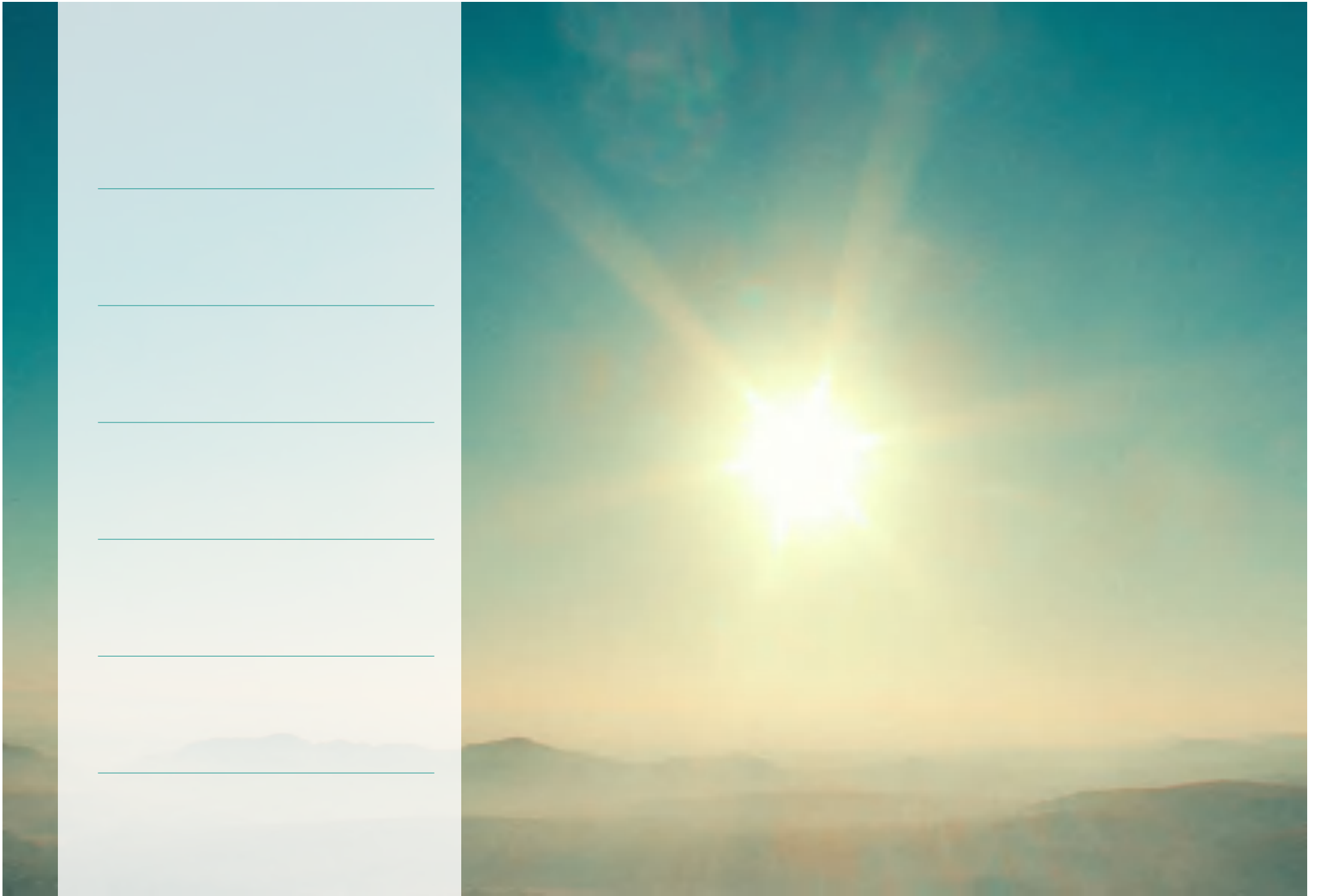


BDO

GLOBAL REVIEW 2018





A photograph of a crowd of people at night, many holding up sparklers that create a bokeh effect of light. The scene is set against a dark sky with a hint of sunset or sunrise in the background. Overlaid on the center of the image is a circular graphic consisting of several concentric white lines. Inside this circle, the text "What inspires our leaders" is written in a clean, white, sans-serif font. An arrow is also visible within the circular graphic, pointing clockwise.

What
inspires our
leaders

The BDO story is an amazing one. In the mere 55 years since BDO was founded by just 5 firms, we have grown into an outstanding global organisation of 80,000 people working out of 162 countries and territories, who generated revenues of US\$ 9 billion in 2018. Today, we are leaders in exceptional client service; we have a world-beating audit process tool and client Portal and in 2018 we became the IAB's Network of the Year for the second time in three years.

But we recognise that the world is changing and that, while our past achievements are a strong foundation, we must focus on defining our future and becoming the BDO of tomorrow, today.

Leading this forward-looking strategy are Keith Farlinger, Global CEO; Anders Heede, Global COO; Trond-Morten Lindberg, CEO EMEA and Robert Aziz, Global Head of Tax.

We asked them to introduce this year's *Global Review* by answering a few questions about what drives them as leaders, why they believe that leadership starts with who we are and how BDO's leadership stance will guarantee the organisation's continuing success in the future.





Q: KEITH, CAN YOU SHARE YOUR THOUGHTS ON THE IMPORTANCE OF LEADERSHIP ?

A: Leadership is much more important in the rapidly changing world of today, as those who are 'followers' will be too late to be successful. I think it's important to realise that leadership is about influence – not authority: good leaders inspire others to bring about true change in an organisation. But I also believe that everyone has leadership capabilities and should think of leading in their role, wherever they are in an organisation. Developing our professionals' leadership skills is essential, as it works directly with our aim of empowering our people. Leaders know what to do - that's why my ambition for BDO is to be a global organisation of leaders.



Q: ANDERS, GIVEN THE CURRENT UNRELENTING PACE OF CHANGE, WHY DO YOU THINK THAT LEADERSHIP IS IMPORTANT ?

A: I'd say that leadership is critical right now, more than ever, because of the ever-present disruption that we're all facing. Leadership is the way to get where we need to go: it's about setting a clear direction and creating momentum and being willing to adapt to change. That helps people think bigger and more strategically – and, crucially, to think more about the future, not just the day-to-day tasks at hand. How we behave as leaders defines us and our results.



Q: ROBERT, WHAT WOULD YOU SAY ARE THE MOST IMPORTANT CHARACTERISTICS FOR A LEADER TO HAVE ?

A: Adding to what Keith has said, it's crucial that, as leaders, we understand who we are, as people. This goes hand in hand with the need to be conscious of how we interact with others, so that we can ensure we're able to inspire them to follow our leadership and to develop the skills they need to become leaders themselves. I aim to be a collaborative leader who leads through empathy and guidance, so that the people I deal with feel empowered – and we can share their resulting success together.



Q: TROND-MORTEN, WHAT DOES LEADERSHIP MEAN TO YOU ?

A: For me, leadership is about making the right decisions, extracting the best from the right people – and doing the right things to get the job done. I aim to set an example and motivate people to be their best, so I try to help them achieve their ambitions firstly, by giving support and secondly, by enabling learning. It feels good to be involved in a person's development, and to see them rising and achieving.

FROM OUR GLOBAL BOARD:

"Who we are as leaders has a significant impact on our business: both internally, in terms of people's development and fulfilment, but also externally, on our brand and reputation"

Wayne Berson,
Global Board Chair



BDO

BDO

"The ability to lead change is a critical success factor in business today. In today's complex world, those who are willing to adapt to change and see the opportunities will survive: that's why we need leaders"

Pat Kramer, CEO BDO in Canada



BDO

"Our people want leaders who can coach, motivate, support and ultimately provide them with an inspiring vision of the future. They want leaders who can help them reach for the stars and realise their professional dreams"

Dr Holger Otte, Managing Partner, BDO in Germany



Q: ANDERS, HOW - AND WHERE - DO YOU SEE BDO LEADING FOR OUR CLIENTS ?

A: The first thing I need to say is that at BDO we do what we do exceptionally well. We are already leading in our markets. We have been the fastest-growing global organisation in our profession for the last 10 years, and we serve more than 775,000 clients globally. Many of our firms are already in leading positions in their markets: BDO in China is the leading firm in the country's oil industry; BDO in the UK is the leading adviser to the UK's AIM market, BDO in Israel is the leading firm there advising on IPOs for technology companies – the list goes on.

But we're conscious that our markets are – just as we are – being driven by constantly evolving digital developments and regulatory demands. So we have to keep providing solutions to new service requirements, as well as to emerging industries. Converged industries – such as e-commerce and ag-tech - are fast-moving new areas and are a case in point. This requires a strategic approach and our firms are becoming adept at defining in which markets they aspire to own a leadership position, as well as assessing where BDO firms can lead together for the benefit of our clients.

I'm really encouraged to see that BDO's leaders are committing energy and resources to taking the right opportunities whenever they appear. We are competing against the best in our chosen markets and we can – and do – win.

Q: TROND-MORTEN, CAN YOU TELL US ABOUT HOW WE'RE LEADING A NEW SERVICE APPROACH IN BDO, WITH A PARTICULAR FOCUS ON INNOVATION ?

A: There is really no choice in this matter: innovation is a challenging and exciting necessity. We want to drive value for our clients and improve business efficiency as we look ahead, we have to innovate - consistently and collectively. Innovation to me is about mindset and culture: our firms all over the world are constantly developing new products, services and tools and we're collaborating across borders in order to exploit these ideas and be commercially successful – for our clients, as well as our firms.

The basis of this is disruptive innovation and in certain instances we're reinventing ourselves, because that's the only way we can claim our stake as innovation leaders in the future. But we're combining this with an element of incremental innovation, which focuses on our existing services and solutions. This is how we're developing globally-managed solutions – from all over the BDO world. Along the way we're accepting that failures can happen, but these are opportunities to learn and will only make us stronger. Together, we're defining and preparing for what 'being BDO' will mean tomorrow, and the BDO of tomorrow is definitely within our grasp.

**Jiandi Zhu,
Managing
Partner, BDO
in China**

**Dick den Braber,
Managing
Partner,
BDO in the
Netherlands**

Q: ROBERT, CAN YOU DESCRIBE FOR US THE KIND OF PEOPLE WE ARE IN BDO, THE PEOPLE WHO WILL CONTINUE TO DELIVER SOLUTIONS FOR OUR CLIENTS AND OPPORTUNITIES FOR OUR PARTNERS AND STAFF GOING FORWARD ?

A: We tend to envisage an automated working environment in tomorrow's world, where bots are crunching the numbers and where AI is taking over as the new IQ. I'd say that it's DQ (digital quotient) taking precedence now - but I know too that there is a role for people who listen and take time to learn, for human beings who approach their work with empathy and advocacy, as well as expertise.

At BDO we are good communicators and we have a flair for cutting through complexity – but we're not only auditors, or simply tax consultants – we're critical thinkers with a mindset that gets the job done. We lead through the insights we provide and the connections that we make, and we're always collaborating effectively – with our clients as well as our colleagues – to bring the right experts together and design the required bespoke solutions. There is no doubt that what we're doing for our clients, and how we're doing it, is changing. But this change represents more of an opportunity than a threat and we're ready for it now – because tomorrow will be too late.

Q: THE LAST WORD BELONGS TO YOU, KEITH – BUT IT'S A BIG QUESTION: WHAT'S BDO'S REASON FOR BEING ? WHAT CORE PURPOSE IS OUR IDENTITY AND OUR DRIVER ?

A: It's a big question, yes – but with a simple answer, which I call our WHY. We exist to help our clients, whatever their goals. We exist to help our colleagues, wherever they're going. And we exist to help our communities, whenever we can. In BDO, people come first – and people have voices that need to be heard and ambitions that we can help them achieve.

It's important that all of us dare to dream about the future, because dreams aren't about what's possible - they're about reaching the impossible. Dreams aren't about seeing opportunities, they're about seizing them – and they're not about today, they're about tomorrow. At BDO, we're proud of who we are, we're certain of where we operate, we're confident in how we're doing it – and we know where we want to go.

BDO is helping people achieve their dreams.

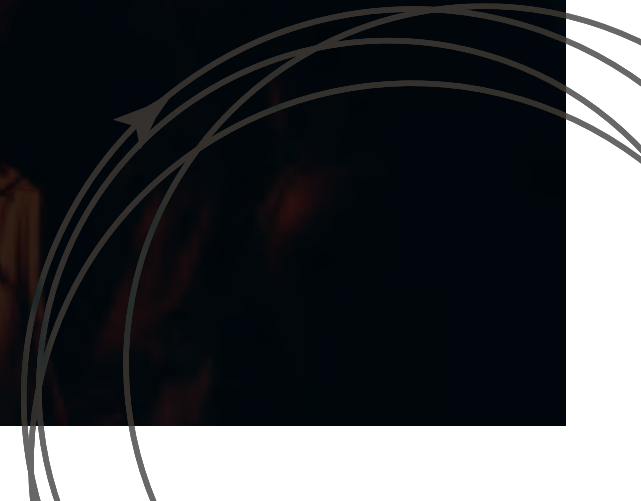
**Tony Schiffmann,
Managing
Partner, BDO
in Australia**

**Wayne Berson,
Global Board
Chair**

**Paul England,
Managing
Partner, BDO in
the UK**



What we
stand for



A number of organisations refer to their core purpose as being a 'fundamental reason for being'. At BDO, we call what we stand for our WHY. Our WHY puts into words why BDO exists: it defines us - and it is why we are unique.

In a business powered by people and relationships, we believe that our WHY helps our clients in choosing to work with us and encourages our people to stay with us. And it means that we actively support and help our local communities, initiatives and charitable enterprises.

This year's GLOBAL REVIEW is focused on demonstrating and clarifying what BDO is all about - to our clients and potential clients, to our people and the next generation of our people. We are one organisation, united under a common cause.

People helping people achieve their dreams – that's WHY.





BDO IN THE DOMINICAN REPUBLIC'S DREAM TREE ANNIVERSARY CELEBRATIONS

Our firm in Dominican Republic celebrated what we stand for by planting a 'Dream tree'. The tree was created by collecting 172 individual 'dream leaves' which, when put together, flourished into a Dream tree full of inspiration about how everyone in the firm can help their colleagues and peers turn their dreams into reality. These individual dreams range from family, leadership, personal and professional growth goals to social responsibility and economic growth for their country. Armed with this visual understanding of their people's needs and aspirations, the firm's leadership are now planning initiatives to bring these ideas to life.

