

To the POINT

ISSUE 03 | 2019 – BDO MAGAZINE



TAX

A new instrument in international taxation

AUDIT & ASSURANCE

Fraud: the figures in Belgium

CORPORATE

The spirit of innovation places people
and technology centre stage

Peter Van Laer, the new CEO of BDO Belgium

BDO

BDO READY FOR THE FUTURE

This title might appear rather bold in these times that are evolving at lightning speed, not to mention the uncertain economic climate. Nevertheless, we have the confidence to stand by it.

In the cover article, you can read that Peter Van Laer is taking over the reins from Hans Wilmots as the new CEO of BDO Belgium. When Hans started as CEO nine years ago, BDO Belgium was generating a turnover of EUR 30 million, primarily based on the traditional range of services offered by the number-crunching professions. Peter, who has over 30 years of experience in ICT and digitisation, is today taking over the leadership of an organisation with turnover of more than EUR 100 million and a diversified offer with a stronger focus on digital and innovative developments.

No digitisation for the sake of digitisation. BDO continues to focus heavily on its traditional activities.

Loyal readers of 'To The Point' have already been able to pick up on this change, based on the topics we have addressed in our newsletter in recent years. In this issue as well, our experts will guide you further towards an unavoidable and far-reaching – but also feasible – digitisation. We will zoom in on the opportunities provided by RPA, Robotic Process Automation. Research in this field has shown that companies and organisations with RPA bots can automate up to 40% of their routine, manual tasks. On top of that, thanks

to this virtual assistant in the service of their employees, they are truly delivering more added value to their stakeholders.

But beware: there must be no digitisation for the sake of digitisation. BDO continues to focus heavily on its traditional activities, increasingly using technology as an underlying lever for its further development and growth.

At the same time, as a strong and socially responsible organisation, BDO is consciously working to improve the well-being of people, society and the planet. Quite clearly, environmental and climate-friendly entrepreneurship is in our DNA – we are proud of the fact that BDO was named the first climate-neutral consultancy firm in Belgium.

From that same social vision, we also continue to support the 'Young Talent in Action' community. Through this large-scale initiative, the Federation of Belgian Enterprises is helping young people use their intrinsic talents and competences to find their way to the companies and sectors that match their skills. It is a vision that fits in perfectly with BDO's mission: 'making our clients and people grow'.

We are ready to face the future with you, with confidence!



Werner Lapage
BDO Partner, Chair of the Editorial Board
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“People and technology reinforce each other in a story in which the customer plays the leading role. With Peter holding the reins, I am already looking forward to the new chapter with confidence.”

Hans Wilmots,
former CEO of BDO Belgium

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CORPORATE

THE SPIRIT OF INNOVATION PLACES PEOPLE AND TECHNOLOGY CENTRE STAGE

Peter Van Laer, the new CEO of BDO Belgium

From left to right: Peter Van Laer and Hans Wilmots

After three terms as CEO of BDO Belgium, Hans Wilmots is handing the reins to Peter Van Laer. Peter Van Laer is a man who is digitally ambitious – a must in times when the new economy is throwing the old one out of balance. “Expanding, lifting and ‘future-proofing’ the organisation and its people is the ultimate goal. In this way, BDO can play its pioneering role in a sector undergoing a full revolution.”

Author: Ann Celis, Marketing & Communication

Friday 1 October 2010

Hans Wilmots from Limburg becomes the new CEO of BDO Belgium. He has been a member of the Executive Committee for over 10 years. One of the ambitions of the novelist and company auditor is to put BDO’s name more prominently on the map. At the time, he said: “What is particularly pleasing is that BDO Belgium still has plenty of development opportunities.” He kept his word.

2017

BDO Belgium celebrates its 50th anniversary. Hans Wilmots writes: “Not often in economic history has it been so important to look at the future strategically (...) The challenges are enormous because change is happening at an unprecedented rate. What will the influence of technology be on employment in general? And what particular impact will it have on our existing professions? (...) There is no reason to doubt our own power or to fear that we might not be able to continue our past success story. After all, I am firmly convinced that loyalty – the warm, long-term human relationship between BDO’s employees, partners and clients – offers a guarantee for the success of ‘BDO 5.0!’”

“Real connections are not made by algorithms – they are created through personal involvement.”

Peter Van Laer, CEO of BDO Belgium

Friday 8 December 2017

BDO and Crossroad join forces for more expertise in innovation and digital technology. In addition to the traditional services that BDO has offered for 50 years, companies also need support and advice from specialists on contemporary and digital technologies. Crossroad will help BDO take these steps. Its Managing Director, Peter Van Laer, says: “Companies expect creative input to build and implement their solutions.” The integration of Crossroad into BDO is today reflected in the new brand, BDO Digital (also read the inset on the following page).

Tuesday 1 October 2019

Peter Van Laer takes over the reins from Hans Wilmots and becomes the new CEO of BDO Belgium. With more than 30 years of experience in ICT and digitisation, the Antwerp resident wants BDO Belgium to continue to grow – among other things, through a far-reaching digital transformation of the traditional economic professions and the expansion of integrated total solutions for the client.

CROSS-FERTILISATION AND PERSONAL INVOLVEMENT

As CEO of BDO Belgium, Peter Van Laer will continue along the path that Hans Wilmots set out nine years ago. “More than ever before, technology is becoming a lever for further growth across all our activities, from Tax and Legal to Audit and Accountancy to Advisory. We are continuing that strategy, and we are going to try to accelerate it. BDO remains open to acquisitions, but we will also invest a great deal of energy in independent growth. I will continue to cultivate the spirit of innovation as an integral part of our culture, in which people and technology are central. After all, real connections are not made by algorithms – they are created through personal involvement.”

BDO has made acquisitions in recent years involving players who are 100% committed to digital transformation. They offer custom advice on the conceptual development and implementation of new technology, and also – crucially – provide employees with guidance. “Companies often come up against a huge digitisation paradox,” says Peter Van Laer. “Considerable investments in information technology do not translate proportionally into increases in productivity.

In the early 1990s, Nobel Prize winner Robert Solow said: “You can see the computer age everywhere but in the productivity statistics.” We are seeing the same trend today. In recent years, organisations have invested heavily in automation and digitisation, but they’ve often skipped steps. For example, they do not ask themselves earnestly enough whether their employees are on board. While that’s a decisive factor in the success of the transformation.”

“With Peter, we are opting deliberately for an atypical CEO at the head of BDO,” comments Hans Wilmots. “He is a seasoned technology expert who lives and breathes digitisation and innovation. This makes Peter the perfect man to strengthen the cross-fertilisation among all areas of expertise and our evolution towards being a modern and innovative organisation. In this way, BDO is playing a pioneering role in a sector undergoing a full revolution.”

However, this does not mean that the focus will be exclusively on niche markets, such as cyber security, cloud and ‘platformification’ services. On the contrary, Peter Van Laer’s ambition is to further expand the company’s multidisciplinary offer through traditional activities, including Accountancy, Tax and Legal, and to broaden it in a number of niches. This enables BDO Belgium to offer an answer to all business issues, both digital and analogue.

“And not just for the big corporate companies,” Hans Wilmots emphasises. “Many SMEs and family businesses experience accelerating and impending digitisation as a threat – including e-commerce, apps, the internet of things, big data, Robotic Process Automation (RPA), and so on. Yet this (r)evolution also offers smaller players opportunities to grow, to improve their service to customers, and to increase their efficiency. But beware: there must be no

technology for the sake of technology. It’s important to focus on meaningful, achievable and affordable solutions.”

GLOBAL TOTAL SOLUTIONS

At the same time, Peter Van Laer wants to spread the expertise and experience as widely as possible. Today, BDO Belgium plays a leading role in the middle segment, with a particular focus on family businesses. But why not use the power of its global network and technology even more to move growth on into the market of large international companies? “The BDO network currently has 1,602 branches in 168 countries. This allows us to support Belgian companies that are increasingly internationalising with our global experience. On the other hand, we can serve large corporate companies optimally with our local expertise and market knowledge. Sharing all these best practices leads to total solutions that our clients can use worldwide.”

