry sectors. We are building a leading, global professional community that is well-served through innovations such as Career Connect, and our strategy of creating a 'Virtual ICAS' aims to connect members globally through an excellent digital experience wherever they are in the world.

I would also like to take this opportunity to introduce our new President, Ken McHattie. Ken, the Chair of onshore energy company Aurora Petroleum was confirmed as President for 2016 at the ICAS Annual General Meeting (AGM). He takes over from Jim Pettigrew CA and will serve a year in office. Ken has served on the Council of ICAS and as Vice-President and Deputy President. In Ken's words: "Our mission is to build the leading global professional community and I look forward to working tirelessly over the next 12 months on behalf of our 21,000 members to lead the next stage of delivering our ambitious plans."

I look forward to continuing to meet with many of our ICAS members during my visits to the States and strengthening the important connections between us.



**Hilary Lindsay, President, ICAEW**

One of the privileges of my time as an officeholder is the opportunity to spend time with members. In May I spent a few days on the east coast of the US and held meetings with ICAEW members in Connecticut, New Jersey, Philadelphia and

Washington DC. I heard how things were for them and shared with them the support ICAEW can provide. I've just finished nine years as a trustee of the [Chartered Accountants Benevolent Association \(CABA\)](#), which provides support, information and resources for ICAEW members to promote their wellbeing, so it was good to also be able to talk about the services they provide and their plans to develop further what they do for members outside the UK.

What came through to me loud and clearly from the meetings was the valuable role that ACAUS plays in providing a much appreciated local sense of belonging and community. The feedback I received was very appreciative, whether it was from recent arrivals or from those who had been there for some time.

While there I had the opportunity to meet with Mark Coles and David Freeman, two of the ACAUS board members. Their enthusiasm was infectious. As a volunteer myself I love seeing other volunteers in action and being really committed to making a difference for their fellow professionals.



**Terence Nombembe, CEO – SAICA**

I was delighted to have had the opportunity to attend the New York Chapter's Financial Services Panel Discussion in June. This successful event focused on the US and Global economic outlook from the perspective of the banking and insurance industries. It was a prime example of the type of professional business meeting which our members should ideally participate in on a regular basis.

The panelists featured were from many Home Institutes, thus a good representation of the membership of ACAUS as a whole. The discussions highlighted the varied and high caliber expertise that our members possess. I commend the panel participants, Mark Elliott, a SAICA member, Rooney Coleman, a member from ICAEW and Eamonn Travers, from the Irish Institute for their efforts and time with this hugely successful event, that also attracted active participation of the audience.

The networking reception that followed the panel discussion was equally important from the standpoint of engaging with a number of ACAUS members in general and SAICA members in particular. I congratulate the ACAUS Board, Sasha Carlson (Executive Director), Deloitte for sponsoring the event and of course, all the members in attendance on the success of this showcase event.

As one of the Home Institute CEOs, I look forward to ACAUS putting on more of these highly professional and relevant meetings, which highlight the main benefits of being part of the strong and vibrant networks that ACAUS provides.