BDO FIRMS SUPPORT AND HELP LOCAL COMMUNITIES, INITIATIVES AND CHARITABLE ENTERPRISES

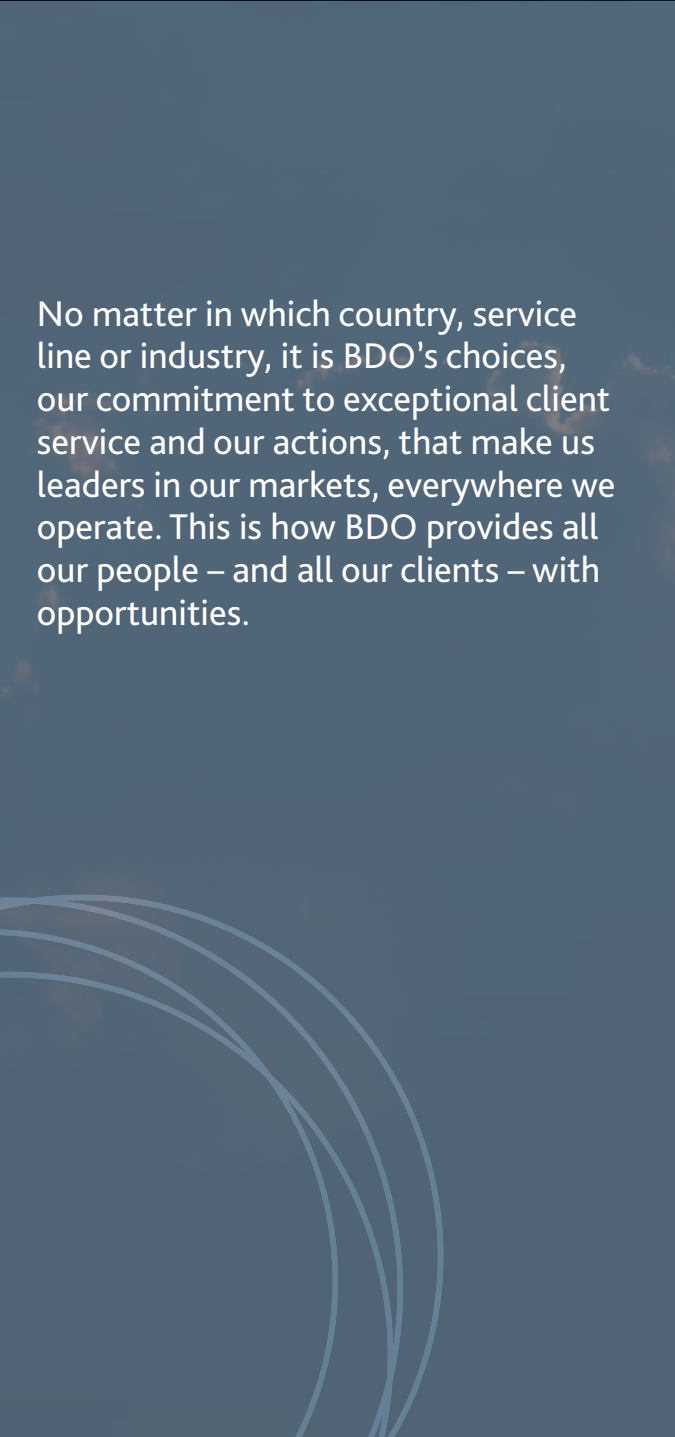
In the framework of the *New Partners Leadership Programme group* project, four partners from our firms in the UAE, Denmark and Germany chose Clean Water & Sanitation from the **UN's 17 Sustainable Development Goals in 2018**. With the help of Engineers Without Borders in Denmark, a BDO water well has already been built in Sierra Leone to provide clean drinking water to the local community. This initiative is not just about raising funds, as it's creating local awareness of the importance of better health, hygiene and sanitation.



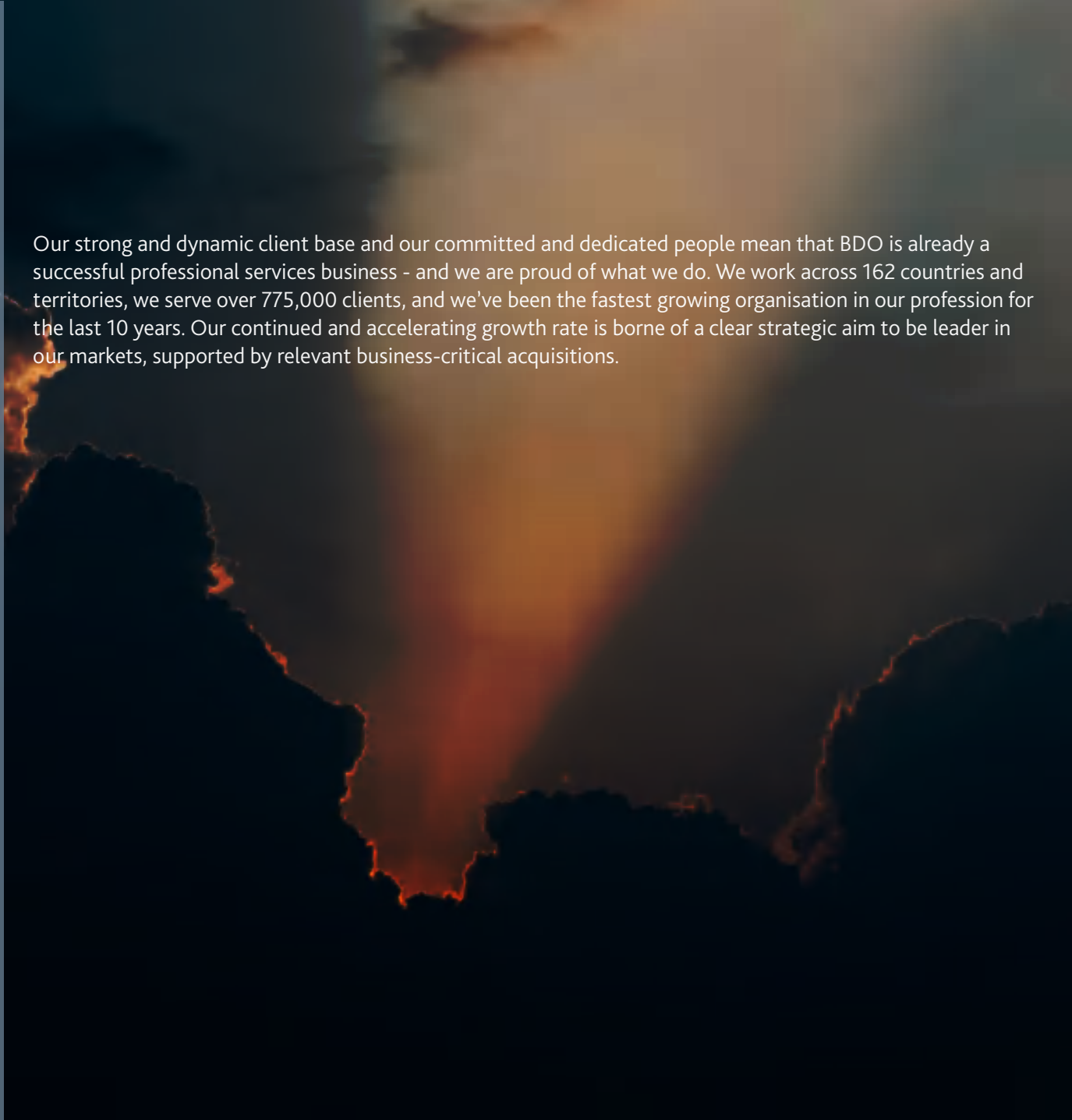


Where we
lead for
clients





No matter in which country, service line or industry, it is BDO's choices, our commitment to exceptional client service and our actions, that make us leaders in our markets, everywhere we operate. This is how BDO provides all our people – and all our clients – with opportunities.



Our strong and dynamic client base and our committed and dedicated people mean that BDO is already a successful professional services business - and we are proud of what we do. We work across 162 countries and territories, we serve over 775,000 clients, and we've been the fastest growing organisation in our profession for the last 10 years. Our continued and accelerating growth rate is borne of a clear strategic aim to be leader in our markets, supported by relevant business-critical acquisitions.



In our profession, nothing stands still. Our markets are evolving, driven by regulatory demands and digital developments. This presents us with some challenges, but above all it gives us enormous opportunities. BDO firms are ready to think strategically, take the right opportunities whenever they appear and deliver with conviction.

As business - and the modern business owner - become more international, we work together internationally to provide client-focused solutions, taking market-leading examples from each firm to deliver a best in class global solution.

UNIQUE SOLUTIONS IN RUSSIA

BDO in Russia has a unique position in the market. They have embraced the disruption facing their clients and are delivering novel and breakthrough projects through their [System Integration](#) and [Business Transformation practices](#). One of the strongest players in the market, BDO in Russia brings together a team of 800+ employees who have completed 1500+ consulting projects. As a result, more than 80,000 users are operating the integrated management information systems designed and implemented by BDO. Their clients include more than half of the 100 largest Russian companies, including global leaders within the oil & gas, metals & mining and finance industries.

We set up our global private equity (PE) group in recognition of the increasingly international nature of Private Equity investment and activities. Partners from across BDO's firms support businesses seeking investment to grow as well as Private Equity sponsors, funds, and their portfolio companies. Besides rolling out best practice, our advisers in this team also share opportunities for investment and divestment with other interested parties, helping build value for everyone involved in the transactions.

In BDO, we see ourselves as leaders: leaders in our profession, in the provision of highly complex service propositions, in the recruitment and retention of talented and committed people. Above all, we are leaders in the delivery of exceptional client service.

For our clients, that means we are often the first port of call when they need advice. It means that our voices are heard across the industry – we're not just reacting to change, we are driving it. And our clients know that bringing BDO on board will not only help solve their immediate problem, but will at the same time deliver insight and foresight about their plans for the future.



LEADING IN INDIA

In India, BDO is delivering automation, analytics and e-learning for clients across a number of industries while continuing to lead with their tax technology offerings: as evidenced in the [BDO Enable services suite](#), which includes Analytics, EWB, GSP and GST.

BDO ENABLE GST alone is delivering to over 180 companies and to date has seen over 10,000 GST returns filed and five million transactions.



Leaders in service delivery

BDO offers four primary service lines across our global organisation:

LEADING IN AUDIT QUALITY & TECHNOLOGY

The development of our key initiatives to empower a technology-enabled audit approach continued in 2018. The new tools and methodology included in our digital audit suite - APT* Next Gen, BDO Advantage, PBC**, etc. - are enhanced through BDO's global Portal, a comprehensive, cloud-based platform that ensures a highly secure and centralised digital client experience. These tools are gaining ground right across BDO and ensure that our clients enjoy a joined up experience from day one of the audit engagement.

We are leveraging the added value of a focused use of data across the BDO world, which in turn helps us to build long term relationships with our clients. Now more than ever, trust is essential in our profession and in our markets. BDO's focus on quality and our conviction in the services we provide give our stakeholders the confidence they need to make the right business decisions.

** Audit process tool*

*** Prepared by client*



APT NEXT GEN

The newest iteration of our cutting edge audit software, APT Next Gen, is currently being rolled out across our global organisation. Our earliest adopter firms have been using APT Next Gen for their client engagements during their busiest time of year and their feedback is overwhelmingly positive.

APT Next Gen's easy sharing feature enables our firms to work together across borders because it offers the flexibility for our group auditors to access BDO component auditors' working papers and to extract information required for group consolidation audits. This is enhancing BDO's ability to win international business and to service an increasing number of truly global clients. It also ensures that our clients receive the consistent quality that BDO's audit services stand for, wherever they are in the world.

Click on the + below to read about BDO in Malaysia's APT Next Gen experience

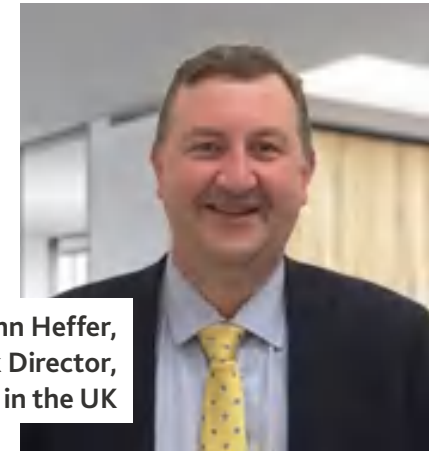


Tang Seng Choon,
Partner & Head of Audit,
BDO in Malaysia



technologically enabled audit is the widespread introduction of BDO Advantage, our bespoke audit data analytics tools and methodology. As more firms across the global organisation have embraced BDO Advantage, our leader firms continue to push the boundaries in terms of what these tools are able to achieve. BDO Advantage allows us to analyse large data sets much faster and more effectively and helps us to provide greater insights to our clients.

Over the last 18 months, BDO in the UK have used BDO Advantage for over 1,800 clients and 10,000 entity audit opinions across over 150 different accounting systems. By creating data visualisations, Advantage enhances our understanding of our clients' data and enables our auditors to dynamically explore and focus their efforts on those areas that really matter. Core to how we are innovating our approach to audit, these audit data analytics are unquestionably increasing audit quality, efficiency and focus on risks, as well as enhancing our understanding of our clients' operations and enabling us to provide greater value and more insights.



**John Heffer,
Technology Risk Director,
BDO in the UK**

AUDIT DATA ANALYTICS LEADER FIRM: BDO IN THE UK

"As we raise the skills of our people and incorporate more technologies – including automated data extraction and artificial intelligence - to the BDO Advantage suite, clients will without a doubt benefit even more from what we can deliver with audit data analytics. What excites me the most is how we are combining audit data analytics tools with our outstanding people and creating a powerful proposition that is unique to the market we serve."

BDO'S GLOBAL PORTAL

Change and progress are constant in our profession. BDO's global Portal is inspiring innovation in our audit approach but this central, secure online space is also relevant for other service lines. Our Portal is an online collaboration platform for our clients and our professionals and it stores client-provided materials and other collateral associated with an engagement, delivering a key digital experience for our clients. It is a channel for all types of engagements and enables our clients and BDO firms to exchange information, documents, data, reports, metrics and updates in a secure, auditable environment, where the integrity and privacy of client data is always preserved.

POTENTIAL. VALUE. COLLABORATION. TEAMING.

ADMINISTRATION. COMPARATIVE. DIGITAL. INDUSTRY 4.0.

ADVISORY. EXPANSIONS. MARKET. VISION. CONNECTED. FEES.

COMPETITION. MOBILE. PRIORITIES. EFFICIENCY. COMMUNICATION.

TIMELINESS. GLOBAL. PROJECT. TAX. EXPERIENCE. CLIENT.

PERCEPTION. VERSIONING. MANAGEMENT.

PROPOSALS. ASPIRATIONAL.

SERVICE. CREDIBILITY.

The Portal ensures that our clients can communicate easily with us, enabling them to provide information when requested in a secure fashion. It also helps them keep up to date through the latest BDO insights relevant for their needs. The global Portal has been built to evolve as our clients grow and additional functions will continue to be added in order to deliver a seamless service. As part of BDO's ongoing digital transformation, the Portal helps to enhance the experience of both our clients and our people during an engagement, improving both productivity and efficiency.

AUDIT TRANSFORMATION IN ACTION

Our global assurance innovation leaders keep close to what is being developed locally by our firms as the latter not only identify client needs but are also agile in acting quickly to fill these niche opportunities. These initiatives are leveraged in turn on a global level by leading the way in new and ground-breaking products to assist audit teams across our organisation: BDO Lead is an excellent example - click [here](#).

BDO firms across the world are constantly working with clients to provide assurance over assets using the underlying technology of blockchain, including cryptocurrency and smart contracts. A number of our firms, including BDO in [Malta](#), [Switzerland](#) and the [USA](#), are particularly active in this area and are providing a multitude of related services to clients both domestic and global.



HOW AN EFFICIENT AND STREAMLINED TECHNOLOGY SOLUTION IS HELPING OUR CLIENTS SUCCEED WITH IFRS 16

In 2019, new accounting standards will require many companies to start recognising leases on their balance sheets.

BDO LEAD – our lease administration tool - is a web-based application that offers a high end digital solution to address the accounting for leases in accordance with IFRS 16, as well as Topic

842. Developed by BDO in Germany, this tool can run on premise of the client's infrastructure and addresses the accounting for lessees and lessors alike by guiding them through the complexity of the accounting requirements and provides the final journal entry for new and existing leases as well as disclosure information.

BDO Lead has been successfully implemented by a number of our biggest clients, including Deutsche Telekom.





DRIVING TAX EFFICIENCIES FOR THE BENEFIT OF OUR CLIENTS

We started the year reeling from the pace at which US tax reform had been rewritten at the end of 2017 - it took only seven weeks to enact. The momentum and pace of international tax reform and developments continued throughout 2018. Many countries took continuing action in 2018 to address and implement the international corporate tax reforms, including BEPS, initiated by the OECD, and the EU's Anti-Tax Avoidance Directive (ATAD). In addition, 2018 gave us a number of developments aimed at tackling the challenges that digital businesses create for the international tax system.