In 2019, BDO Belgium is an essential fixture on the map. “And we can, and must, all be proud of this,” Hans Wilmots emphasises. “But even more important is that, looking ahead, the spirit of innovation has become part of our DNA. People and technology reinforce each other in a story in which the customer plays the leading role. With Peter holding the reins, I am already looking forward to the new chapter with confidence.” ■

DO YOU HAVE ANY QUESTIONS ABOUT BDO'S STRATEGIC AGENDA?

Are you interested in getting to know our new CEO?

If so, please do not hesitate to contact our 'Marketing and Communication' team: communication@bdo.be

BDO CROSSROAD > BDO DIGITAL

Digitisation is making the world smaller, and tomorrow is always different from yesterday. The new economy is throwing the old one out of balance. As a company and entrepreneur, you can no longer ignore this. And it’s no different for BDO. It is a search for the appropriate balance between opportunities and risks. With one goal in mind: to serve clients better by putting them at the centre of all the ins and outs, digital and analogue.

A few years ago, we began the first steps in our own change process. And the more we went through it, the more we realised that we had to transform and digitise even more, and even more quickly. Because, in order to be able to provide our clients with expert guidance in their transformation process, it was important that we adjust our own strategy, our internal organisation, and our (digital) business plan accordingly.

An extremely instructive experience, but not always easy. It requires a huge amount of effort from all the teams, although they see the result of all these efforts only once all the pieces of the puzzle have been laid out. Moreover, we are resolutely opting for the radical revolution: the maximum digitisation of our traditional business lines and a thorough development of our “Advisory” services.

The question on the mind of every company manager or entrepreneur during such a transformation is: “How do you make a ‘sensible’ choice today, while technology is evolving at such a rapid pace?” That’s a search for the right and relevant balance between potential and risk. The figures show that this is easier said than done. Today, half of all companies are going ahead with digital transformation; however, the majority fall short when it comes to its implementation. In short, the integration of new digital technology is a complex and far-reaching process. Although it’s not easy to change the course of a tanker, BDO Digital is the pilot you can rely on.

“No technology for the sake of technology.
We are committed to meaningful, achievable
and affordable solutions.”

Hans Wilmots, former CEO of BDO Belgium



From left to right: Hans Wilmots and Peter Van Laer



TAX
**TAKING AIM AT
CROSS-BORDER TAX
ARRANGEMENTS**

From left to right: Liesbeth Debusschere and
Olivier Michiels, BDO Tax

Europe is obliging companies, organisations and service providers such as BDO to report cross-border tax arrangements with a potential risk of tax avoidance for inclusion in a European database. With one year still to go before the first reporting deadline, a great many questions remain open. The legal framework in Belgium is lacking, and many taxpayers are either not aware, or insufficiently aware, of the new reporting obligation. For this reason, it's time to set out the why and the how.

Authors: Liesbeth Debusschere, Manager,
Olivier Michiels, Senior Manager BDO Tax

Cross-border tax arrangements with a potential risk of tax avoidance that existed between 25 June 2018 and 30 June 2020 must be reported to the Belgian tax authorities by 31 August 2020 at the latest. The latter will then share the information in a European database accessible to all European tax administrations. Tax arrangements set up as of 1 July 2020 will have to be reported within 30 days. This reporting obligation is imposed by the Europe Union and applies both to you (as the taxpayer) and to BDO (as the intermediary service provider).

TAX TRANSPARENCY IN EUROPE

Since 2011, Europe has regularly issued directives on administrative cooperation in tax matters and the exchange (including automatic) of tax information. The aim is clear: to increase tax transparency and exchange tax information between Member States in the EU in order to discourage 'aggressive tax planning'.

DAC6

The most recent initiative is European Directive 2018/822 (25 June 2018) imposing mandatory reporting and the automatic exchange of cross-border arrangements. This directive is also referred to as DAC6, taken from the English name of the first directive from 2011: 'Directive on Administrative Cooperation' (DAC for short).

Based on this directive, a planned arrangement falls under the reporting obligation if it meets both of the following two conditions:

- ▶ the arrangement has a cross-border character;
- ▶ the arrangement possesses at least one of the 'hallmarks' set out in the directive.

These are conditions that point to a potential risk of tax avoidance.

There are no exclusions based on the materiality of the arrangement or the parties involved, unlike what is provided for in the Country-by-Country Reporting of the OECD's BEPS (Base Erosion and Profit Shifting) Action Plan.

CROSS-BORDER CHARACTER

An arrangement is 'cross-border' if at least two European Member States or one European Member State and one non-European Member State are involved. Arrangements within the same Member State or arrangements that take place entirely outside the European Union do not – in principle – have to be reported. However, Member States do have the freedom to extend the scope to domestic arrangements.

To determine whether there is a cross-border character, the tax domicile of the participants is considered (e.g. different participants with tax residences in different jurisdictions), or the jurisdictions in which the participants carry out their activities.

HALLMARKS

The European Union broadly defines 'hallmarks' as features or characteristics that indicate a potential risk of tax avoidance. It also stresses that these are an indication of a potential risk, not a presumption of tax avoidance.

There are 15 hallmarks. Some are derived from the engagement letter between the participant in an arrangement and an intermediary (for example, the existence of a confidentiality clause or a success fee).

Other characteristics include:

- ▶ the use of a standardised structure;
- ▶ acquiring a loss-making company;
- ▶ a payment between affiliated companies that is deductible on the part of the payer and not taxable on the part of the recipient;
- ▶ international restructurings;
- ▶ conversion of assets into a different category in order to obtain lower tax rates (usually withholding tax);
- ▶ circumventing the exchange of data, e.g. by not making a declaration to the UBO register (also read the article "UBO register declaration period extended" in To The Point 02/2019);
- ▶ etc.

The general rule is that an arrangement must be reported as soon as any one of these hallmarks is met, even

if it was not (or not only) set up for tax reasons. For certain hallmarks, the obligation to report depends on an additional 'main benefit test'. This means that the arrangement is only subject to the obligation to report if an important driver of the arrangement is obtaining a tax advantage. However, this additional test is the exception to the rule. For example, there is no main benefit test for all transfer pricing-related hallmarks, so they must always be reported.

WHICH TAXES ARE COVERED BY DAC6?

The scope of DAC6 is not limited to direct taxes. All taxes levied by local authorities (e.g. inheritance tax and gift tax, registration fees, various taxes) fall within the scope of DAC6. However, VAT, customs and excise duties, and social security contributions are excluded from the scope. Nevertheless, here as well, the European Member States are given the freedom to extend the scope of application to those taxes.

WHO MUST REPORT THE ARRANGEMENT?

In the first instance, the intermediary or service provider must report the arrangement. An intermediary is defined very broadly as any person who designed, organised or implemented a tax arrangement, or who provided help, assistance, advice, etc. in setting up a tax arrangement.

The taxpayer himself/herself or itself has to report only in exceptional circumstances – in particular:

- ▶ when there is no intermediary. For example, if the arrangement was set up by the taxpayer's own tax department;
- ▶ if the intermediary is located outside the EU. For example, the Belgian subsidiary of a US company where the tax arrangement was designed and imposed by the US parent company and its tax advisers;
- ▶ when all relevant intermediaries (which include tax advisers, lawyers, notaries, financial advisers, accountants and auditors) can invoke their professional secrecy.

PENALTIES

The directive itself does not provide for penalties (only in joint and several liability of persons subject to reporting), but does require the Member States to provide for adequate sanctions. These penalties can be very substantial, as the situation in Poland proves. As one of the first EU countries to transpose the directive into national law, Poland is acting extremely strictly and going even further than the directive requires. Domestic arrangements are also subject to the reporting obligation there, as are all taxes including VAT, customs and excise duties. Poland considers failure to report, or incorrect reporting, as a criminal offence, incurring fines up to EUR 4.6 million.