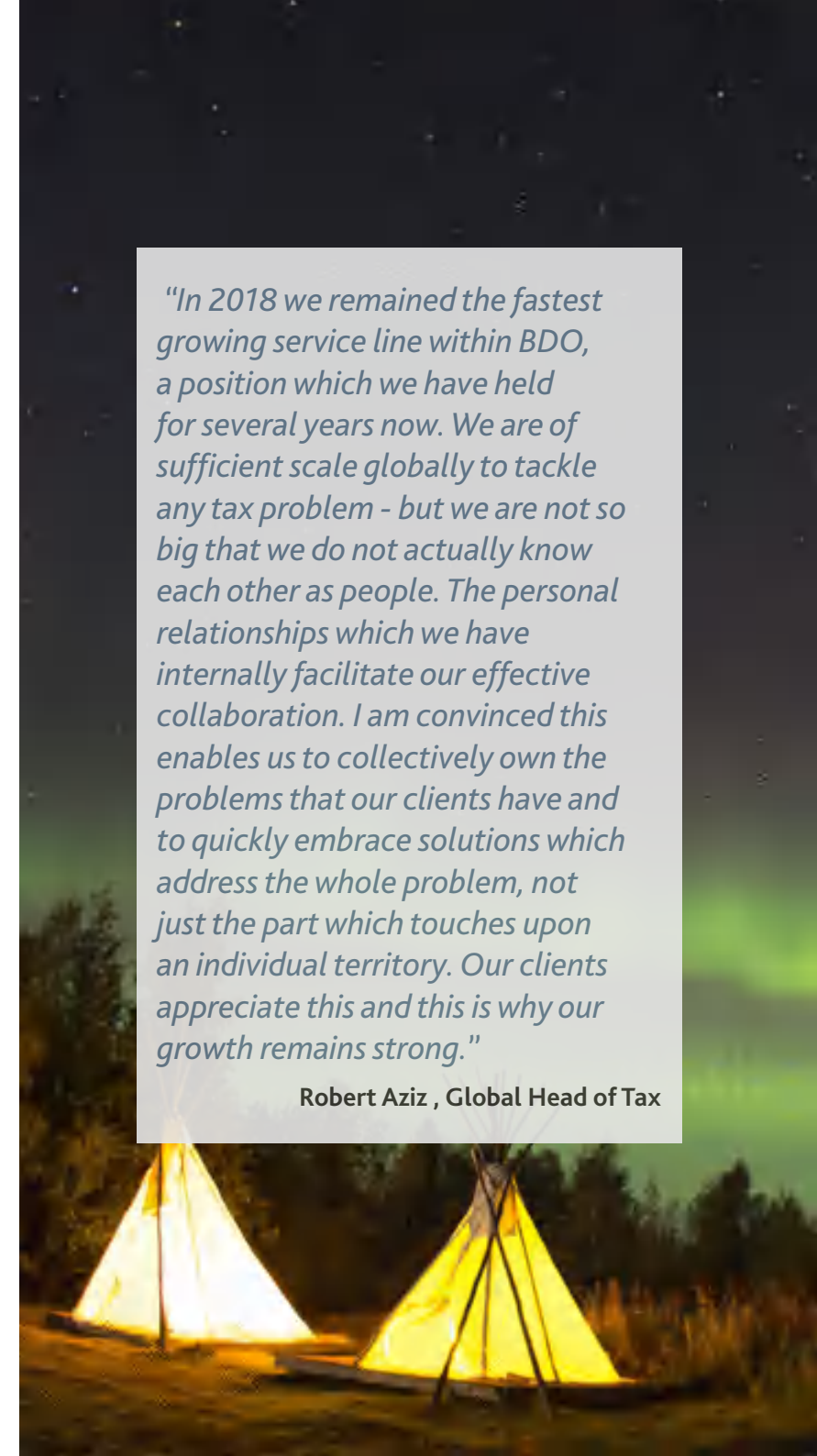
PUSHING FISCAL BOUNDARIES

There is a widespread - but not yet universal - view that the international tax system needs reform in order to address the digitalisation of the global economy. 2018 saw both the OECD and the EU publish papers on this subject. However, in the absence of consensus and in recognition of the time that it is likely to take to agree on a workable global framework, many countries have pressed ahead and announced unilateral measures to implement their version of how the digital economy should be taxed. It will come as no surprise that these measures take a range of forms and, even where they align in concept - for example, a digital services tax - the base for taxation can differ significantly. The inconsistency of unilateral measures simply increases the complexity for businesses who seek to comply with the rules and increases the overall tax burden. There is much work to be done and the OECD sees its role as presenting a clear way forward in 2019 with agreement by countries to a long term global solution by 2020.

It would be wrong to focus solely on the concept of digital when it comes to tax reform. Digital enables new business models to flourish and these models inevitably challenge existing tax concepts. However, underpinning a lot of the concerns at which the global tax reforms are aimed is a levelling of the playing field between offshore or remote and domestic activity. In this context remote activity such as e-commerce sales is a concern even within a territory if that territory has separate state taxation, as is the case in the USA. A lot of 2018 tax reforms and developments, including those in the US and UK, have features designed to bring offshore or remote activities into a domestic tax base. And in many cases these reforms push strongly at existing fiscal boundaries.

"In 2018 we remained the fastest growing service line within BDO, a position which we have held for several years now. We are of sufficient scale globally to tackle any tax problem - but we are not so big that we do not actually know each other as people. The personal relationships which we have internally facilitate our effective collaboration. I am convinced this enables us to collectively own the problems that our clients have and to quickly embrace solutions which address the whole problem, not just the part which touches upon an individual territory. Our clients appreciate this and this is why our growth remains strong."

Robert Aziz , Global Head of Tax



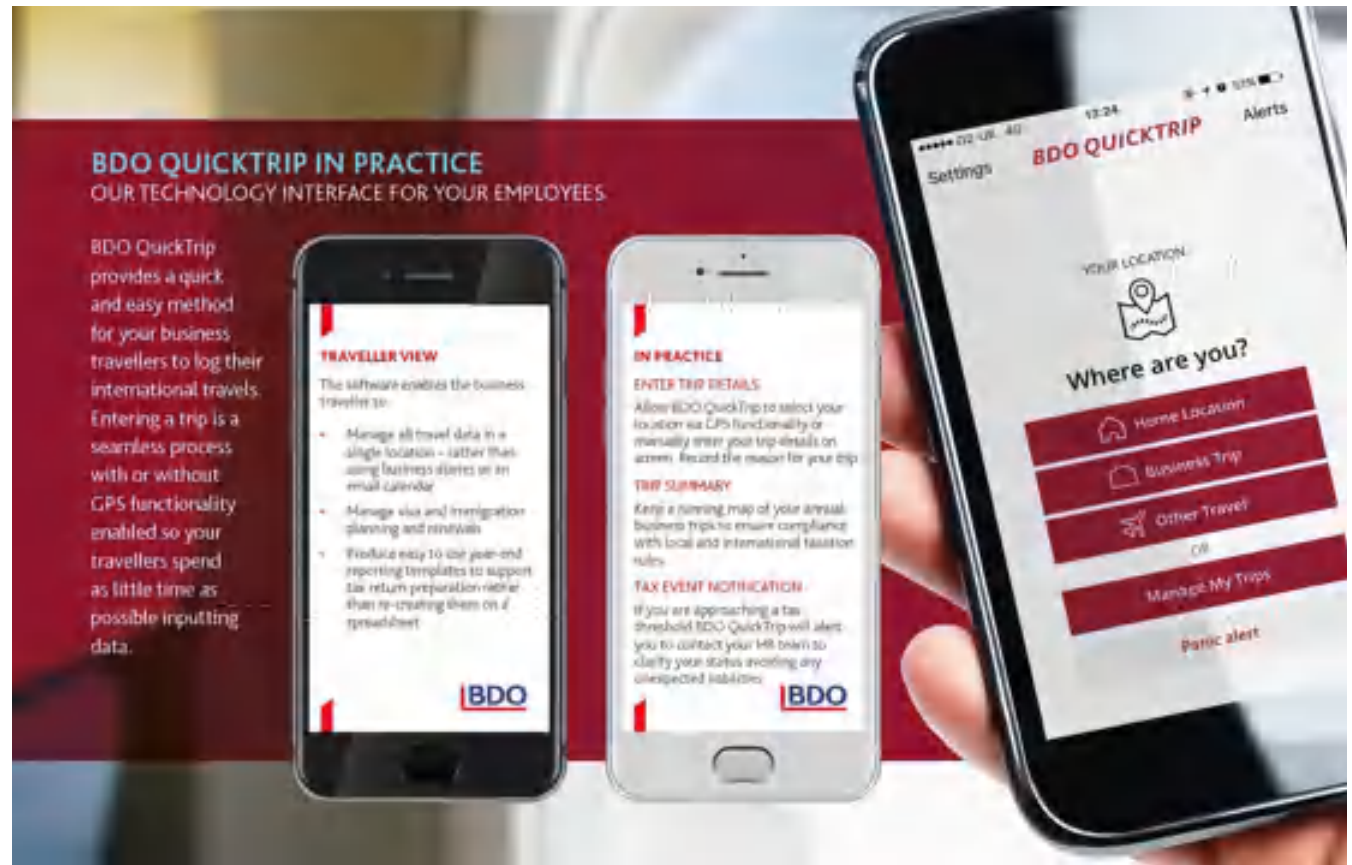
ONE BDO

The measures being adopted to address the challenges that governments face mean that it is more and more important for tax advisers to have an understanding of global trends.

The ability to reach out to colleagues in other territories to discuss in depth how a particular jurisdiction approaches an issue is a vital part of the tax adviser's armoury. This is not just because many businesses are born global. Even those businesses which may be viewed as domestic will be subject to laws which are aimed at overseas investors, partners, customers or suppliers. Indeed it may well be that a purely domestic provision has its origin in another jurisdiction and understanding the practical reality of how such rules operate can often be learned and understood better only with close collaboration with overseas colleagues.

At BDO we bring the best resources we have to any client matter regardless of where those resources sit within our global organisation. Our tax teams are used to and are adept at working not only cross border but also cross subject matter.

At BDO we value collaborators – our clients get better tax solutions to their business problems from our joined up approach.



Our Global Expatriate Services group offers a holistic suite of services to our clients around the globe.

These include:

- Expatriate Tax Services – our historical offering, including tax compliance, tax consulting, social security advice etc.
- Global Equity Services – tailored advice regarding the creation and structuring of share plans, incentive schemes and calculation of cross border liabilities etc.
- Customised Payroll Solutions - ghost/shadow payrolls for international assignees and related advice
- Business Traveller Management Services - tax and immigration compliance for business travellers and real-time monitoring of employees travelling, all with smart technology

Our global private client group set itself the vision of being the truly global number one private client practice. This required a real commitment from the leader of that group, Wendy Walton in the UK, but also from a number of firms around the BDO organisation who invested in growing their local practices and in working together more regularly and at a deeper level.



Wendy Walton, Head of Global
Private Client Services,
BDO in the UK



- ▲ Listen to the regional chairs of BDO's Global Private Client Services group share key findings and discover more with the [interactive global map](#).

LEADING WITH THOUGHT LEADERSHIP

Trending in Global Private Client Services:
[Global Opportunities for Relocation 2018](#)

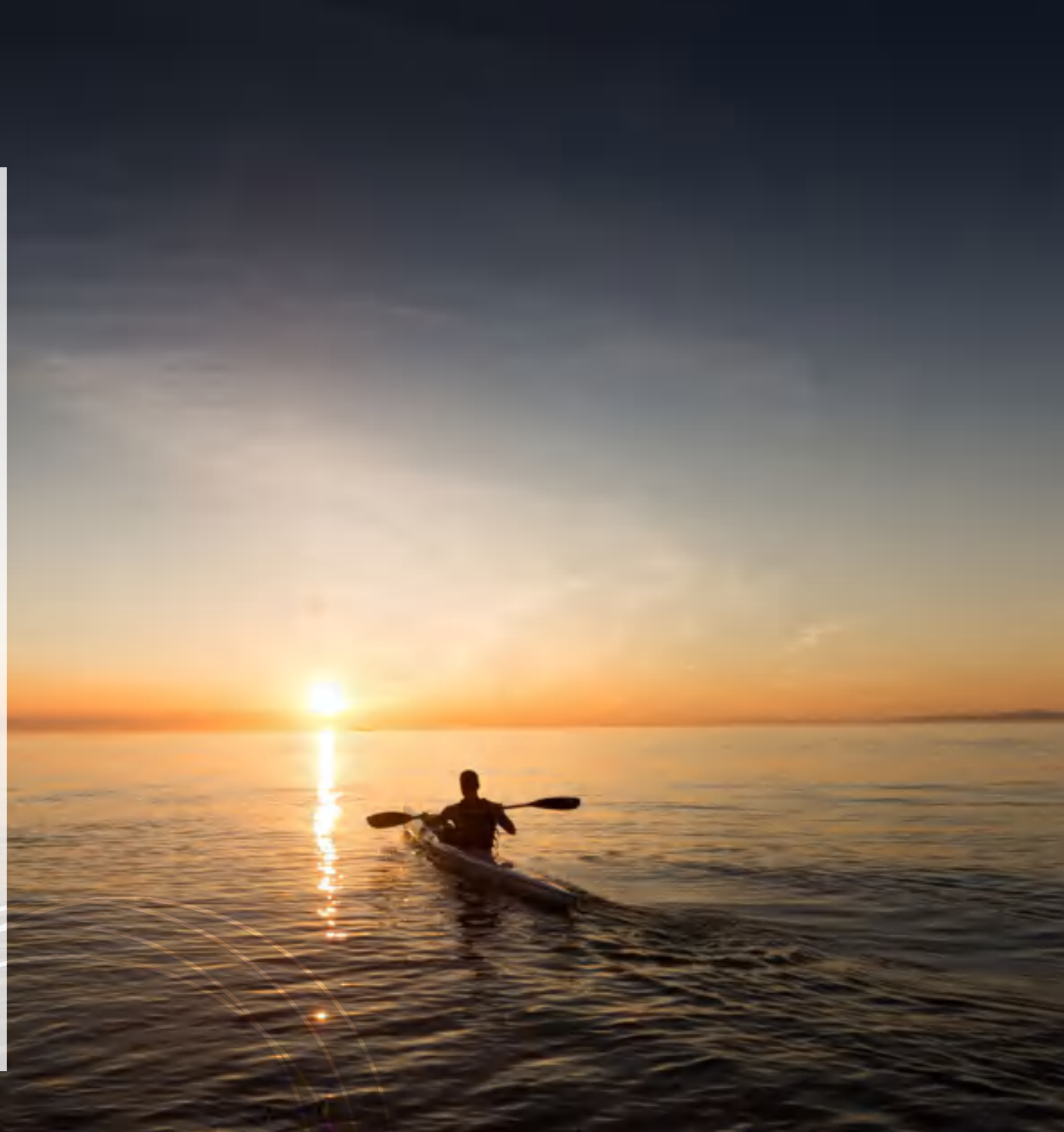
Globally we see legislative and regulatory changes increasing the cross border flow of foreigners and investment. People relocate for many different reasons – climate, education, lifestyle and business opportunities – and different locations appeal to different people. However, there is always one common theme, irrespective of where individuals choose to relocate: tax.

BDO understands these trends. Our Private Client Tax advisers from BDO firms around the world are ready to provide our clients with an overview of tax regimes in some 40 jurisdictions and the trends and factors influencing international mobility within each of the Americas, Asia Pacific and European regions.

Celebrating another year of
leading performance in

ADVISORY SERVICES

BDO's dedicated and highly experienced Advisory service teams across the world have the depth of industry and technical resources to respond rapidly to our clients' needs. In 2018, our four major Advisory service lines – Corporate Finance, Forensics, Risk Advisory Services and Cybersecurity – have delivered excellent performance and stellar results for the benefit of our clients.



PARTNERING WITH OUR CLIENTS FOR MUTUAL SUCCESS

A typical BDO corporate finance client might be a business with cross-border capabilities or ambitions, or a private equity firm with their niche in the middle market. Our 2,000+ corporate finance experts around the world work together with these businesses to maximise their value through advising on acquisitions, fund raisings, flotations and disposals. BDO's local and global cross-service teams provide clients with a one-stop resource for any accounting, taxation or strategic issues that may arise in the scope of a transaction.