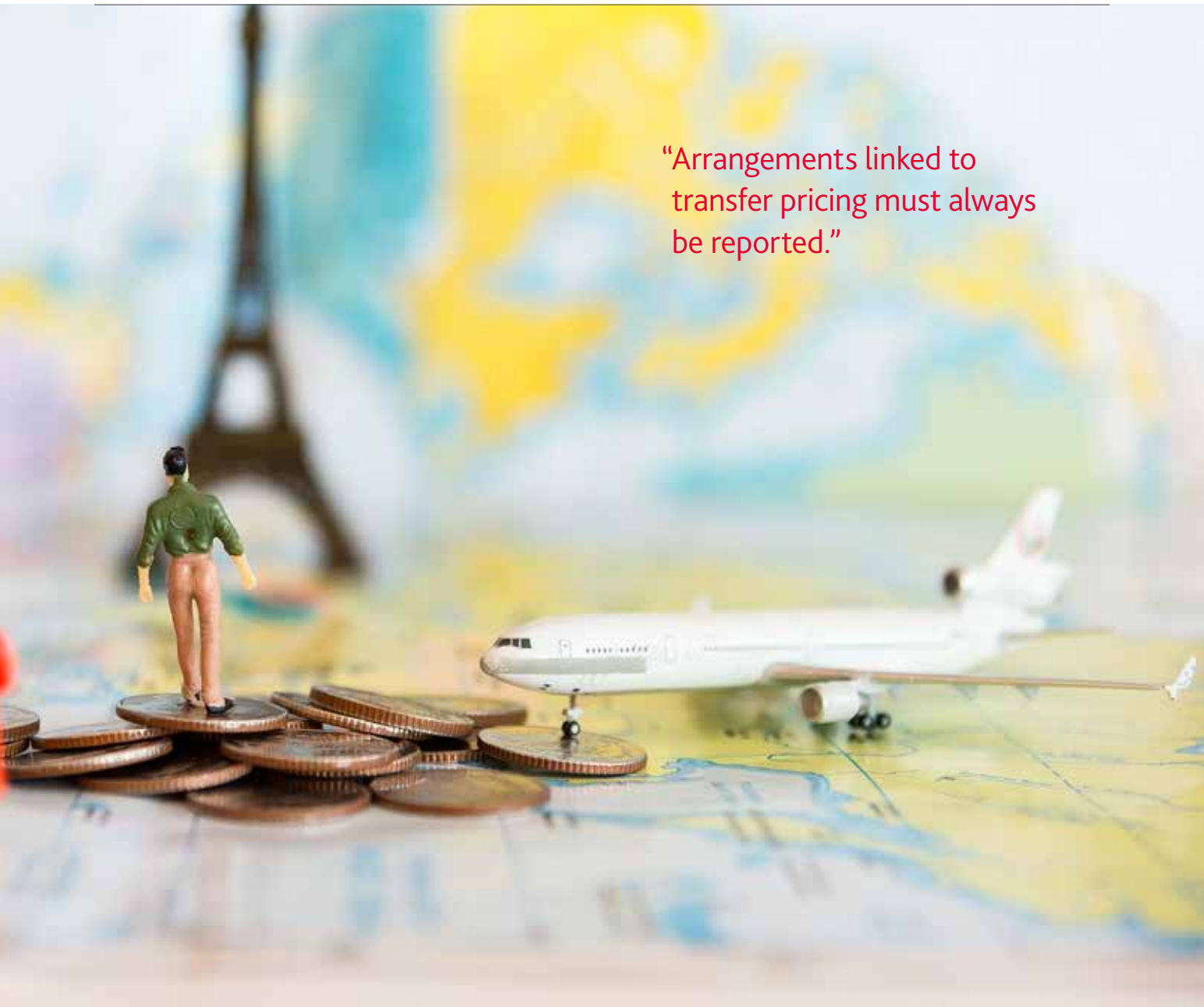
ENTRY INTO FORCE

At the publication of this magazine, Belgium has not yet transposed the Directive into internal law. The European Member States have until 31 December 2019 to do so, with the question being whether Belgium will meet



“It’s up to the intermediary (adviser, lawyer, notary, accountant, etc.) to report the arrangement in consultation with the client.”

“Arrangements linked to transfer pricing must always be reported.”



this deadline given the current political climate. In any case, the directive applies as from 1 July 2020. Please note that, as of that day, arrangements that were carried out as of 25 June 2018 will also have to be reported with retroactive effect.

DIFFICULT EXERCISE

The deadline of 31 August 2020 seems a long way off, but we all know that a year actually goes by in the blink of an eye. For this reason, it is high time to take action and already now check whether any arrangements need to be reported, whether the required information exists, and whether (and

how) it can be efficiently extracted from the reporting systems. This will be a difficult exercise given that there is as yet no Belgian legal framework. Furthermore, the Member States will have the freedom to be stricter (or not) than the directive imposes, which may lead to diverging applications and interpretations.

In practice, therefore, many questions remain open and uncertainties (some of them practical) remain, but forewarned is forearmed. ■

QUESTIONS ABOUT THE NEW DIRECTIVE?

Are you looking for help with the analysis of your situation? If so, please do not hesitate to contact the specialists in our 'International Tax' team: tax@bdo.be. They are keeping a close eye on developments.



From left to right: Liesbeth Debusschere and Olivier Michiels, BDO Tax

TAX

A NEW INSTRUMENT IN INTERNATIONAL TAXATION

The so-called multilateral instrument (MLI) is action number 15 of the BEPS (Base Erosion and Profit Shifting) action plan of the OECD. To transpose the BEPS recommendations, every party to the treaty must, in principle, give its approval per double taxation treaty. That is, of course, an impossible task. Countries that signed the MLI agree to simultaneously implement the new rules in the indicated bilateral treaties without re-negotiation. The MLI takes effect in Belgium on 1 October 2019.

Authors: Liesbeth Debusschere, Manager, Olivier Michiels, Senior Manager BDO Tax

The MLI is action number 15 of the BEPS (Base Erosion and Profit Shifting) action plan of the OECD. The purpose of this action plan is to have companies pay taxes in the country in which profits are made. It imposes specific rules against the erosion of the taxable base (Base Erosion) and against moving profits elsewhere (Profit Shifting). These actions have an impact on national legislation, but also on the double taxation treaties (DTTs). The MLI was created to implement the BEPS action plan quickly and efficiently, with the intention of clarifying the scope of the DTTs and limit their abuse. For example, the MLI is intended to avoid 'treaty shopping' – whereby, for example, letterbox companies are used to benefit from conventional tax exemptions in some countries.

On 26 June 2019, Belgium ratified its MLI with the OECD. In concrete terms, this means that the MLI came into effect in Belgium on 1 October 2019, with legal consequences starting at the earliest on 1 January 2020. However, the MLI allows for a great deal of flexibility, which means that its application is not always straightforward.

THE MLI IN 3 STEPS

A number of steps must be taken to effectively apply the MLI in a specific treaty situation between two countries:

► Step 1 - Ratification

First, whether a DTT exists, and whether both countries have signed the MLI, must be verified. To be able to apply the MLI, both countries must have actually ratified it. As of 30 September 2019, 89 countries have signed the MLI, and the ratification process has been completed for 35 countries, including Belgium.

► Step 2 - Covered Tax Agreements (CTA)

A country can decide for itself to which of its DTTs the MLI will apply. These treaties are called CTAs. Both parties must have designated each other as a CTA. Belgium currently labels 99 of its treaties as a CTA.

► Step 3 – Examining the positions taken

A number of provisions included in the MLI must comply with the BEPS minimum standards, and countries cannot derogate from this rule (mandatory provisions). This includes the preamble to the treaties, the introduction of a Principal Purpose Test (PPT), and the provision of

“The MLI does not change existing bilateral tax treaties, but it does influence their application.”

an arbitration method. The PPT allows the authorities to refuse treaty benefits when obtaining a benefit is one of the main purposes of an action/transaction.

Other provisions (optional provisions) are formulated by the MLI as recommendations. A country can choose from different options or, in many cases, even make a reservation about a whole provision (opt-out). The optional provisions apply only if both countries have made the same choice. If that is not the case, then the existing provision of the DTT remains applicable for that point. The optional provisions cover the following areas: hybrid mismatches, double residency, dividend transactions, capital gains on shares of real estate companies, and the broader definition of ‘permanent establishment’. (Also read the inset about the use of the optional provisions that Belgium is introducing.)

“The MLI will have legal consequences in Belgium from 1 January 2020 at the earliest.”

Since both countries must go through the 3 steps and adopt the same position with regard to the optional provisions, the application of the MLI must therefore be considered on a case-by-case basis in a specific treaty situation. Moreover, Belgium or a treaty partner can always withdraw its reservation relating to an optional provision. Belgium did this, for example, in the application of the expanded definition of permanent establishment on so-called ‘commissionaire structures’. In short, the application of the MLI is something that evolves over time to a particularly large extent.

THE MLI IN PRACTICE

The MLI is a complex instrument that cannot be ignored in treaty situations. Therefore, it is important – especially for groups active in different countries – to verify the impact of the MLI on current activities, and it is no longer enough to simply consult the existing double taxation treaty.

In the Belgian context, the changes to the MLI can result in a permanent establishment arising more quickly in Belgium. Much depends, of course, on the positions taken by the

WHICH OPTIONAL PROVISIONS DID BELGIUM CHOOSE?

Belgium has chosen to introduce the following optional provisions:

- ▶ a provision for the treatment of revenue received by, or through, a transparent entity;
- ▶ a minimum holding period of 365 days to benefit from the reduced rate for dividends from subsidiaries;
- ▶ a safeguarding clause to protect Belgium’s sovereignty to tax its own residents;
- ▶ a more comprehensive definition of ‘personal establishment’. Here, emphasis is placed on how the contract comes into being. For example, it is enough for a person to play a decisive role in concluding contracts for a personal permanent establishment to arise in Belgium. An independent agent may be a personal permanent establishment if he or she acts alone, or virtually alone, for a long time for one company or group of associated companies;
- ▶ an anti-fragmentation rule – this means that activities of different related entities must be combined to verify whether there is a preparatory or ancillary activity in Belgium.

other treaty country and how strictly the new provisions will be interpreted in practice.

In any case, the situation with the MLI shows that cross-border and international taxation is constantly changing. ■

QUESTIONS ABOUT THE LEGAL CONSEQUENCES OF THE MLI?

Are you looking for help with the analysis of your situation?

If so, please do not hesitate to contact the specialists in our 'Tax' team: tax@bdo.be. They are keeping a close eye on developments.

DIGITAL

ROBOTIC PROCESS AUTOMATION - RPA

Make use of virtual assistants

Do you sometimes feel that the specialists you employ are wasting their time and talents on repetitive administrative tasks? Well, it's not just a feeling. Research shows that RPA software can automate as many as 40% (!) of manual tasks.

Author: Walter Vanherle, Partner BDO Advisory, Digital

Robotic Process Automation (RPA) is no short-lived technology hype. Instead, it's another step forward towards more comprehensive digitisation and an important contributor to an organisation's or company's competitive edge. Billy is proof of this assertion. Billy is the name of a collaborative software robot developed by a combined team of BDO Tax Advisors and BDO Digital Consultants. Billy has taken over all the monotonous, manual tasks from our human VAT specialist, Kelly. Now, Kelly and her colleagues are free to concentrate on exceptional cases together with their customers and provide them with advice on VAT regulations. What's more, by working together, the colleagues and Billy can now process customer files in under 30 minutes – which is nearly 4 times faster than before.

WHAT IS (THE ADDED VALUE OF) RPA?

Does the following process sound familiar? The accounting department receives an invoice, either on paper or by e-mail. It is then manually entered or scanned into an accounting program. After that, the invoice is submitted to someone else for approval,

either electronically or in printed form. Then, the print-out goes to the payment department, where an employee reads the invoice, checks that it has been approved, and enters the data into a payment program – perhaps after putting it in an Excel sheet. The invoice is now ready for payment in accordance with the previously agreed payment terms and conditions. Accounting prepares batches of various invoices to be paid, performs a final check, removes any duplicates, and submits the final invoices to the bank in bulk for payment.

The process described above takes place efficiently and with the support of integrated software – but in truth, not much of it is automated. Furthermore, despite extensive computerisation and digitisation, the integration of many companies' systems is not optimal. Moreover, to be able to execute business processes from start to finish, data from multiple systems and applications are retrieved or entered manually. Necessary, but not exactly efficient. Time for RPA, also called software bots.

Of course, the term 'robot' doesn't mean a metal humanoid that comes to sit by the employee's desk. RPA bots,



“RPA bots
relieve us from
the tasks we’d
rather never do
again.”

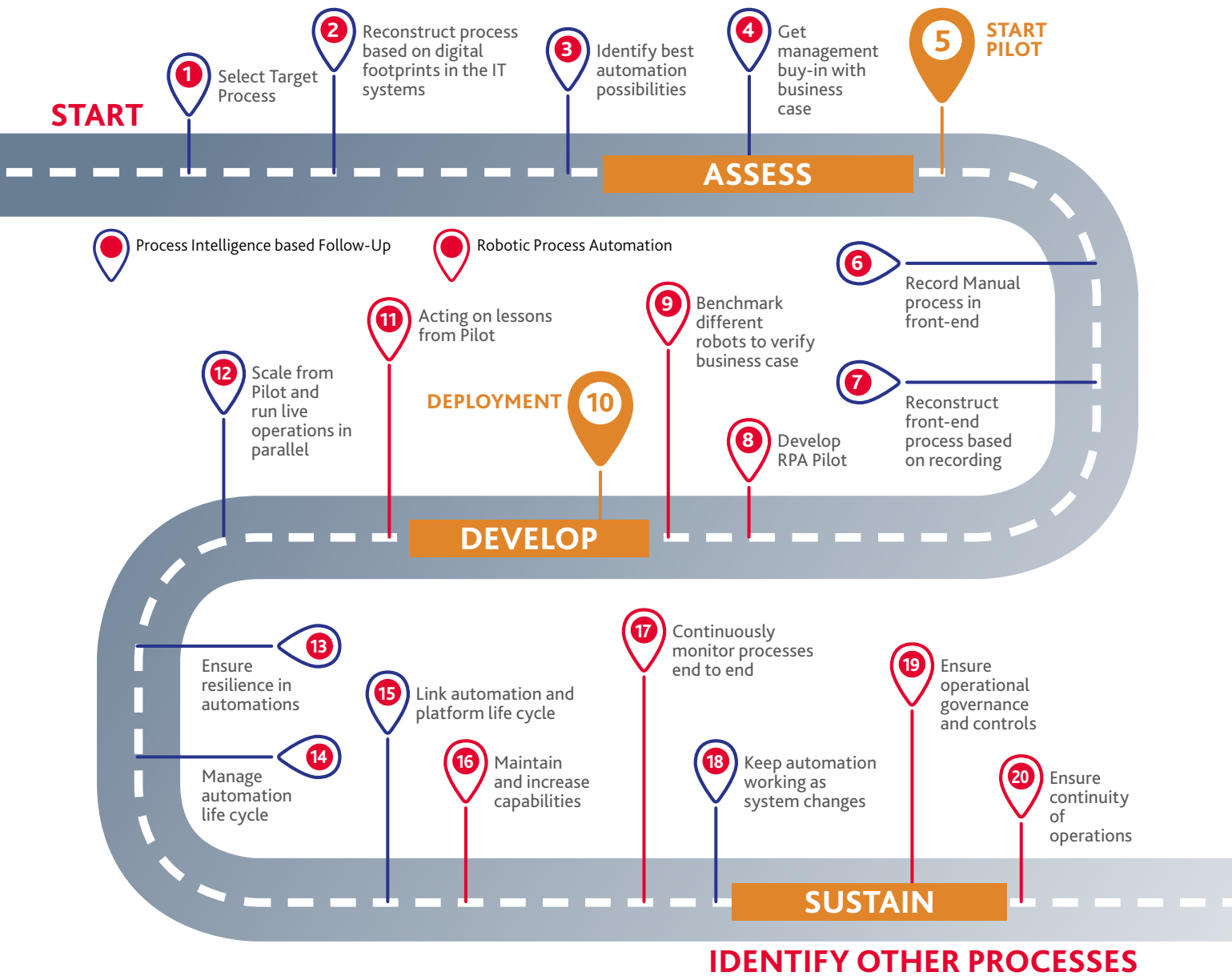
Walter Vanherle, Partner BDO Digital

DEFINITION OF RPA

The Institute for Robotic Process Automation (IRPA) defines RPA as “the application of technology that allows employees in a company to configure computer software or a ‘robot’ to capture and interpret existing applications for processing a transaction, manipulating data, triggering responses and communicating with other digital systems.”