CORPORATE FINANCE

Another record year of deals in 2018 saw 1,440 transactions completed, with a combined US\$ 81.4 billion.

Deal volumes for BDO grew over 20% from 1,200 in 2017 and deal value increased by approximately 50%.

Our award-winning Corporate Finance practice has been ranked as the 1# most active global 2018 M&A advisers by deal location by *Pitchbook*, a Private Equity only league table. In addition, we rank as the 4th most active Transaction Services adviser in *Mergermarket's* 2018 global rankings, while *Thomson Reuters* recognises BDO as the 5th leading M&A Financial Adviser in their 2018 league table up to US\$ 50 million deal value.



With 2,000 Corporate Finance professionals working out of 100 countries, our global Corporate Finance team provides clients around the world with exceptional services, fueled by market-leading thought leadership and established credentials. Furthermore, BDO's innovative reporting tool ensures a consistent and unified brand experience throughout our clients' journey with us.



▲ *BDO reporting tool*

▲ *[BDO Horizons](#) – a quarterly global mid-market M&A review*

GLOBAL FORENSICS

BDO's global forensics practice continues to help our clients grow their global leadership positions and reach the pinnacle of their industries. In 2018, the global Forensics & Risk community recognised BDO's forensics practice as the Global Investigations Consultancy of the Year, officially recognising what our clients have known for years.

BDO experienced significant global expansion in our forensics practice in the usual venues but, in particular, practices in Saudi Arabia, the Bahamas, Brazil and China led high profile matters and grew exponentially. Our professional leaders are a lifeline for our clients and 2018 saw several key additions to our global forensics team, including advisers from Canada, Saudi Arabia,

Germany, India, UK, USA, Switzerland and South Africa. Our advisers bring not only in-depth knowledge and expertise to our global team, but also drive collaboration and trust among BDO firms, continuing to result in client successes.

Our annual Global Forensic conference provides an opportunity for our professionals to come together and share best practices and latest technologies. It is our clients who continue to reap the rewards of this sharing and collaboration amongst BDO firms and it's one of the reasons for the unwavering commitment of our Global Leadership Team to our global forensics practice.

Over the past year our global forensics practice's leading position in forensic technology has been strengthened, thanks to the addition of computer forensic labs and a meaningful increase in AI and data analytics capabilities, as well as a growing cryptocurrency forensic offering. We continue to leverage high tech solutions and to maintain relentless collaboration among our firms, and ensure the recruitment of best in class forensic professionals.

◀ *Global Investigations Review's 2018 awards. The driving force behind the enormous success of our global forensics practice is the personal commitment of our advisers to our clients*





SPECIALIST LEADERS IN FORENSICS

Clients across the world have sought BDO's knowledge, expertise and insights to assist on some of the most notable, complex and make-or-break-the-company engagements in 2018. In addition to our Insurance Recovery specialists being instrumental in the painful recoveries for clients who suffered catastrophic losses from natural disasters (2018 was perhaps the most devastating year on record), BDO forensics professionals also:

- Acted as the Data Privacy Officer for Fortune 500 companies
- Played a part in resolving India's largest ever bank fraud
- Acted as the Court-Appointed Receiver for a Middle East Investment Authority
- Led critical investigations related to 'Car Wash' in Brazil
- Acted as forensic accountants to the monitors on several of the most prominent international monitorships
- Performed investigative due diligence for governments and corporates worldwide
- Conducted forensic accounting investigations in connection with scandals in sports, government and corporate corruption.

In addition, our dispute resolution professionals continue to represent clients on the international arbitration stage in connection with multi-billion dollar infrastructure, natural resource, life science and other investment treatise and commercial disputes.

RISK ADVISORY SERVICES (RAS)

How the global RAS practice team up to ensure client success and to help them to lead

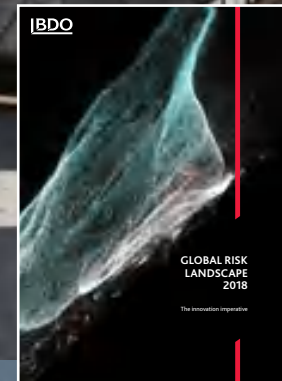
In the summer of 2018, Brian Gartlan, head of the Irish RAS team based in Dublin, became aware that their largest client was going out to tender for its internal audit and SOX work carried out by BDO. Further conversations between our adviser and the client led to a better understanding of the client's concerns over the size and resilience of the Dublin team.

Brian teamed up with his colleagues in the global RAS group - Ben Termini in New York, Ricky Cheng in Hong Kong and Nigel Burbidge in London - to develop a proposal involving the skills of all of their teams. The proposal went through successfully to the presentation stage and both Ben and Nigel were able to join Brian in person at the presentation. We were competing against one of the largest firms but our demonstration of common purpose and of our ability to be joined up globally won us the client's trust - and the work, worth about €250,000 a year.

WHAT WAS THE CHALLENGE?

WHAT MADE THE DIFFERENCE?

WHAT IS THE BENEFIT FOR OUR CLIENT?



Read our Global risk landscape 2018 report



CYBERSECURITY

In 2018, BDO's global Cybersecurity Advisory Services has grown its presence from 10 to over 30 countries across six continents while accomplishing an impressive 70% growth in revenue over the prior year. Our global cybersecurity leadership team is comprised of professionals from a diverse range of backgrounds, including experienced IT, operations and data privacy consultants, as well as forensic technology, business advisory and accounting practitioners. A variety of organisations, including the SuMi Trust Bank, Salesforce, Marker Therapeutics and Redis Labs, have engaged with BDO cybersecurity experts to address their demand for increased cybersecurity risk and compliance assessments. These include new cybersecurity policies and procedures development, email and network attack detection and monitoring services, vulnerability assessments, penetration testing, incident response services and a wide range of managed security services. BDO's leading expertise means we can respond to clients' needs and demands in the field and dispense future-proof advice.



BDO KNOWS

Gregory A. Garrett is Head of BDO's US and Global Cybersecurity and a best-selling and award-winning author of 23 books and over 125 articles. His latest book, *Cybersecurity in the Digital Age: Tools, Techniques, & Best Practices*, was published in December 2018 by Wolters Kluwer Law & Business. In this book, Gregg and a team of 14 cybersecurity experts from BDO give practical guidance to businesses worldwide on how to enhance cybersecurity policies and practices.



LEADING IN THE DELIVERY OF BSO SERVICES

In 2018, BDO's Business Services & Outsourcing (BSO) practice grew through continued innovation and through a redefinition of a client-centric approach.

Our BSO offering is driven from a client centred approach, working through deep client relationships to bring relevant services and expertise to help and support them. The two key markets are small and medium sized entrepreneurial businesses and large corporates. In both markets, the services focus on:

- Accounting and compliance
- Global compliance
- Business process outsourcing
- Payroll
- Business Advisory.

BDO's global BSO teams assist our clients by helping to meet current needs and by working towards long-term goals. Our professionals evaluate and benchmark key functions in our clients' organisations, drawing on their experience in developing accounting, finance and HR objectives and integrating them with corporate and human capital strategies.

What differentiates us from our competitors is our unique go-to-market strategy. Rather than approaching the market with a product-led service, our firms focus on a client-led service. By identifying pain points that clients encounter and working to find solutions to address those needs, BDO's BSO offerings focus more on client journeys, decision points and training for teams to find solutions – not on just selling products.

In a highly competitive marketplace, realising long-term goals comes not only from capitalising on opportunities and mitigating risks, but from doing it all as efficiently

and effectively as possible. That is why technology plays a crucial role in how we deliver an enhanced experience to our clients. BDO firms are gradually embracing automation and machine learning, either directly or indirectly, by adopting cloud-based delivery solutions offering such inbuilt functionalities. In this regard, BDO's partnerships with Xero, Quickbooks and Microsoft help to bring market-leading solutions, along with distributed working to our clients. As our technology partners continue to develop new functionality into their tools and systems and subsequently share them with BDO, we ensure that we are equipped with the latest technology to benefit our clients.

LEADERS IN OUR MARKETS: GLOBAL COMPLIANCE

2018 continued to see strong growth and development in BDO's range of services centred around multi-country compliance contracts across the global organisation. Our firms in Australia, Belgium, Colombia, Finland, Germany, Hong Kong, Ireland, the Netherlands, UK and US have had considerable success offering and coordinating multi-country payroll, compliance, tax and accounting services. As a result, the volume of referrals of outsourcing work from multi-country operations continues to rise.

As a truly global organisation, we understand the importance of investing in common processes and contracts so that our clients can enjoy a seamless and consistent client experience across the world. With the inter-firm framework agreement in place and paying dividends, we aim to further facilitate both giving and receiving firms to subcontract in a more efficient manner. During the past year, we also continued to invest heavily in systems to underpin complex operations. These include Thomson Reuters ONESOURCE Workflow Manager, which now underpins 12 global compliance operations led by BDO firms in the Netherlands, Belgium and UK; and a BDO payroll platform which has supported the rollout of a global client's payrolls across 30 countries.



▲ BDO in the UK wins App Advisory Firm of the Year: United Kingdom at Xero Awards 2018

BDODRIVE: ADVISING AMBITIOUS BUSINESSES

At BDO, we are committed to providing our clients with a clear market proposition, putting not only our market-leading solutions at their disposal but also enabling them to benefit directly from our extensive outreach and expertise from 80,000 BDO people in 162 countries and territories across the globe.

One of the technology drivers for BDO's BSO practice is BDODrive, which embraces new ways of working, including cloud accounting solutions, portals and client management systems. These tools drive information, intelligence and insight to give our clients competitive advantage and reduce the strain of doing business. Teams across the BDO world are developing new ways of supporting businesses. These include, but are not limited to:



Compliance, helping clients in navigating the many requirements they face.



Outsourcing, taking the strain using the latest technology so that our clients can focus on their many other challenges.



Advisory, helping avoid the obstacles and navigate to success, whether the client is an ambitious start up or a dynamic family business.

Unlike our competitors, BDO is working globally to drive forward our services for small and medium sized businesses and BDODrive embodies this approach: teams from Australia, New Zealand, South Africa, UK and the US have worked together to start building a global brand focused on helping clients succeed.

A LEADING GLOBAL INDUSTRY PROGRAMME

"In today's world, it's not enough to give advice which is technically excellent. We know we deliver real value when our advice is rooted in a deep understanding of our clients' businesses and the industries in which they operate. At BDO, our five global industry groups work together and across borders to serve some of the world's largest companies, connecting and sharing information across geographic boundaries, collaborating on thought leadership and sponsoring conferences and events."



Allan Evans,
Global Head of Business
Development & Marketing



FINANCIAL SERVICES

WHO WE ARE

BDO's Global Financial Services group helps clients in the financial services sector succeed in a changing landscape marked by regulatory reform, disruptive technology, and new service-delivery channels.

With our experienced global network of approximately 2,300 Financial Services experts, we help our clients respond quickly and appropriately to cross-border developments. We represent the interests of our clients in dealings with regulators and legislators at the European and global levels. Our global connectivity means we are also able to respond quickly and competently to cross-border issues.

Our services - including governance, risk, compliance, business process reviews and more - are tailored to meet the unique needs of financial services organizations. Across all of these segments, we bring an in-depth understanding of the complexities of the financial services industry and the unique challenges facing our clients' businesses.



[Gebhard Zemke](#) chairs our Global Financial Services Group. Gebhard has been with BDO for more than 25 years, specializing in the banking and financial services industry. He

has performed financial statements audits and provided advice on regulatory issues, anti-money laundering, risk management and compliance to a wide range of financial institutions in and outside of Germany.

Gebhard is a frequent speaker on the topic of accounting and regulatory issues in Germany and has published a wide array of technical literature on various subjects.

HOW WE HAVE SUPPORTED OUR CLIENTS

- Numerous international banking audit engagements
- Audit and consulting services for a Swiss social fintech start-up with branches in Switzerland, Germany and several African countries
- Internal audit assignment with a medium-sized international financial services provider
- Internal audit assignments with an international development bank
- Examinations of risk management of international significant banks for international financial services authorities
- IFRS 16 (leasing) and IFRS 9 advisory engagements
- Restructuring analysis for a significant Italian bank
- VAT structuring for an international group of financial services provider
- extended audit services to the European Central Bank on a global level and training our staff on [SAS](#) statistical analysis software for ECB engagements.

TECHNOLOGY, LIFE SCIENCES, MEDIA & ENTERTAINMENT AND TELECOMS (TMT)

BACKGROUND

Just as technology rapidly evolves, so too does the industry. Speed, responsiveness and flexibility can be make-or-break for a company at any stage of its lifecycle, especially when moving into new territories. BDO's Global Technology, Life Sciences, Media & Entertainment and Telecoms team is well established in the eco system and regularly works with other advisers to achieve objectives.

We enable our clients to meet the many challenges of international expansion, avoiding the hazards while seizing those short-lived opportunities. We combine our extensive knowledge of this industry with an in-depth understanding of your goals and vision, so we can help you to achieve them in the most efficient ways.

The team meets regularly and shares knowledge and ideas as well as meeting with key stakeholders in industry.



[Scott Rodie](#) leads the global team and is an audit partner in BDO in Canada. Scott works with the sub sector leaders who are immersed in their respective industries and the BDO teams around the world to ensure they are providing exceptional service to the international clients.

HOW WE HAVE SUPPORTED OUR CLIENTS

For many years BDO has worked with some of the largest companies in the industry, providing advisory and compliance services to domestic and international teams.

In recent years we have expanded our role to working with investment companies acquiring technology companies as they look to expand their businesses often into the area of payments and billing and smart cities.

The increasing important of technology in driving industry convergence also plays into BDO's strengths as we bring together teams to support these new and fast-growing industries, combining the agile mindset of a technology start-up with that of an often more established industry.

PUBLIC SECTOR

BACKGROUND

BDO is a leader in providing services to public sector, healthcare and non-profit in many countries. As a global organisation we help our clients make the right decisions in a complex environment with a special focus on digitalisation and transition to more sustainable economy. We have developed international centres of excellence and innovation in key societal areas such as healthcare administration, smart cities and blockchain in public sector.

[Morten Thuve](#) leads the public sector practice of BDO Norway. Since 2014 he has also chaired BDO's Global Public Sector group, covering also Healthcare and Nonprofit. He has broad expertise in audit and advisory.



HOW WE HAVE HELPED OUR CLIENTS

In OECD countries, healthcare expenditures represent about 10% of GDP. For more than 20 years BDO has been providing innovative healthcare consultancy. Interdisciplinary teams of health care economist, medical doctors, nursing professionals, digitalisation and e-health help decision makers to find the best solutions.

BDO developed the masterplan, the organisational planning and implementation, and participated in the start-up phase of the [North Vienna Hospital](#). This 800-bed hospital opened in Spring 2019 and is considered as one of Europe's most modern healthcare facility. The investment is worth EUR 1.3 billion.



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REAL ESTATE & CONSTRUCTION

BACKGROUND

Competition within the Real Estate & Construction industry remains fierce. In addition to slowing global economic conditions, industry players are also exposed to regulatory uncertainty amid ongoing scrutiny of both the residential and commercial markets.

BDO's Global Real Estate & Construction (REC) team is available to work with and support companies, wherever they operate. Our best-in-class people utilise the resources and global footprint of our cross-border organisation to give you key audit, tax, and consultative advice, as well as risk management, transaction services, corporate finance, direct taxation, VAT and forensic services.



[Russell Field](#) is Head of BDO's UK Real Estate & Construction practice and leads the global REC team. Over the past 20 years as a partner at BDO,

Russell has acted in a lead advisory capacity to numerous FTSE and AIM listed entities, specialising in the real estate sector. Russell is highly experienced in the application of IFRS and has supported clients through all types of corporate restructurings including flotations, reverse takeovers and business combinations

HOW WE SUPPORT OUR CLIENTS: SOME EXAMPLES

We advise regulated and unregulated real estate funds on their core, value-add and opportunistic investments. We offer comprehensive assurance, tax, valuation, and advisory services, drawing on the resources of an established national and international network to scale them specifically to our clients' needs.

BDO's assurance, tax and advisory teams work with clients from both the private and public sector to deliver infrastructure projects across a number of key sectors, including health, housing, education, waste and renewables, transport, leisure, emergency services, education, water and defence.

"BDO in the UK acted as tax adviser and reporting accountant on the prospectus for the admission of ordinary shares in Tritax Big Box REIT plc to the Specialist Fund Market of the London Stock Exchange and to the Channel Islands Stock Exchange. They provided invaluable advice on a number of tax and reporting issues, were always responsive, and integrated well with the various advisers throughout the process. It was a pleasure to work with them".

PARTNER | TRITAX Group

NATURAL RESOURCES

BACKGROUND

With a deep history and involvement in the industry, our people and investment into the global natural resources industry has formed a large part of BDO's growth story. With six key centers of excellence (Australia, UK, South Africa, USA, Canada & Russia), strategically placed alongside our clients interests, BDO has worked hard to attract the right people and build premier services to ensure that we help to deliver and support our clients projects locally and globally.

We support and promote exceptional client service across the natural resources community by delivering global insights and acting as a conduit to connect people and opportunities. Our subsectors include Mining, Mining Services, Oil & Gas, Renewables and Utilities.



[Sherif Andrawes](#) is BDO's Global Natural Resources Leader responsible for the strategy and development of the sector within BDO internationally.

Sherif commenced his career in audit, joining BDO in London in 1987. Following a move to Australia in 1997, he specialised in corporate finance and has since led BDO teams in a number of mergers and acquisitions, preparing over 400 public independent expert and investigating accountant's reports, mainly for clients in the natural resources industry.

HOW WE SUPPORT OUR CLIENTS

For more than 50 years, BDO has worked with thousands of clients in exploration, production and service companies to provide customised solutions through resources in every major Natural Resources business centre in the world. Our nimble teams are adept at assisting clients address the major issues facing companies in today's evolving marketplace:

- Managing projects in multiple countries with varied regulatory and political risks
- Financing and tax planning
- Infrastructure to support projects in isolated regions and offshore
- Market price volatility and instability impacting demand in all industries
- Evolving and complex regulatory environments, ranging from environmental regulations to changing accounting standards

INDUSTRY CONVERGENCE

The increasing convergence across our global industries is inevitable, so we have set up groups to focus on fast-moving new areas, such as fintech and renewables. These new businesses bring the agile mindset of a technology start-up into often more established industries. Our service approach mirrors this combination so we can work with them to manage conflicts and help them drive growth by identifying the best of both approaches.

BDO'S FIVE GLOBAL INDUSTRY GROUPS



BDO firms are united globally by their ongoing commitment to put clients at the centre and to provide solutions specific to them. The proactivity of BDO firms has created a number of excellent local market leadership positions. Positions where a partner or a group of partners have looked at the market, identified and defined an opportunity and taken steps not just to be credible in that market, not even to dominate that market but to *own* it.

While we are rightly proud of the leadership positions we have already taken, we cannot afford to relax. Alongside our clients, we face challenges on every side – from new entrants to the market to targeted approaches from more established competitors. The impact of technology on our market-place is immense and we ignore it at our peril.

As part of our growth strategy, we have challenged the leaders of our firms to see the opportunities in this disruption, and to continue to seek out positions where they can differentiate themselves as leaders in their markets. We recognise that we cannot be a leader in all markets nor would we want to be. We are confident in our capabilities and competencies and we are ready to act on that to continue to grow.

This is how BDO leads for our clients.





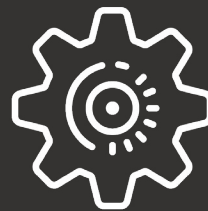
How we
are leading
a new
service
approach

BDO has seen significant digital progression in 2018. We have made definitive steps forward on our path to becoming a truly digitally-focused global organisation that tackles the challenges presented by a fast-paced professional services environment head on. More importantly, we have proven that we can lead through innovation.

Being innovative across the BDO world drives value for our clients, improves business efficiency and profitability, as well as ensures that we are recognised as leaders of the future. Our digital transformation has multiple areas of focus. Firstly, we know that we ignore infrastructure at our peril: a strong foundational infrastructure is vital for effective innovation. We're also focusing on the incremental innovation of our existing services and solutions, where we improve our

core business by delivering greater efficiencies and deeper insights for our clients via methods such as automation, digitisation and collaboration. In tandem, we are implementing a more radical and disruptive approach, with which we attack the market through diversification and extend our processes with new technology to ensure that we can deliver greater collaboration and intelligence through our service offerings.

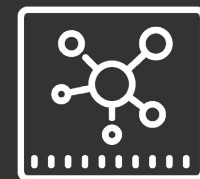
OUR FOCUS



INFRASTRUCTURE



INCREMENTAL
INNOVATION



DISRUPTIVE
INNOVATION

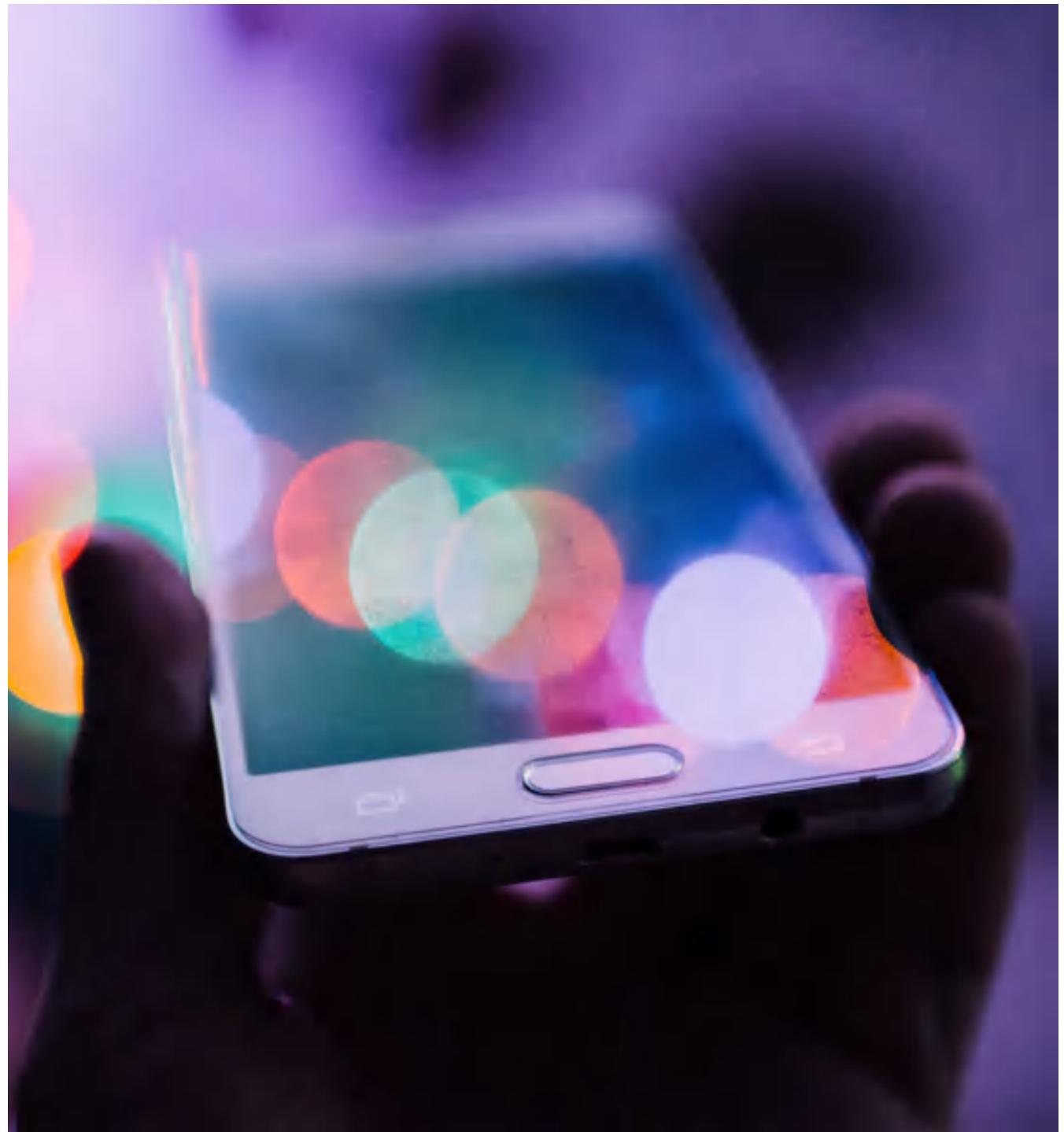
CONVERGENCE AT THE CORE

Working together and driving forward towards a common goal has been vital to BDO's success in 2018, especially within the IT space. We have focused on providing our people with the technology they need to build long-term client relationships that generate true insight and added value.

To achieve this goal, we have further invested in strengthening our IT infrastructure, particularly in the areas of information security, cloud services and digitisation. It is the combination of all these, underpinned by dedication to innovation, that has allowed us to provide trusted advice to our clients – because we are keeping trust and information central to our service. As a result, both the way we use our data and the way we cooperate with our clients regarding the use of their data are becoming increasingly important to our services and their businesses.

NO COMPROMISES ON SECURITY

In our profession, security is paramount, standards are critical and privacy is imperative. Every BDO firm is held accountable for their performance regarding information security via an assessment process that is closely connected to our privacy programme. There is no compromise because security is central to what we do and what we deliver to our clients. This is evidenced by BDO Global IT's standing ISO/IEC 27001:2013 certification for its Information Security Management System and their conduct of regular and ongoing audits to ensure continual compliance with industry best practice standards.



We are committed to handling data confidentially and with integrity and we continue to improve our working method in this regard. In 2018, we initiated talks with our clients on a transparent data sharing partnership under which we can share information more effectively and actively with each other. This initiative was met with very positive responses from our clients, enabling us to continue our efforts in driving informed, empowered and secure relationships for our global service offerings, by embedding security by design in our internal processes, development lifecycles and standard ways of operating.

The challenge we face is the highly complex and continually evolving information security landscape and the ever-increasing cyber threats in which we and our clients operate. Over the year our dedicated IT teams have evidenced a number of notable cyber security trends - whether these are long-established threats that continue to rear their head, or new emerging attack methods. BDO does not shy away from these challenges; instead, we proactively keep our clients and people informed about them. It is in our DNA to continually evaluate and improve our resilience against potential threats, by investing in the latest technologies, training and informing our staff and continually improving processes.

BDO SECURITY SENSOR - A POWERFUL DETERRENT TO CYBER THREATS

Effective security means ensuring that adequate measures, services and solutions are always up to date and equipped to combat threats. This approach must be supported by strong knowledge of the business and market, together with an understanding of any relevant legislation and regulations. This has led to our technology advisory experts at BDO in the Netherlands developing the BDO security sensor.

The Security sensor can be used both virtually and physically at various levels in a client's organisation. One or more sensors can be supplied and installed at strategic points within a client's network. It offers:



- 24/7 insight into vulnerabilities and threats
- 24/7 monitoring of attacks, with TSOC continuously scanning for new vulnerabilities.
- Output suitable for forensic investigations after an attack
- Always up-to-date
- 'Technical measures' for GDPR compliance
- Periodic management reporting and portal
- Professional incident-response team
- Rapid installation; no need for maintenance
- Direct detection; lower recovery costs.

Embedding a proactive approach to cyber security within a client's operations allows BDO to ensure that our clients are protected against new threats arising. Importantly, armed with the most up-to-date information, it also allows us to be perfectly positioned to work side-by-side with our clients and improve their cyber resilience on a continuous basis.



CLOUD SERVICES FACILITATE GLOBAL OPTIMISATION

At a global organisation like BDO, the use of cloud technology to drive efficiency, optimisation and the extension of services is central to our IT offering. The use of cloud technology not only allows us greater control over the location and management of client data to enhance digital security and privacy, but also provides the building blocks we need to leverage and grow our analytics offering.

As our digital resources continue to expand into the cloud, we have developed a robust, cloud-based Identity and Access Management (IAM) system. Our IT teams

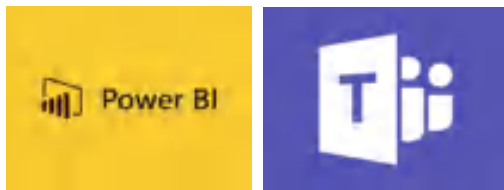
now have visibility into and control over how and when users access our corporate applications and data.

Developed using Azure Active Directory B2B collaboration, the solution allows BDO firms flexibility and high levels of digital security to facilitate client service and staff collaboration, while ensuring their independence. Our use of Microsoft's latest technology offerings means BDO's identity solutions and services are world class and industry-leading.

INDUSTRY RELATIONSHIPS REMAIN A PRIORITY

Our relationships with leading industry partners allow us to adapt and innovate quickly.

Our global strategic alliance with Microsoft has seen us invest in new, technology-based service delivery solutions to drive digital transformation for the entire global organisation. And our firms can leverage the latest technology available from the Microsoft stack: for example, collaboration platform Microsoft Teams and analytics tool Microsoft Power BI to drive enhanced client service. The scale of our agreement also enables our firms to directly offer the latest cloud-enabled programmes to their clients.

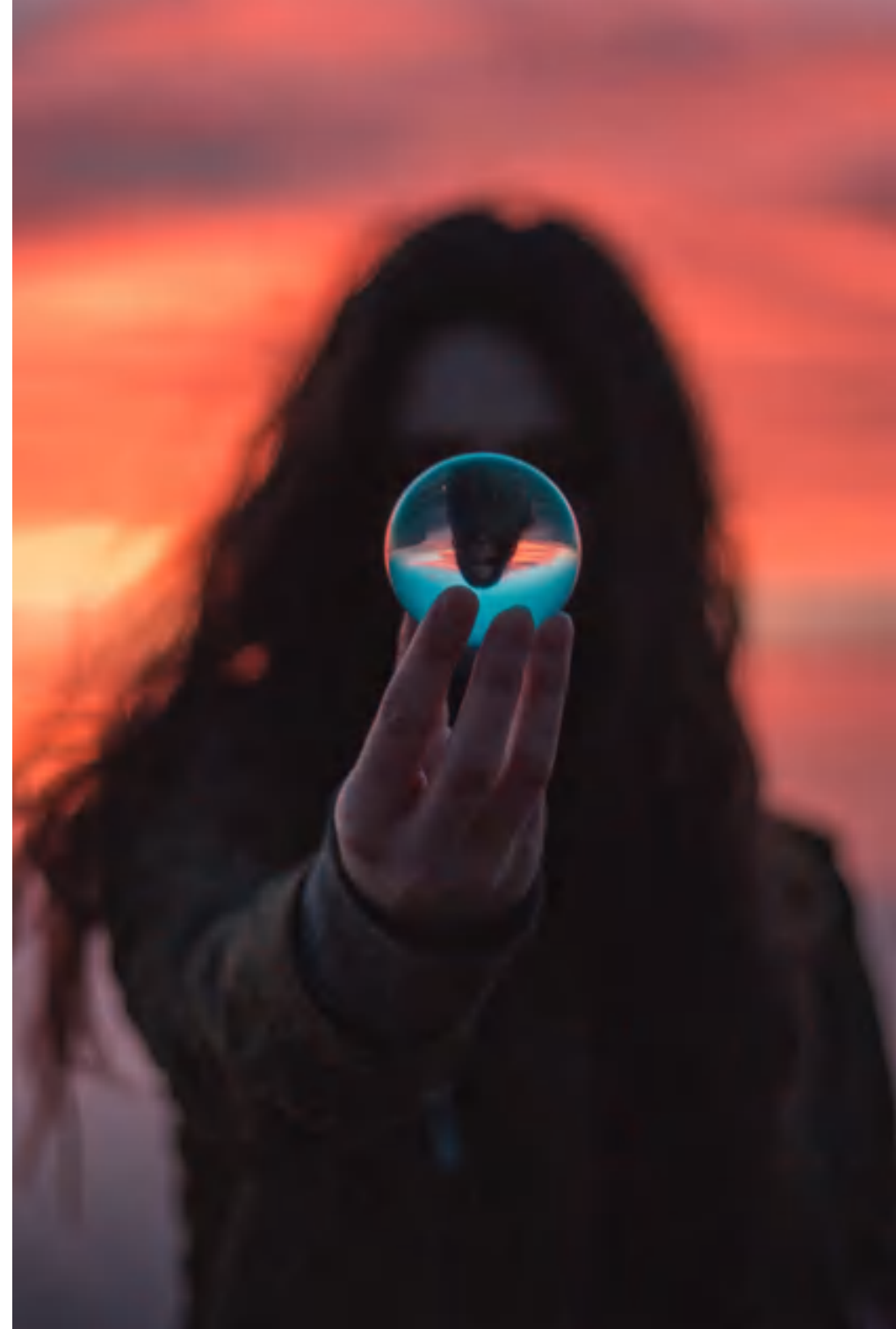


Our *Premier* support agreement with Microsoft grants us the exclusive advantages of dedicated support and hands-on assistance, as well as trainings and tools tailored to our specific needs. This allows us to upskill our developers and ensure that they have the internal practices and industry expertise to build and deliver platforms and tools that meet and exceed the needs of our people and our clients. Transforming to be technology-enabled and future proof in all areas of our

business is an integral part of our journey.