THE FAST LANE TO RPA SUCCESS

THINK BIG, START CLEVER, SCALE TO CAPABILITIES



RESIDUAL AUTOMATION

RPA bots support automation without the need to abandon all existing software. On the contrary, in fact. RPA automates what 'key' applications leave undone and adds a layer that imitates employee actions. For instance, the robot learns key-presses, mouse movements, clicks and how to read information or screens (such as the contents of an Excel sheet). In short, RPA reads, interprets and processes information just as an employee would.

or software bots, use computer algorithms to take over routine tasks from humans and perform them as fast or faster, and more accurately. 'Reading' a PDF document or e-mail, retrieving data from different source systems, copying figures from an Excel sheet to an online application... These processes are all fine candidates for 'robotic automation'. Software bots are taught the sequence of actions and rules that the employee follows: they log in, read and copy the data, and then enter this data in the target

screen or other internal or external systems.

There are countless examples of possible applications in financial, HR or logistics administrative processes: preparing and submitting domestic and European VAT declarations, entering holiday and sick leave into social security systems (and uploading changes), transferring prices from transporters' online systems into the in-house planning system, transferring data between unlinked systems without an API

(Application Programming Interface or 'program-to-program' communication), and so on.

NO TO JOB DESTRUCTION, YES TO OPPORTUNITY

Despite what the doomsayers claim, RPA isn't equivalent to job destruction. RPA does affect our role as humans as it relieves us of 'boring' repetitive tasks, allowing us to focus on 'exceptions' and freeing up more time for the provision of advice. The latter are skills that RPA bots do not have immediately at their disposal. In other words, the technology's true potential lies in its ability to provide employees with room to take on different, more knowledge-driven, or creative assignments of greater added value. This does, however, involve redefining what jobs involve, which will require additional education and training. But with the right approach and guidance, RPA won't be a threat, but an opportunity.

(POSSIBLE) FEAR OF THE UNKNOWN

So, to demonstrate the RPA solution's real-life impact on the workplace and the changes it brings, our experts have



designed a specific RPA pilot focusing on familiar tasks that will generate little resistance from employees (both the 'senders' and 'receivers' of data or information). The pilot is intended to show them that, thanks to their virtual assistant, they can complete their duties rapidly, without errors and, therefore, more efficiently.

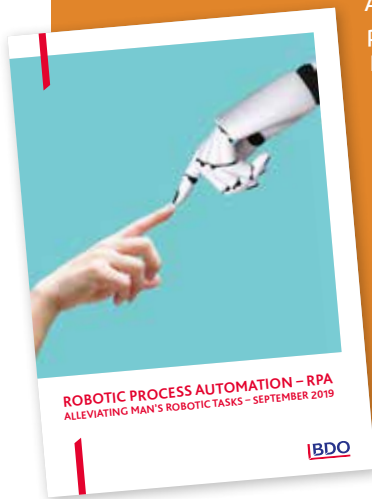
Simultaneously, we invite the managers of the various divisions and departments in the organisation to explore which similar processes and

tasks might qualify for RPA. We then assess the suitability of these tasks for RPA automation, taking the technical, process-related and financial implications into account.

Finally, in consultation with our experts, the RPA project business sponsor or sponsors (usually the business and IT managers) determine which processes or tasks will be the primary candidates for automation. Throughout each individual RPA process, we continually ask the

WHEN WILL AN RPA SOLUTION BE MOST PROFITABLE?

- 1 There is a standard process with known data sources and destination (whether single or multiple). The process is extremely labour-intensive and requires the frequent entry of many data points.
- 2 The process follows certain rules that do not require additional human reasoning.
- 3 The process must take place 24/7 (including holidays), exactly on time, at all times.
- 4 The process demands numerous on-screen actions, with long waits to change screens.
- 5 The process must interpret the contents of non-standard e-mail messages.
- 6 The on-screen actions take place in a Virtual Terminal Environment such as Citrix.



Also read our white paper 'Robotic Process Automation – RPA. Alleviating man's robotic tasks' at [advisory.bdo.be/rpa](https://www.bdo.be/rpa). Additionally, see the information sheet 'Ready for Robotic Process Automation?' included with this newsletter.

employees involved for their input and feedback. Management also communicates about the RPA solution's positive impact on job satisfaction and business results. Any resistance within the company or organisation is discussed and addressed through the illustration of practical benefits. After all, who wouldn't like a personal (virtual) assistant?

COST-EFFECTIVE INVESTMENT

RPA does not require a massive budget and can be implemented quickly. This is partly due to the fact that the existing applications ('legacy' systems) needn't be adapted (see 'Residual automation' insert on p 16). RPA bots can also offer complementary solutions or alternatives to non-existent or hard-to-implement data exchanges. BDO Digital has designed a specific business case approach. With regard

“RPA bots support automation without having to abandon all existing software.”

AT LINEAS, 4 RPA BOTS ARE CURRENTLY HANDLING 20 TASKS

Lineas is Europe's largest private rail freight operator and convinces businesses to switch their goods transport from the roads to the rails, representing a boon to both mobility and the climate. The rapid expansion from a Belgian to a European market requires a scalable business model that can handle the necessary changes over both the short and longer term. The technological impact is significant and is made possible thanks in part to the use of RPA.

“RPA makes our organisation a more pleasant place to work, as it relieves employees from routine manual tasks and assignments that will shortly become impossible for humans to complete by themselves,” says Mark Geuens, CIO of Lineas. The RPA project began with a pilot scheme at the Cargo Operations Center. After this, the company brainstormed on the possibilities of RPA in other departments. “Currently, almost all departments deploy one or more RPA bots, with the main advantages being higher efficiency, increased procedural reliability, quality improvement and more motivated employees. Everybody wins.”

The immediate gains in efficiency, mood, cash or quality offered by each operational bot – we have 4 at the moment – are positive and are monitored closely and continuously. The 'downstream' benefits to the process (such as higher data quality and more comprehensive data) haven't been calculated yet, but they definitely exist. RPA bots are never the ultimate goal, but they can be very useful in an environment that's strongly committed to digital transformation. It must be realised, however, that such a transformation cannot be completed in just a few months. “With the use of 20 automated processes, a general break-even as to time and costs can be achieved in less than 12 months,” says Mark Geuens.

The decision to work with BDO Digital was influenced by both our technological expertise and our practical approach. After all, RPA implementation is about more than just the technology – deploying this technology correctly is at least as important. “It made sense to start by bringing together all the key figures. RPA experts joined forces with people skilled in process- and business-oriented thinking.”

Equally influential in opting for BDO Digital, according to Mark Geuens, was “The tiered approach, with a constant focus on the creation of added value for our business. Rapid assessments identified and prioritised the processes that would most benefit from robotization.”

to the revenue, our experts consider the direct and indirect advantages for the listed tasks and processes appropriate for RPA. These are often tasks from various departments (finance, logistics, customer relations, etc.). With regard to the expenses, we consider the investment to 'train' the robot in its tasks, the necessary RPA software and the IT infrastructure.

STEP BY STEP

As little to no coding or programming is involved, RPA technology can be implemented quickly. It can then expand to include more processes as these become financially feasible. Top tip: start with a single software robot to take over one assignment or task from an employee. A series of actions such as the entering of invoice data,



Walter Vanherle, Partner BDO Digital

for example. This solution can later be scaled up to include other tasks within the organisation, and these can then be further extended to encompass complete processes. If RPA is implemented on a large scale, a Centre of Excellence (CoE) becomes desirable. This team concentrates all the knowledge about the RPA project and consists of the business analyst(s), the infrastructure consultant, the RPA developers, and the project manager(s). ■

LIANTIS AND RPA AS A STRUCTURAL SOLUTION

Not so long ago, Liantis Sociaal Verzekeringsfonds voor Zelfstandigen (social insurance fund for the self-employed) and Liantis Ondernemingsloket (enterprise office) commissioned BDO Ideas at Work to carry out an extensive process optimisation project. That's when the possibilities of RPA first came up. "Detailed mapping of all of our processes made it clear how many of these processes contained repetitive tasks," remembers Karel Van den Eynde, Director of Organisation & Quality. "At the same time, we noted our teams' high workloads. That's when BDO proposed to address both of these issues through RPA."