Our working relationships - and in some cases formal partnerships - with Adobe, Amazon, Qlik, Oracle, SAP, Lenovo, HP, Targus, DocuSign, Xero, QuickBooks, Receipt Bank, Workday and other local cloud accounting providers continue to be important for both our firms and their clients. Our leading position within the profession allows us to partner up rapidly with key vendors and build solutions for our clients as and when needed. This agility is a critical part of our forward strategy, as is our ongoing work with a number of incubation providers. We've worked with start-ups and industry bodies in the USA, Israel and throughout Europe to drive forward research in our clients' best interests.

We're also exploring a new style of IT operations that will see our firms' global advisory teams become increasingly client-facing over time, with more digital and technical services provided directly to clients. A number of our firms' purchases of several large consulting firms with strong technology capabilities during 2018 is a step in this direction. These technology service partnerships allow us to leverage our service delivery approach to make use of solutions in collaboration, automation, data analytics and intelligence.



DIGITISING OUR SERVICE DELIVERY

We are evolving our services model to align with the growing client preference for digital channels and functionality and have invested heavily in building and delivering market-leading digital assets for our firms and clients.

BDO in Belgium has transformed their advisory service offering by listening to what their clients wanted, resulting in the acquisition of two firms active in [robotic process automation](#) and [process mining and optimisation](#). Advisory services now make up the majority of the services the firm offers, making BDO in Belgium a key consulting player in their market.



BDO's global Portal is being successfully deployed to all BDO firms, with very positive feedback from both our clients and firms. The global Portal provides an online collaboration space that gives 24/7 access to BDO services and insights. It can be used by any area of the business for any client, regardless of their size, industry or location.



Our unique Prepared by Client (PBC) platform allows our clients and their BDO advisers to upload and share documentation via the secure BDO Portal. Built-in workflow management features, such as task assigning, document commenting, digital signing and document status checklists, allow seamless management of large volumes of work in a central and easily managed way.

Click on the + below to read how BDO leaders around the world are experiencing our global Portal



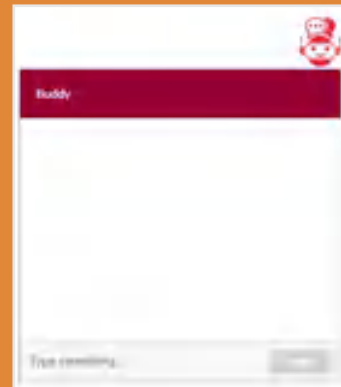
In the audit space, the latest release of our bespoke audit process tool, **APT Next Gen**, has seen our industry-leading, technology-enabled approach to audit deliver great efficiencies and added value to our clients through its globally consistent methodology.

As a leading business adviser to our clients, maintaining independence is critical to us. We continue to invest in applying technology improvements to this area of our business by driving automation and gathering insights into this important process. In 2019, we will extend our global independence platform to inject further automation and business intelligence into the solution.

Our digital transformation has allowed us to redesign and automate many manual processes, including stocktaking, trial balance generation, audit data analytics and transcribing audit file memos. Besides the obvious benefit of cost savings, these transformations release our people from time- and labour-intensive tasks to focus more on their clients' needs, improving clients' experience with us.

BOTS & ROBOTICS PROCESS AUTOMATION (RPA) POWER UP DIGITAL SERVICE DELIVERY ACROSS BDO FIRMS

BDO in Switzerland's audit robot assistant LISA is now integrated in the firm's client Portal. LISA can fulfil tasks such as information and document gathering at the start of an audit engagement. The pilot project of LISA with a client in April 2018 was a great success for the firm, receiving media recognition and positive client feedback.



BDO in Australia introduced their chatbot Buddy in 2018 to streamline its student recruitment process. Buddy captures interest from potential new starters and is able to answer basic questions, creating a more responsive first experience with BDO. For our Australian firm, Buddy is a valuable addition to their People and Culture team as it frees up its team members to focus more on the genuinely interested applicants which Buddy helps to identify right from the start of the recruitment process.

[Chat with Buddy on BDO in Australia's web site.](#)

BDO in the USA has created a new RPA enabled service line - **Tax Analytics and Automation**. These new services are targeted to help clients with automating data-related tasks, identifying tools and products that align with clients' requirements and implementing custom apps and bots. By integrating the latest RPA technology available, our US firm helps their clients save money by preventing them from getting bogged down in labour-intensive manual data entry, consequently freeing their professionals to focus on the business areas that really matter.





INNOVATION AND COLLABORATION

BDO's strong focus on becoming digital-first is inevitably coupled with a stronger drive for innovation. In 2018 we launched our Innovation programme to promote truly innovative projects and encourage collaboration across our global organisation. We're aiming to establish a global innovation framework and develop an innovative culture in which our firms connect with each other, share ideas, leverage experiences and collaborate on their innovative solutions to better serve our clients.

As we set our goals to lead through innovation in our profession, it's inspiring to see that many of our firms are already taking the lead in their innovative transformation. Innovations projects are happening across a number of our service lines and industries, covering a wide range of topics. These include exploring the possibilities of blockchain for our business, using bots to welcome and guide new starters, RPA for tax services, inventory counting apps, document scanning on the go and the gamification of BDO's employer branding.

We cannot be leaders in innovation unless we continue to foster a culture that promotes creativity and encourages all BDO people to submit ideas, regardless of their expertise and seniority. Our firms now have dedicated Innovation programmes that make it simple to submit new suggestions - and to reward those that are particularly valuable to the organisation or its clients.

BDO FEEDBACK - CAPTURE AND ANALYSE SURVEY DATA FROM ANY INPUT IMAGINABLE

BDO Feedback is an online feedback management tool that helps users set up surveys and analyse results from any kind of input imaginable. It is a flexible and feature-packed solution that provides the ability to collate client, employee, project and market feedback. The tool has been developed by BDO in Norway and was produced and released in less than a year. It has already processed the responses of over two million users and is now used by all of our Norwegian firm's service lines.

The flexibility of the platform is best explained through individual use-cases, including:

- **WHISTLE-BLOWING SERVICE**

Forensic services offer clients a yearly subscription to a custom-made survey branded as their very own whistle-blowing portal

- **DIGITAL TAX EXPERT**

Tax professionals set up a series of FAQs and make them available to clients as a checklist with a corresponding report

- **STRATEGY DEVELOPMENT**

Strategy and operations provide a simple but effective framework where the platform is used to collect and present both the key strengths and weaknesses of clients' existing strategy. This in turn helps facilitate discussions for future improvements

- **EMPLOYEE SATISFACTION**

Advisory services offer a concept to measure employee satisfaction and then use this related insight to frame client improvement initiatives

- **MARKET RESEARCH**

Industry experts use the platform to conduct market research, going on to both present the collected insights to clients and incorporate it into specific publications

- **CLIENT ENGAGEMENT**

The strategy and operations team use simple metrics to measure client engagement and suggest improvements to existing processes

BDO Feedback's infrastructure is designed to be future-proof and allows users to experiment with different business models and achieve new and innovative content. The data collected gives unique insight into client challenges and a solid foundation to offer advice, but the most exciting possibilities lie in the accumulated data, and how it can be used to benchmark and generate market trends.

At BDO, we are conscious how important it is that the focus on innovation isn't a temporary measure. Rather, it has to be embedded in our corporate strategy and in the behaviours of our people. Innovation, digital optimisation and business transformation is a crucial part of all our firms' corporate strategy, often driven by dedicated teams led by national heads of Digital Transformation and Innovation.

Innovation is a lot more than just integrating available technology to accelerate digital transformation in BDO. It's about ensuring an innovative mindset and an active approach to managing innovation as a portfolio: in this way, we are in a position to develop new propositions and adapt our business to drive even better business outcomes for our clients. We understand that the rapid advances in technology around issues such as AI and predictive intelligence will continue to shape our operating environment, and BDO is uniquely positioned in the mid-market to be able to add true value through our industry insights, client relationships and consistent innovation. We work directly with clients to develop solutions specific to their needs and this will never change.

This is how we are leading a new service approach through innovation.





Who we
are as
leaders

BDO's people are equipped with a digital mindset, embrace the spirit of collaboration and have the capacity for long-life learning and true leadership: these people are your advisers of the future. In order to ensure that we are our clients' advisers of choice in the future - and to deliver the service excellence that that they have come to expect – BDO people embrace technology and combine this with the unique skills we have as human beings to create experiences for our clients that are truly memorable and valuable.

Our people are selected, engaged and empowered because of who they are, how they perform and what they do to add value.

BDO's culture of accessibility, close relationships and excellence in delivering our services means that it is our people that make the true BDO difference. To ensure that difference, and that BDO will be part of a future where technology is disrupting not only our profession, but many of our clients' industries, we focus on 3 pillars: attraction, development and retention of talent.

ATTRACTING TALENT

BDO's solid reputation in the market helped to increase our global headcount by 8.4% at the close of 2018, and our organisation is now made up of 80,087 people working out of 1,591 offices in 162 countries & territories. Our consistently growing workforce is testament to our strong position in the ongoing 'war for talent', as is the fact that our firms worldwide have been recognised and rewarded with a number of awards and certifications in 2018.



▲ BDO in Malaysia - Malaysia's 100 leading graduate employers 2018



▲ BDO in the USA - Working Mother 100 Best Companies 2018 by Working Mothers Magazine



▲ BDO in Estonia – certified Family Friendly Employer by Ministry of Social Affairs

Our belief in the importance of an engaged workforce in a digital workplace starts with the recruitment process. Besides the traditional social media channels for attracting talent (LinkedIn, Facebook, Instagram...) our firms are leading with innovative ideas to appeal to the younger generation of digital natives:

- BDO in Ireland are using a video interviewing platform to digitise their recruitment process, giving candidates the possibility to take first round interviews online on any device, at any time
- BDO in Indonesia have designed a gamification platform and are using game-based psychometric assessment to attract the best talent
- BDO in Australia have developed a chatbot known as 'Buddy' to provide a first point of contact to students who are interested in working for BDO by answering their questions in real time, 24/7 on their careers web site.

▼ *'Feeding the fish' and 'The number agility': gamified psychometric assessments developed by BDO in Indonesia*



▲ *Chatbot Buddy developed by BDO in Australia*

RETAINING TALENT

At BDO, we strongly believe that investing in our people and inspiring them to be leading experts in their fields is key to retaining top talent.

A global mindset will facilitate our people to better serve our global clients and so we encourage our firms to promote global mobility among their partners and staff. In our 20 largest firms, we have almost 400 partners and professional staff in our *Global Mobility Programme* and they are its true champions, exploring new business cultures and opportunities around the BDO world.

Our firms also put in tremendous effort into understanding our people – their requirements, their dreams, what makes them tick - so that we are in a better position to cater to their needs and go on to retain the best of them.



BDO IN THE UK - THE MISSION: MILLENNIAL REPORT

ABOUT THE MISSION: MILLENNIALS REPORT

We hear and read a lot about 'managing Millennials'. 84% of our London Audit Group fall within the 22-37 year old age range who are labelled Millennials. So we researched 350 people from this group to help us better understand their views, motivations and preferences.

KEY FINDINGS & RECOMMENDATIONS

- Continue our focus on growing our innovation culture to drive efficiency – but there's a need to fix existing technologies too
- An individual approach to career development, including greater clarity over progression and greater empowerment
- Encourage a continuous feedback culture where employees are given timely and constructive feedback on a regular basis
- Ensure more consistency when recognising people for their achievements
- Open and transparent communications about everything, including major decisions and pay
- Look to increase opportunities for flexible working
- Don't underestimate the importance of social relationships at work and CSR agendas, and their positive impact on wellbeing

Our UK firm has already picked up on many of these strategic and operational needs, for example, switch to continuous feedback as part of our review process, the U Board priorities of Citizenship and Wellbeing, and the creation of our Innovation Builder community – all these as part of our Adviser of the Future project. This report reassures us that we're on the right track but still have much to do !



Recognising our people and their achievements is a vital part of our people strategy. We understand that our people deliver the best value for our clients when their performance is valued and appreciated. In 2018, BDO in Denmark received our People Excellence Award for their outstanding work in the organisational transformation of their firm. The award recognised in particular the digitalisation of the firm's various HR&D processes over the previous 7 years, which in turn has ensured that HR is deeply involved in driving their strategic agenda.

EMPOWERING TALENTS

Our firms understand the skills that our people need to develop to be digitally aware and attach the utmost importance to investing in platforms and programmes to enable them to develop their abilities and to grow in their role. A wide range of initiatives have been put in place across our global organisation to provide the motivation for continuous, life-long learning.



▲
BDO conference app

USING TECHNOLOGY FOR BETTER LEARNING

The use of digital platforms and virtual learning facilities is now crucial to how we provide training to our people. In 2018, many of our firms embarked on their development journey to facilitate e-Learning by making use of our *Learning Management System* (LMS). This platform enables anyone in BDO to acquire new skills from any device, at any time, with a digital solution available at their fingertips.

GATHERING OUR TALENTS TO COLLABORATE BETTER

We are fully committed to the continuous growth of our people and provide numerous opportunities for our people to get together and learn from each other by attending conferences and training events worldwide. In 2018, the Global People & Culture Conference was themed 'A great place to perform in a digital world'. 90 HR leaders and partners from 54 different countries participated in the event, during which 28 internal and external speakers shared expertise on topics such as diversity and inclusion, employee experience and leadership development. The event also showcased some of the latest technologies, including innovative ways of recruiting and compelling approaches to dealing with onboarding. To echo the theme of a digital workplace, the BDO conference app was fully in use during the event, not only for the organisational logistics, but to spark a more interactive and digital learning experience for all the delegates via the app's live polling and experiential ways of learning.

PROMOTING ENGLISH PROFICIENCY TO DELIVER EXCEPTIONAL CLIENT SERVICE

Our English language courses – both virtual and on site – have proved vital in improving efficiency in our day-to-day business communication across the global organisation. English learning also helps our firms to recruit and retain talent by empowering their staff with the skills to exchange ideas, share best practices and, more importantly, to service multinational clients on a global level.

▶ *Learn about how BDO in Italy benefits from the collaboration with Education First (EF) in improving English competency for their staff*

DEVELOPING THE LEADERS OF THE FUTURE - GLOBAL PARTNER LEADERSHIP PROGRAMME (GPLP)

Our exclusive Global Partner Leadership Programme (GPLP) has been proven to be a success in recent years, as we prepare our future leaders for a digital age in which the knowledge and competencies required to engage with the future workforce and stay relevant to our clients will be radically different to that of today.

In this year's programme, we focused on equipping our people with the skills to become an effective adviser in the future. By emphasising emotional intelligence, raising awareness of unconscious biases and training on how to build an agile business strategy to survive and thrive in a digital future, the GPLP programme is designed to help our people succeed in a fast-changing world. Games, simulations and other experiential learning methods were included in the programme for the first time and were positively received by the participants.

The Global Review interviewed two of our GPLP graduates about their experiences of the programme



Katharine Byrne, Partner & Head of Corporate Finance, BDO in Ireland

Katharine participated in the GPLP programme when she was looking for a course to further develop her personal leadership style. She graduated with the class of 2017.



Bruno Suppa, Managing Partner, Greater Toronto Area, BDO in Canada

Bruno joined the GPLP programme to build relationships with the BDO global community and future leaders, to help build tools that enable participants to successfully become a leader, not merely a manager, and to challenge himself by pushing himself out of his comfort zone, both professionally and culturally. Bruno graduated with the 2018 class.

What did you enjoy the most about the GPLP programme ?

What knowledge / skills did you acquire during the programme that you have been able to directly apply to your role and/or bring changes to your firm ?

If you had to identify just one major benefit of participating in the programme, what would it be ?

How much does participating in the GPLP programme equip you with the skills to be an effective adviser in the future ?

EMBRACING DIVERSITY & INCLUSION TO BUILD A BETTER WORKPLACE

At BDO, we know that people with diverse backgrounds trigger more creativity, innovation and out-of-the-box solutions in the workplace. The importance of hiring, retaining and promoting a diverse spectrum of people is a particular focus for our organisation.

2018 has seen many of our firms creating dedicated roles such as Chief D&I Officer to help facilitate this approach. Locally, our firms have adopted D&I strategies that are centred around key messages such as 'Be Yourself' and 'Everyone Counts'.

At BDO, we strive to build a truly unifying culture that embraces all backgrounds.

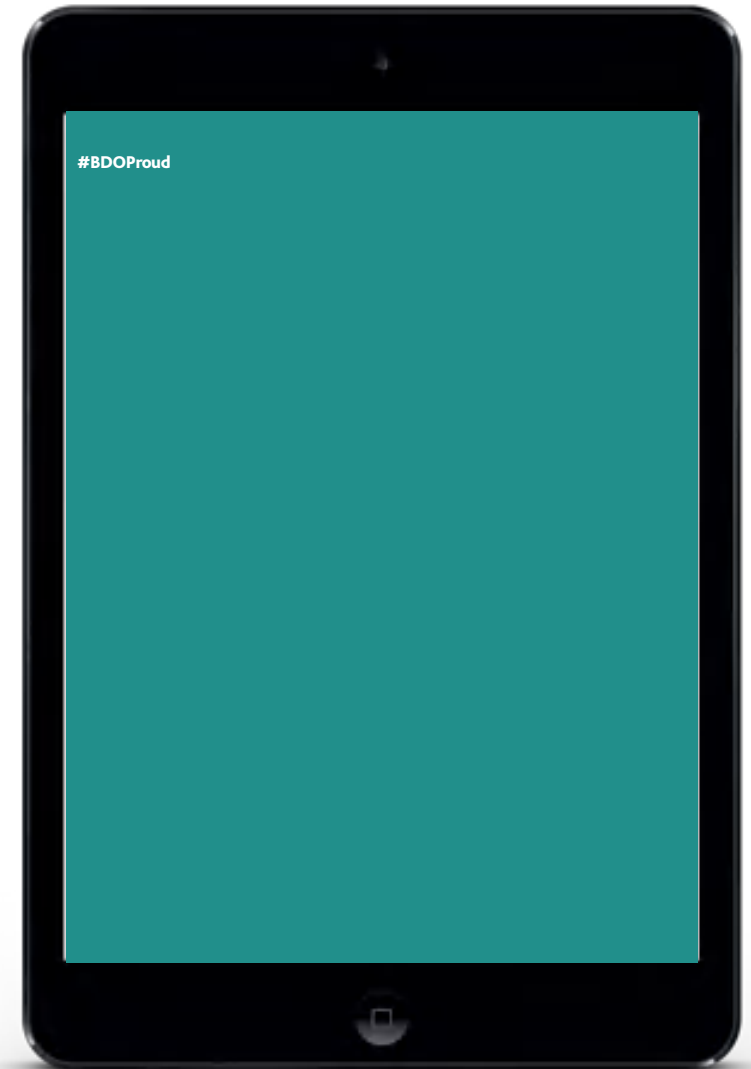


◀ *Unifying culture at BDO in the UK*



Inclusion at BDO in the USA ▶

▼ *BDO firms worldwide celebrate #IWD2019 for #GenderBalance*



BDO IN CANADA'S CHIEF INCLUSION & DIVERSITY OFFICER, PATRICIA GONSALVES, WINS 2018 WOMEN OF DIVERSITY AWARD

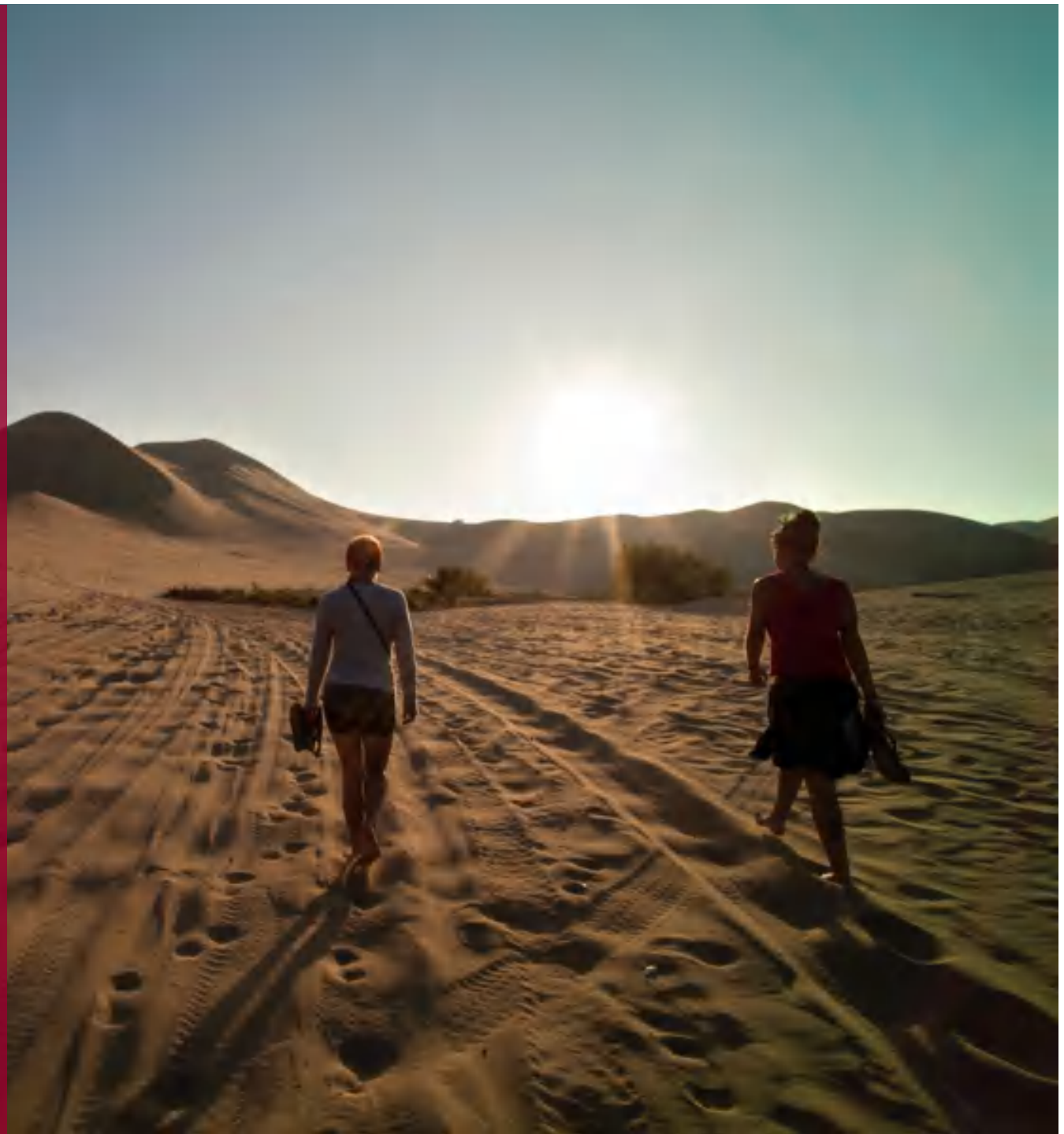
The Indo-Canadian Arts and Culture Initiative (ICACI) has chosen [Patricia Gonsalves](#), BDO's [Chief Inclusion & Diversity Officer](#), as the recipient of its 2018 Women of Diversity award.

Her achievements in promoting diversity and giving back to the business and the community stood out to ICACI's board of directors.

Patricia is working with BDO's talent leader to establish a national inclusion and diversity advisory council, and raising the importance of diversity across the firm.

She is also involved with Zonta, a women's advocacy group, and mentors new Canadians through The Mentoring Partnership.

Patricia has more than 20 years of professional experience in public accounting and is a Quality Assurance partner in the Greater Toronto Area.





Transparency
report

OUR COMMITMENT TO TRANSPARENCY

QUALITY

Membership of BDO enables our firms to deliver quality services at the highest level.

RISK MANAGEMENT

The use of the *BDO International Risk Management Manual* is mandated throughout BDO. It provides guidance on the design and implementation of quality control systems, including cybersecurity, to support our firms' compliance with both domestic and international standards. Additionally, and in accordance with the requirements of the International Standard on Quality Control

(ISQC-1), all BDO firms have their own internal systems of quality control.

NEW FIRM ADMISSIONS

BDO seeks to admit new firms that share BDO's values and cultural approach. Each prospective new firm is subject to a due diligence process, the outcome of which forms the basis for the decision of whether or not to admit that firm to BDO. These due diligence reviews are conducted by the Global Quality & Risk Management department, based in BDO's Global Office in Brussels, or under their direction. The global CEO then makes a recommendation to the Global Board, based on the due diligence report, which ultimately decides on the admission of the firm to BDO.

During the due diligence process, prospective firms are evaluated against BDO's membership criteria, which include the prospective firm's:

- Reputation for quality and high ethical standards
- Compliance with domestic and international standards and requirements
- Commitment and capability to adopt our global policies, procedures, methodologies and tools
- Ability to maintain a system of quality control that meets or exceeds the International Standard on Quality Control (ISQC-1).

All BDO firms are subject to the obligations set out in the BDO Regulations and are required to abide by our global policies, procedures, methodologies and tools.

QUALITY MONITORING PROGRAMME

The *Quality Monitoring Programme* is designed to monitor firms' adherence and compliance with professional standards, as well as incremental BDO standards and requirements, including policies, procedures, methodologies and tools.





Our Quality Monitoring Programme consists of:

- An *Internal Inspection Programme* for firms with more than five audit partners
- Other *Monitoring Procedures* for firms with five audit partners or less
- The *International Quality Assurance Review programme* for all firms with an audit practice.
- The *Internal Inspection Programme* for audit is performed at firm level on an annual basis by the firm's partners and directors. A set of global criteria for what constitutes a satisfactory Internal Inspection Programme has been developed which covers an assessment and monitoring of our firms' compliance with professional standards, including leadership responsibility for quality, ethics and independence, client acceptance and continuance, human resources, engagement performance and monitoring. The evaluation of a firm's performance also involves the review of a sample of assurance engagements.

Other Monitoring Procedures are implemented and performed at firm level by the firm's partners and directors on a periodic or continuous basis, depending on the nature of the procedure. These are focused on compliance with professional standards and incremental BDO standards.

Quality monitoring on a global level within BDO originates from the BDO Regulations, which stipulate that each firm is subject to regular Quality Assurance Reviews. In practice, this results in a process where each firm is reviewed at least once every three years. Equally, the results of the Internal Inspection Programmes are monitored through the global Quality Monitoring Programme.

The scope of a Quality Assurance Review covers an assessment of the design and effectiveness of the firm's

Internal Inspection Programme or other Monitoring Procedures, an assessment of compliance with professional and incremental BDO standards and the review of a sample of assurance engagements.

The Quality Assurance Review programme is managed by the Global Quality & Risk Management department and is carried out by a team of independent and suitably qualified dedicated reviewers, for whom an ongoing training process is in place.

Many of our firms are also subject to external inspections by local professional institutes and local regulators, or undergo a peer review.

ACCREDITATION

The primary purpose of the accreditation process is to enhance all our firms' focus on quality, in line with the key global strategic aim to deliver consistently exceptional and high quality services. Both the process of, and the criteria included in BDO's internal accreditation procedure are subject to consistent revision and strengthening.

Every firm receives an accreditation score based on an assessment of compliance with 56 criteria, for each of the following categories:

- Audit & Assurance
- Tax Advisory
- Tax Compliance
- Advisory
- Business Services & Outsourcing
- Risk Management
- Business Development & Marketing
- HR & Development
- Firm Development & Governance
- Information Technology.

INDEPENDENCE

Independence remains the cornerstone of our profession. It is the fundamental principle driving trust in the reliability of audit, review and other assurance reports to third parties. BDO is dedicated to upholding the highest ethical standards and maintaining compliance with the independence standards of the International Ethics Standards Board for Accountants (IESBA) and, in countries where they are more stringent, those of national regulatory or standard setting organisations. BDO is a member of the Forum of Firms and subject to the membership obligations, which include promoting the consistent application of high-quality audit practices worldwide.

BDO firms' independence and objectivity on assurance clients are achieved and maintained through the Global Independence Programme (the Programme), a framework comprising eight elements (including, among others, Policies & Procedures, Technology, Training & Communications and Monitoring & Reporting).

Each firm appoints a designated independence champion, an experienced professional who is responsible for implementing and monitoring compliance with the Programme.

As part of our control environment designed to avoid threats to independence and potential conflicts of interest, BDO maintains a worldwide database of all our firms' restricted entities, including listed companies and other public interest entities. This is available on our global intranet with the objective of preventing the performance of prohibited non-assurance services or investment in these entities. The worldwide database is continuously updated and the Independence Champions positively affirm both the accuracy of their firm's listing, as well as their firm's compliance with the Programme.

Comprehensive due diligence is performed prior to accepting any new client or assurance engagement. BDO firms perform specific procedures to identify any potential conflicts of interest and threats to independence. These procedures include the use of a global technology solution that facilitates international conflict and independence requests across BDO.



GOVERNANCE

The global BDO network is governed by the Council, the Global Board and the Executive of BDO International Limited.

Council

115 members

Chair: Werner Schiesser
Managing Partner BDO Switzerland

Global Board

7 members

Chair: Wayne Berson
Managing Partner BDO USA

Executive/Global Leadership Team

11 members

Led by Keith Farlinger
CEO of BDO International Limited

BDO COUNCIL

The Council comprises one representative from each voting BDO Member Firm – generally the managing partner – and represents the members of BDO International Limited in general meeting. In 2018 there were 115 Council members. The Council is chaired by the Council Chairman, elected among the existing Council members by the Council upon nomination by the Global Board. The current Council Chairman is Werner Schiesser, managing partner of BDO in Switzerland.

The Council approves BDO's global budget, appoints the Global Board and approves any changes to the Articles of Association and the Regulations of BDO International Limited. The Council meets at least once a year during BDO's leadership conference – and more if the Council Chairman and/or the Secretary of BDO International Limited consider this necessary or appropriate, or upon request of a certain number of Council members.