"Things went quickly from there," says Michel Neirinckx from BDO IAW. "Within a few weeks, the social insurance fund had completed its first 'proof of concept', a fairly simple pilot demonstrating the RPA software's ability to run smoothly in Liantis's Citrix environment." "A sign we could proceed with the robotization of an entire process," Karel Van den Eynde continues. "We then automated all the repetitive tasks required to simulate pension calculations. Relieving our employees of these tasks freed them to concentrate on analysing the simulation and providing advice to our customers."

The success of that second step led to the next stage: searching for other tasks and processes suitable for RPA and making these a priority as well. Karel Van den Eynde: "Important criteria were time savings, process stability, and the impact on customer and employee satisfaction. This exercise resulted in 5 priority projects on our RPA wish list, which are now being successfully automated one by one."

The next step? In the future, RPA will become a structural solution for the robotization of repetitive processes for which traditional IT development would be too costly, or when the available IT resources are required for higher-priority projects. "Currently, at the top of our list is the creation of an RPA policy or RPA code of governance," says Karel Van den Eynde. "This will provide answers to such questions as: Which RPA expertise should Liantis cultivate in-house and what should we outsource? Which positions and processes will we need to manage RPA projects and maintain our robot portfolio?" In short, RPA has earned itself a permanent place at Liantis.

WHICH RPA FOR WHICH TASKS?

BDO Digital distinguishes 4 types of RPA bots:

- 1 Efficiency bots** relieve humans of monotonous, repetitive tasks, allowing them to work on assignments of greater added value. The benefit? Higher productivity within the same time period, and full, error-free process completion with all the concomitant 'downstream' benefits for the total process.
- 2 'Mood' bots** ensure a more pleasurable work environment. The business advantage? Better employee retention, thanks to lower job dissatisfaction due to the type of task. The expenses that are saved on recruitment and training are applied to the revenue side of the ledger.
- 3 Cash bots** provide a quick win, processing mountains of data at rates that would be unsustainable for humans. Therefore, cash bots often automate 'new' tasks that an employee or other solution could not have feasibly/affordably achieved before. Their implementation can be temporary (3 to 6 months), covering the time needed to roll out a more structural solution.
- 4 'Jumper' bots**, finally, are deployed for a one-time task, and can be implemented in a very short time thanks to the repurposing of subtasks from other RPA scripts. Examples include one-time data transfer or entry tasks and the measurement of response times for (online) applications.

QUESTIONS ABOUT A COMPLEX DIGITAL TRANSFORMATION?

Automation or RPA required? Need help selecting the right technology? Want a second opinion? If so, please do not hesitate to contact our specialists at BDO Digital or BDO IAW: walter.vanherle@bdo.be or michel.neirinckx@bdo.ideasatwork.be

They understand, and have experience with, the innovative possibilities offered by process analysis and automation, data processing and advanced analytics, as well as the required organisation and change management.

FAQ

HOW MUST CRYPTOCURRENCIES BE PROCESSED FOR ACCOUNTING AND TAX PURPOSES?

The importance of cryptocurrencies, or virtual currencies, has increased significantly in recent years. However, the lack of clear national and international guidelines for their valuation and representation in financial statements has led to divergent practices. Our BDO experts provide clarity in the tangled web of what is, and is not, allowed or possible.

Authors: Dirk Vandendaele, Partner BDO Accountancy,
Alexandra Martin, Senior Advisor, Stijn Rasschaert, Partner BDO Tax

MUST VIRTUAL CURRENCIES BE RECORDED IN THE BALANCE SHEET?

The financial statements must provide a true representation of a company's assets, financial position and results. Therefore, it seems logical to us that companies that hold a portfolio of virtual currencies also reflect this in their balance sheet.

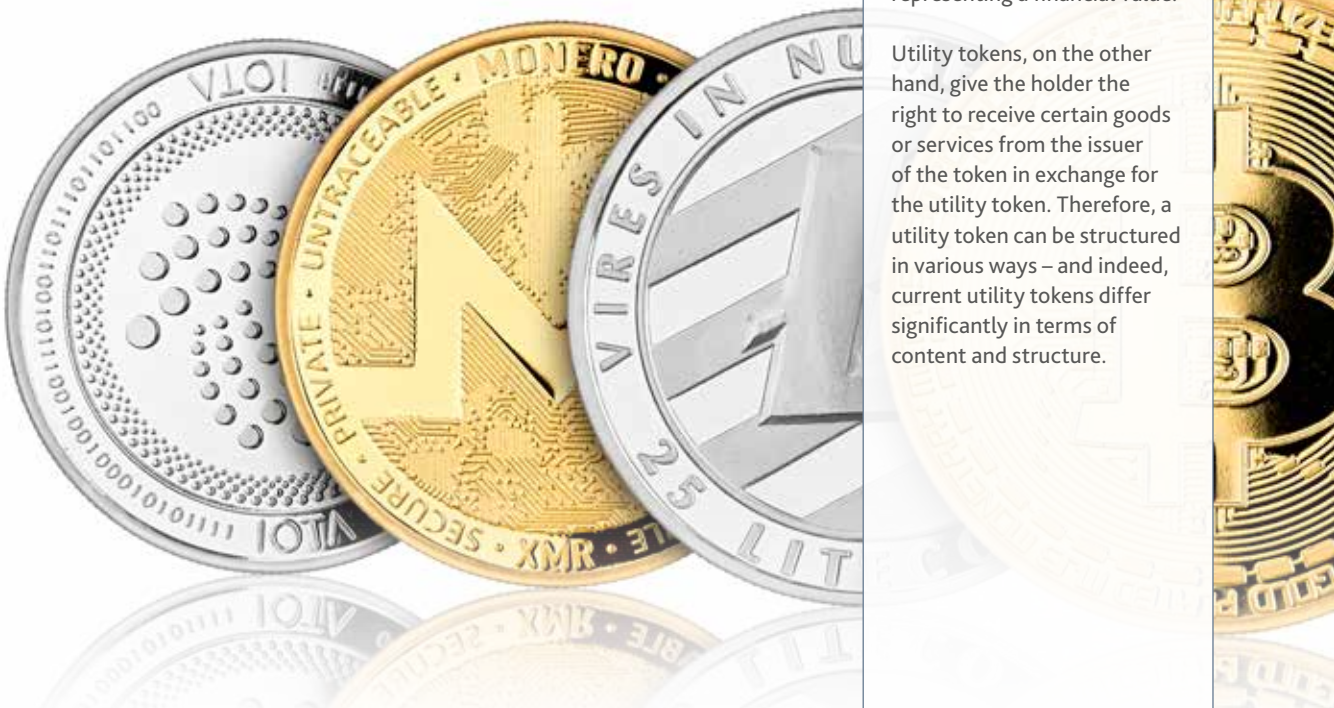
However, to date there are few or no directives on this subject. By way of example, the ASBJ (Accounting Standard Board of Japan) is one of the few institutions that has spoken out on this issue, and it considers virtual currencies to be means of payment that are to be entered under a separate asset heading on the balance sheet.

SECURITY TOKENS VERSUS UTILITY TOKENS

A distinction must be made between security tokens and utility tokens.

Security tokens (such as Bitcoin) can be compared to shares in a company or financial resources. In simple terms, security tokens are tradable rights representing a financial value.

Utility tokens, on the other hand, give the holder the right to receive certain goods or services from the issuer of the token in exchange for the utility token. Therefore, a utility token can be structured in various ways – and indeed, current utility tokens differ significantly in terms of content and structure.



WHAT IS THE PROVISIONALLY APPROPRIATE ACCOUNTING PROCESSING IN BELGIUM?

In May 2019, the Belgian Accounting Standards Board (CNC-CBN) issued a draft opinion for public consultation. Depending on the comments received by the CNC-CBN, it will convert this draft opinion into a final opinion after the summer of 2019. The CNC-CBN opinion is limited to a prudent discussion of security tokens that do not generate recurring returns. For the time being, it is not clear whether, and to what extent, the draft opinion will be further extended to other types of cryptocurrencies.

The CNC-CBN provides 3 possibilities in its draft opinion. In any case, for each option, a portfolio of virtual currencies must be booked under current assets.

1 If a company purchased security tokens with surplus liquid assets in the hope of selling the virtual currencies with a capital gain in the long term, they can be booked under the 'Other investments' item. Although the CNC-CBN explicitly

deals solely with security tokens that do not generate periodic returns, we are of the opinion that you can also book the security tokens that do generate periodic returns (such as the NEO cryptocurrency) under the same balance sheet item.

2 If the company's activity consists specifically of the purchase and resale of cryptocurrencies (this is the case for a company operating a trading platform), then the currencies owned by such a company must be entered in the 'Stock' item. Then, the different currencies the trading platform purchases as a buffer to be able to immediately meet demand for a particular cryptocurrency must be considered as commodities.

3 If a company creates its own cryptocurrency and uses that currency to pay intra-group transactions, the currency must be recorded under the 'Receivables and debts' item (the same as 'ordinary' money).

“A portfolio of virtual currencies must be booked under current assets.”

CAN – OR MUST – VALUE CORRECTIONS BE BOOKED FOR CRYPTOCURRENCIES?

The answer to this question depends on the application (as described above). Once again, there are 3 possibilities:

1 With regard to cash investments, a depreciation must be booked if their realisation value on the closing date is lower than the acquisition value.

2 The same logic applies to stock if the market value on the inventory date is lower than the acquisition value.

3 With regard to the valuation rules for receivables and debts: these are recorded in the balance sheet at nominal value. Depreciations can be booked if their realisation value at the year-end closing is lower than their book value. If, at a later point in time, it appears that the depreciation entered earlier is no longer justified, the depreciation will have to be reversed in the accounts.

The Royal Decree of 29 April 2019 implementing the Companies and Associations Code states that positive, unrealised differences in value (so-called revaluation gains) may not be booked.



HOW ARE CAPITAL GAINS OR LOSSES REALISED BY COMPANIES ON CRYPTOCURRENCIES HANDLED?

If a company buys security tokens with surplus liquidity to resell them over time, the profit from the sale will be taxable. The Income Tax Code (CIR/WIB 92) does not provide for any explicit exemption for this. If the company suffers a capital loss, the loss will be deductible.

The same reasoning applies to a company that operates a trading platform and that

generates a gain or loss on the security tokens that it temporarily keeps on its balance sheet to meet the demand for certain tokens. The gain realised will be taxable, and the loss realised deductible.

If the company were to realise its receivables or debts with a gain or loss, the same tax principles apply: the gain is taxed and the loss is deductible.

WHAT ABOUT DEPRECIATIONS AND REVALUATION GAINS (UNREALISED OR NOT)?

If a company imposes a depreciation on cryptocurrencies, the depreciation will be tax-deductible. With regard to the tax treatment of depreciation, it does not matter whether the cryptocurrency has the character of a cash investment, stock, receivable or debt.

In view of the fact that it is prohibited by law to book a revaluation gain on cash investments, stocks or receivables, there is no question of a taxable basis.

“If a company imposes a depreciation on cryptocurrencies, the depreciation will be tax deductible.”

WHAT IS A CRYPTOCURRENCY?

A cryptocurrency is a digital currency used for payments, among other things, without the intervention of banks and governments. The role of banks and governments is taken over by a decentralised network of computers (the so-called nodes) in which each node maintains the complete history of all transactions. The approved transactions are structured in a special protocol (the so-called blockchain). The history of this data chain cannot be changed, nor can the process be influenced in the present moment.

The best-known cryptocurrency is undoubtedly Bitcoin. Bitcoin can only be used to make payments across the Bitcoin blockchain. In addition to Bitcoin, there are more than 2,000 other cryptocurrencies (Ethereum, NEO, etc.), of which approximately 1,000 run on their own blockchain. The majority of these currencies (which have their own blockchain) or tokens (which are built on an existing, non-proprietary blockchain) are not only used to make payments, but also include smart contracts or grant entitlement to certain services. Despite the broad diversity, they have one common and important characteristic: they are managed de-centrally. This means that no party can exert a decisive influence on the currency or currencies.

HOW DO YOU HANDLE A CRYPTOCURRENCY FOR TAX OR ACCOUNTING MATTERS?

Would you like a more detailed explanation of how to use cryptocurrencies yourself or of their advantages and disadvantages? If so, please do not hesitate to contact our specialists:

dirk.vandendaele@bdo.be,
alexandra.martin@bdo.be or
stijn.rasschaert@bdo.be



AUDIT & ASSURANCE

FRAUD: THE FIGURES IN BELGIUM

Our new study on the issue of fraud reveals that few companies are aware of the risk they face. The general press only addresses the subject in the event of particularly serious fraud involving well-known multinationals or public authorities, and specialist journals and specific studies usually cover the issue only in general. So, what about Belgian companies? What is their experience of fraud? Let's try to get a clear picture through the information collected anonymously from 190 Belgian companies with a turnover of between 5 and more than €500 million.

Author: Jean-François Bernard, Senior Manager BDO Audit & Assurance, Forensic & Litigation Support

Some 21% of the companies state that they have been the victim of at least one instance of fraud in the past 5 years, 45% have experienced attempted fraud but managed to avoid damage, and only 34% have not experienced it at all. The first 21% should be considered a minimum percentage, as most of the instances of reported fraud date back less than 12 months. Despite the figures remaining at a high level, fraud is down when we look at the data collected during our 2018 study, in which 32% of the companies surveyed indicated that they had fallen victim to fraud in the past 5 years.

THE COST OF FRAUD

The average loss due to an instance of fraud amounts to approximately €200,000. This amount was estimated at €150,000 in the previous study. So, while instances of fraud are decreasing, the resulting loss has increased significantly. In addition, these figures take into account only the sum stolen, to which indirect financial damages – such as business interruption, legal proceedings or damage to the company’s image – may need to be added. However, 85% of the losses are below €100,000. When the fraudster is part of the company, the average loss is 6 times higher than for external fraud.

MOST COMMON CASES

The fraud that affects businesses most is computer hacking, which represents no less than 29% of the instances experienced. This is closely followed by fraudulent disbursements (similar to false invoicing in the broad sense) (25%) and thefts of non-cash assets (23%). Other major fraud schemes

– namely, revenue theft, corruption, falsification of financial statements, and identity theft (better known as CEO fraud) – are much rarer.

CEO fraud is the most frequently attempted (39%), but many attempts end in failure. In fact, this type of fraud results in a loss in only 4% of the cases.

PREFERRED TARGETS

Companies with an annual turnover of more than €100 million represent 51% of the instances of fraud, whereas they account for 44% of attempts and make up 35% of the sample. Therefore, they experience around twice as many instances of fraud as the smallest entities (65% of respondents for 49% of frauds). This finding may seem surprising insofar as people imagine that the smaller structures, with seemingly more limited control procedures and resources to combat fraud, will be targeted more often. However, this can be explained by the greater involvement of management and shareholders in the day-to-day management of this category of company, and by the loss of the sense of responsibility that sometimes occurs in the significant fragmentation of work and positions in larger companies.

IDENTIFICATION OF FRAUD

Almost half of the instances of fraud are discovered by chance or as a result of whistleblowing (i.e. by means outside the company’s control). Apart from this, fraud is generally identified by checking documents (33% of cases) – for example, checking purchase invoices – analysing changes in accounting accounts, or monitoring cancelled sales or inventory differences.

“Almost half of the instances of fraud are discovered by chance or as a result of whistleblowing.”