GLOBAL BOARD

The Global Board is the Board of Directors of BDO International Limited. It comprises the managing partners of at least the three largest firms of the EMEA region, the two largest firms of the Americas region and the two largest firms of the Asia Pacific region. The (re)appointment of the Global Board members, each for a three year term, is approved by the Council. The table on the left sets out the present composition of the Global Board, which is currently chaired by Wayne Berson, managing partner of BDO in the USA. The Global Board Chairman is elected by the Global Board members and serves for a period of three years.

The Global Board sets policies and priorities for the global organisation and oversees the work of the Executive. The Global Board meets at least four times a year, and more if required.

*as of 1 February 2019

GLOBAL BOARD AT 23 OCTOBER 2018

USA

Wayne Berson
Global Board Chairman

AUSTRALIA

Tony Schiffmann

CANADA

Patrick Kramer

CHINA

Jiandi Zhu

GERMANY

Holger Otte

THE NETHERLANDS

Dick den Braber

UK

Paul Eagland

EXECUTIVE

The Executive comprises the CEO, who is appointed by the Global Board, and members of the Global Leadership Team (GLT) appointed by the CEO.

The current global CEO is Keith Farlinger, previously CEO Americas and formerly managing partner of BDO in Canada. The CEO's powers and responsibilities are set out in the Regulations and as further determined by the Global Board. The CEO is tasked with the day-to-day management of the affairs of BDO globally, as well as the development and implementation of the global strategy for the organisation. He recommends quality standards, policies and strategies to the Global Board. The CEO also acts as spokesperson for BDO at international forums and organisations and represents the global organisation in discussions with international regulatory bodies.

Anders Heede is the Chief Operating Officer (COO). Working closely with the CEO, the overarching responsibilities of the COO are to ensure that the global BDO organisation is equipped to meet the challenges of today and is prepared for the future. Anders joined BDO in Denmark as CEO in 2008 and has held global roles since 2011, including that of CEO EMEA. He currently fulfils the role of Global Head of Advisory & BSO as well.

Martin van Roekel is the Vice Chairman of BDO. Martin was previously global CEO and currently assists the CEO on a number of matters pertaining to the BDO organisation.

The members of the Global Leadership Team (GLT) are appointed by the CEO, who allocates and delegates responsibilities to them as he deems appropriate. The GLT comprises the regional CEOs, the Global Heads of service lines and of support services, as well as the Secretary of BDO International Limited. The majority of the members of the GLT are full time dedicated to their role within BDO International Limited.

The CEO and the GLT are supported by the Global Office: Brussels Worldwide Services BVBA is a limited liability company incorporated in Belgium, which coordinates the service provision within BDO. The Global Office includes the following Global departments: IT, Audit & Assurance, Tax, Quality & Risk Management, Legal, Business Development & Marketing, HR & Development, Regulatory & Public Policy Affairs, Events, EU Key Account Procurement, Accounting and Administration.



GLOBAL LEADERSHIP TEAM AT 1 APRIL 2019

GLOBAL CEO

Keith Farlinger

**COO/GLOBAL HEAD OF
ADVISORY & BSO**

Anders Heede

CEO ASIA PACIFIC

Stephen Darley

CEO AMERICAS

Albert Lopez

CEO EMEA

Trond-Morten Lindberg

**GLOBAL HEAD OF
AUDIT & ASSURANCE**

Chris Smith

**GLOBAL
HEAD OF TAX**

Robert Aziz

**GLOBAL HEAD OF BUSINESS
DEVELOPMENT & MARKETING**

Allan Evans

**GLOBAL
HEAD OF IT**

Belinda Thompson

**GLOBAL HEAD OF
HR & DEVELOPMENT**

Alette Ducro

**SECRETARY OF BDO INTERNATIONAL
LIMITED & HEAD OF LEGAL**

Basile Dura

REGIONAL STRUCTURE

To facilitate the communication and coordination of actions and the sharing of best practice, BDO is divided into three regions: EMEA (Europe, Middle East and Africa), Asia Pacific and Americas (Latin America, North America and Caribbean), each supported by a regional board.

Each region has its own Regional CEO, who chairs the respective Regional Board and provides support and guidance regarding the strategic initiatives of firms in the region.

GLOBAL COMMITTEES

Within BDO there are a number of global committees, composed of professionals from our firms, who report to the respective member of the GLT and the CEO. These committees, which act in an advisory capacity for the benefit of BDO firms, are further supported by a number of sub committees, task forces and working groups.

THE PRIMARY GLOBAL COMMITTEES ARE AS FOLLOWS:

**AUDIT STEERING
COMMITTEE**

**AUDIT Leadership
COMMITTEE**

**TAX ADVISORY
COMMITTEE**

**INTERNATIONAL
RISK MANAGEMENT
COMMITTEE**

**GLOBAL PEOPLE
COMMITTEE**

**INTERNATIONAL
BRAND &
MARKETING
COMMITTEE**

**GLOBAL
OPERATIONS
GROUP**

**INTERNATIONAL
IT COMMITTEE**





THE REGULATORY ENVIRONMENT

It is now a given that policymakers and regulators are expected to regulate all aspects of the economy, notably those areas considered systemic, including professional services associated with those sectors. As a consequence, regulatory and public policy matters are now, more than ever, a strategic factor for BDO and for its clients.

The tremendous pace of change brought about by new technologies is dramatically impacting the world in which we live and work - and the world of professional services is no different. Technology is already ensuring that the audit of the future will not look like the audit of today and be unrecognisable from the audit of yesteryear. In addition, the delivery of tax compliance and advisory services is increasingly subject to heightened regulatory scrutiny to reflect societal needs, reaction to past failures and in response to increasing global inequality. It is very likely that future regulators will seek to move from regulating national entities in a sector, to regulating activities across jurisdictions and across clients as protocols, structures and technology are put in place to enable them to regulate in a way that matches the nature of the tech-enabled business environment of the 2020s. This is already evident in how 'colleges' of audit regulators in Europe collaborate on inspecting the files of high-risk audit clients across borders and in joint inspections of audit firms by US and third country audit regulators. Mirroring the globalisation of the business world, regulators now routinely share best practices, regulatory philosophies and results of inspections with each other. The reality is that this trend will continue and be further enabled as regulators increasingly apply technology in carrying out their roles.

Meanwhile, public policy thinking on market issues - including concentration and choice in the public company audit market - continues to evolve. Blunt interventions have been proposed in some jurisdictions but are unlikely to improve choice or competition in the market or to have a positive impact in elevating audit quality. In a number of jurisdictions, policymakers also seek to link providers of 'aggressive tax planning' advice or high profile business failures with punitive interventions in the audit and public procurement markets. Significant regulatory developments in countries such as UK, India, South Africa and Korea have shown that the world of professional services is heavily exposed to public policy imperatives, regulatory response to business failure and changing societal expectations of the business community.

As a consequence, the environment in which most BDO firms now operate is one of heightened regulation, constant external scrutiny, expanded transparency expectations and ever more detailed compliance obligations. The expectations of the policymakers, regulators and oversight bodies continue to develop exponentially and more of our service offerings are regulated - in one way or another - than ever before.

As a globally cohesive and future-focused organisation with exceptional client service at its heart, BDO understands that we must constantly engage with policymakers and regulators and seek to understand the existing and looming public policy imperatives that shape the environment in which we and our clients operate. We constantly invest in service quality enhancement and tools, including state of the art audit methodologies, restricted entity databases, corporate tree databases and a suite of risk management tools that are required and expected to meet stated regulatory requirements and service our growth-oriented, global client base. Those expectations also extend to human resources matters such as recruitment, training and appointment to key positions in our firms, as well as ensuring adequate cybersecurity precautions, data protection procedures and 'know-your-client' processes.

At BDO, our firms have actively embraced transparency requirements for revamped and enhanced public reporting by audit firms with public interest entity audit clients. In fact, the market expectations are even higher and BDO has sought to lead by the expansive nature and scope of our transparency reporting. We continue to engage positively and constructively with a range of historically relevant policymakers and regulators, but we are equally committed to doing so with the new stakeholders in our ever-evolving regulatory environment. Active engagement on public policy debates is increasingly necessary and expected from a business perspective, on issues such as sustainability, climate change, corporate governance, cybercrime, anti-fraud, anti-bribery and anti-money laundering, as well as on geopolitical and geo-economic themes such as Brexit, trade wars, and EU/OECD digital tax proposals. BDO is involved with the wider profession in extensive discussions with all of the relevant stakeholders in these critical public policy areas.




Most importantly, BDO understands the urgent need to build and restore confidence in the quality of the core audit and in the integrity of the audit and assurance profession. Our regulatory and public policy experts' frequent engagement with audit policymakers and regulators is evidence of our commitment to actively supporting efforts to develop focused, effective and value-adding regulation. This in turn heightens trust in what we do and how we do it. BDO will continue to play its part in engaging constructively and proactively with all stakeholders in this 'brave new world'.



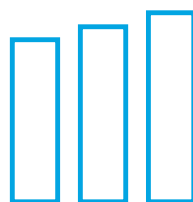


Our
performance

OUR REVENUES

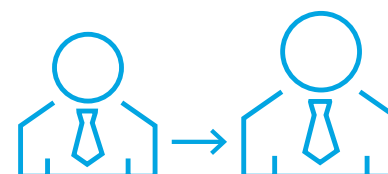
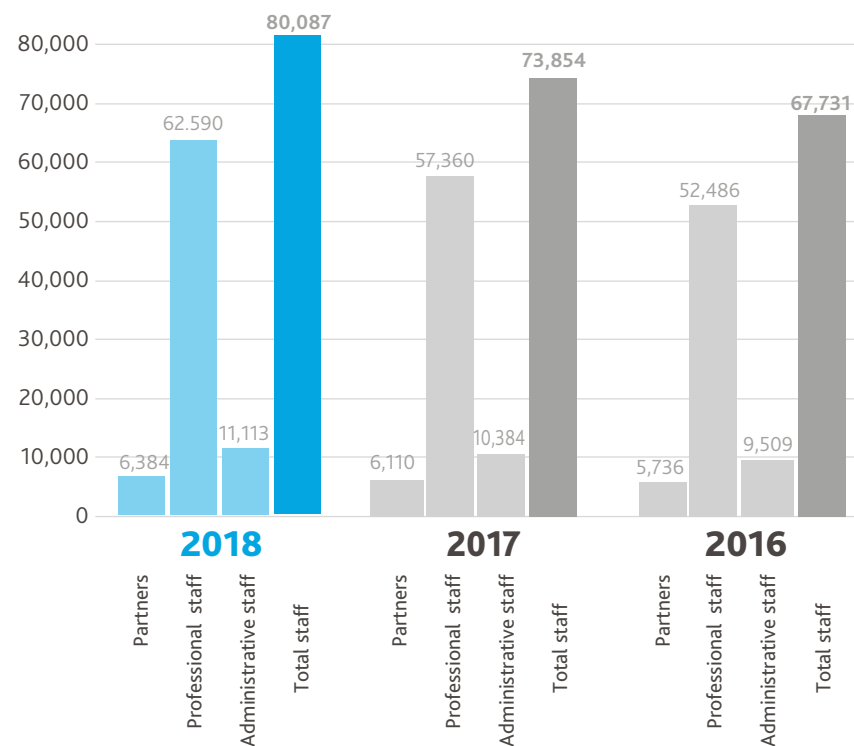
	2018	2017	2016
 Combined fee income*	€7.6 billion	€7.4 billion	€6.8 billion
	\$9.0 billion	\$8.1 billion	\$7.6 billion
 Number of countries and territories	162	162	158
 Number of offices	1.591	1.500	1.401

10.7%**
increase
year on year



*including BDO's exclusive Alliances
**in US\$

OUR PEOPLE

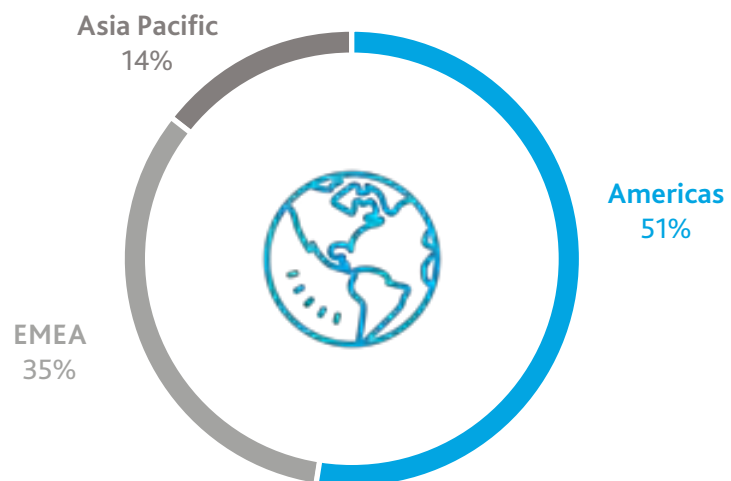


Between 2017 & 2018, our **total staff** numbers grew by **+8.4%**

OUR GEOGRAPHY

Number of countries & territories	2018	2017	2016
Americas	40	40	37
Asia Pacific	25	25	24
EMEA	97	97	97
Total	162	162	158

REVENUE PERCENTAGE PER REGION



OUR SERVICES

Fee split per service line*	2018	2017	2016
Audit & Assurance	45%	44%	44%
Tax	21%	22%	22%
Advisory	19%	19%	19%
BSO	15%	15%	15%

*Excluding BDO alliance firms



BDO COUNTRIES & TERRITORIES AT 1 JANUARY 2019

Afghanistan | Albania | Algeria | Angola | Anguilla | Antigua & Barbura | Argentina | Armenia | Aruba | Australia | Austria | Azerbaijan | Bahamas | Bahrain
Barbados | Belarus | Belgium | Belize | Botswana | Brazil | British Virgin Islands | Brunei Darussalam | Bulgaria | Burundi | Cambodia | Canada | Cape Verde
Cayman Islands | Chile | China | Colombia | Comoros | Costa Rica | Croatia | Curaçao | Cyprus | Czech Republic | Denmark & Faroe Islands | Dominica
Dominican Republic | Ecuador | Egypt | El Salvador | Estonia | Ethiopia | Fiji | Finland | France (French Guiana) | French Polynesia | Georgia | Germany
Gibraltar | Greece | Greenland | Grenada | Guatemala | Guernsey | Honduras | Hong Kong & Macao | Hungary | Iceland | India | Indonesia | Ireland | Isle of
Man | Israel | Italy | Ivory Coast | Jamaica | Japan | Jersey | Jordan | Kazakhstan | Kenya | Korea | Kosovo | Kuwait | Laos | Latvia | Lebanon | Liechtenstein
Lithuania | Luxembourg | Macedonia | Madagascar | Malawi | Malaysia | Malta | Mauritius | Mexico | Moldova | Mongolia | Montenegro | Montserrat
Morocco | Mozambique | Myanmar | Namibia | Netherlands | New Caledonia & Wallis Futuna | New Zealand | Nicaragua | Niger | Nigeria | Norway
Oman | Pakistan | Panama | Papua New Guinea | Paraguay | Peru | Philippines | Poland | Portugal | Puerto Rico | Qatar | Republic of Srpska (Bosnia and
Herzegovina) | Reunion Island and Mayotte | Romania | Russia | Rwanda | Samoa | San Marino | Saudi Arabia | Serbia | Seychelles | Sierra Leone | Singapore
Slovak Republic | Slovenia | South Africa | Spain | Sri Lanka & the Maldives | St Kitts & Nevis | St Lucia | St Maarten | St Vincent & The Grenadines
Suriname | Sweden | Switzerland | Taiwan | Tajikistan | Tanzania | Thailand | Timor-Leste | Togo | Trinidad & Tobago | Tunisia | Turkey | Turkmenistan
UAE | Uganda | Ukraine | United Kingdom | United States of America | Uruguay | US Virgin Islands | Venezuela | Vietnam | West Bank & Gaza | Zambia
Zimbabwe



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