21%

OF THE COMPANIES STATE THAT THEY HAVE BEEN THE VICTIM OF AT LEAST ONE INSTANCE OF FRAUD IN THE PAST 5 YEARS

€200,000

THE AVERAGE LOSS DUE TO AN INSTANCE OF FRAUD

29%

OF THE FRAUD THAT AFFECTS BUSINESSES IS REPRESENTED BY COMPUTER HACKING

25%

IS REPRESENTED BY FRAUDULENT DISBURSEMENTS

23%

IS REPRESENTED BY THEFTS OF NON-CASH ASSETS

45%

OF FRAUD IS COMMITTED BY STAFF MEMBERS OF THE COMPANY

DO YOU HAVE ANY QUESTIONS ABOUT COMBATING FRAUD? Need help with analysing the risks facing your organisation? If so, please don’t hesitate to contact the specialists on our 'Forensic & Litigation Support' team: jean-francois.bernard@bdo or cedric.antonelli@bdo.be



PROFILE OF THE FRAUDSTERS

The study shows that 45% of fraud is committed by staff members of the company in the broadest sense, and this figure actually rises to 59% when cybercrime is excluded. No particular function is especially at risk. Moreover, each department has its own type of fraud. Revenue theft generally involves someone from the sales department, misappropriation of non-cash assets involves someone from production, and corruption involves someone from the purchasing department, while fraudulent disbursement or falsification of financial statements can often be traced back to the accounting department.

“CEO fraud is still the most frequently attempted type of fraud (39%).”

AVOIDING FRAUD

When we look at the control measures put in place in companies that have fallen victim to fraud and compare them with those in effect in companies that have managed to protect themselves against it, we find that there is little or no difference. In short, this means that controls are not sufficient, but also that they must be properly designed and applied at all times. For example, 80% of companies that have fallen victim to fraud state that they systematically double-approve invoices and payments! Experience shows that this measure does not prevent fraud because there is almost always a control loophole: double approval does not block payment of the invoice; approval concerns invoices but not credit notes; exceptions are provided in the event of the absence of certain members of the approval chain; certain types of expenditure are not affected; the person approving the draft payment does not receive a copy of the invoices; both payment cards are, in practice, held by the same person, etc.

We have also observed that the strategy defending against fraud is only too rarely directed towards internal fraud. Here it is worth noting that no less than 56% of fraud attempts result in a loss when the fraudster is a member of the company, compared with only 13% when he or she is from outside the company.

In the quest for adequate protection, it is essential to maintain a balance between cost and risk. Some measures involve virtually no additional costs, such as implementing a fraud reporting mechanism (better known as 'whistleblowing' - read the article 'Whistleblowers: new European Directive', published in To The Point 02/2019) or drafting a code of conduct. This may seem simplistic, but it is not uncommon to see fraudsters justifying themselves by explaining, for example, that they were unaware that it was prohibited to disclose such information, or that their function involved such a control task. The company's fraud risks and how they are covered should be assessed every 2 or 3 years. This task can be performed by the internal auditor or a member of the accounting department. ■



You can consult the study entitled 'Fraud in Belgium in figures – Report 2019' at advisory.bdo.be/fraudsurvey



During YTiA XXL, dozens of young people took a BDO personality test in the 'BDO Action Labs'.

PARTNERSHIP NEWS

YOUNG TALENT IN ACTION XXL

BDO helps young people discover their talents

The name 'Young Talent in Action XXL' speaks volumes. On 21 October 2019, for the third time, the Federation of Belgian Enterprises mobilised over 2,500 young people to discover how they could develop into fully-fledged active men and women. BDO Human Capital was once again a partner to help young people, based on their innate talents and competences, find their way to the companies and sectors that fit in seamlessly with their skills. In this way, we continue to support the 'Young Talent in Action' community.

Author: Ann Celis, Marketing & Communication

To actively build bridges between young people, education, the business world and the labour market, the Federation of Belgian Enterprises (VBO/FEB) launched the 'Young Talent in Action' (YTiA) platform in 2015. At that time, the figures had never been so deep in the red: over 88,000 young people in Belgium were unemployed. There was an urgent need to tackle the obstacles between supply and demand in the labour market.

Four years later, YTiA is more than just a platform: it has grown into a community of young talents who want to share their professional and personal experiences with each other and with all players in the labour market. Not only their dreams and passions, but also their doubts and uncertainties; their successes and failures; their life lessons.

IDENTIFYING TALENTS

The FEB is firmly convinced that, thanks to this collective effort, YTiA

can act as a long-term lever for social and economic progress, as well as for young people who take charge of their professional future. This vision fits in perfectly with BDO's mission: 'making our clients and people grow'. Johan Vandebroek, Chairman of BDO Belgium, truly believes in this long-term partnership: "Because, at BDO, we are investing substantially to offer our young talent every opportunity to develop themselves further, based on their own strengths and competences."

It's not always easy for young people to fully identify their own talents at the very beginning of their careers. "That's why BDO Human Capital colleagues offered their expertise during the last edition of YTiA XXL," Peter Van Laer, CEO of BDO Belgium, explains. "They helped the young people assess their strengths and weaknesses. With this self-knowledge, they can now navigate the labour market more effectively and purposefully."



PERSONALITY TEST EQUIPS YOUNG PEOPLE

During the event, dozens of young people came to our 2 'BDO Action Labs' where our 6 experts administered a BDO personality test. Then, immediately after the test, we helped them interpret the results. In addition, a number of YTiA Ambassadors were given the opportunity to take an even more in-depth personality test at BDO's Zaventem office. Some 250 YTiA Ambassadors form the backbone of the community. They reflect and support the mission, ambitions and actions of Young Talent in Action – and speak up on behalf of young people in the labour market (more info at www.youngtalentinaction.be).

Personality tests are important because self-knowledge and human knowledge are essential when making decisions, in conflict situations, in teamwork, etc. Moreover, a standard question on every job application is: What are your strengths, and why would you be an asset to our company?

“BDO Belgium truly believes in a long-term partnership with Young Talent in Action.”

This may seem like an easy question ... but it really isn't!

By teaching them to assess themselves better – and to learn what is important (or not) for them – we gave the young people's motivation a real boost. Now, they are better equipped for a job interview or for choosing a course of study. ■

ARE YOU LOOKING FOR HELP WITH YOUR RECRUITMENT AND PERFORMANCE PROCESSES?

If so, please do not hesitate to contact the specialists in our 'Human Capital' team: lieselot.steenbeke@bdo.be

Or download the white paper 'Analysis of professional skills. Recruitment & selection 3.0' at advisory.bdo.be/sjt



CORPORATE

BDO IS BELGIUM'S FIRST CLIMATE-NEUTRAL CONSULTANCY FIRM



Together with our staff and independent climate consultancy CO2Logic, we have drawn up an ambitious climate action plan to become completely climate-neutral. We will link part of the collective bonus to our company's CO₂ targets, we will purchase 100% renewable energy and at least half of our 11 offices in Belgium will be passive by 2030. Until we have completely reduced our internal emissions, we will compensate for the remaining emissions with a climate project in Ghana. This makes us the first climate-neutral consultancy firm in Belgium.

Author: Fabrice Grogard, Partner BDO, responsible for Corporate Social Responsibility (CSR)

Over the past 7 years we have reduced our CO₂ emissions per employee by a quarter. We did this together with the independent climate consultancy CO2Logic. Today, the annual emissions per BDO employee amount to 7 tCO₂e. For our company as a whole, the figure is 4,578 tCO₂e, which is comparable to the emissions of about 450 Belgians in one year. In order to eliminate these direct emissions (energy consumption, refrigerants, fuel consumption, own vehicle fleet) as well as indirect emissions (waste, paper consumption, drinks, commuting and air travel), we have drawn up an ambitious action plan. For this effort, we received the 'CO₂-

neutral' certificate, validated by inspection and certification body Vinçotte, from CO2Logic, a company which specialises in the calculation, reduction and compensation of CO₂ emissions.

TELEWORKING AND HYBRID VEHICLES HELPED REDUCE CO₂ EMISSIONS BY A QUARTER

In 2011, we had a first carbon footprint made under the guidance of CO2Logic. Since then we have been working to reduce our emissions.

Jan Janssen, project director at CO2Logic: "As regards mobility, teleworking was actively promoted,

hybrid vehicles were included in the fleet and BDO launched the 'Vaigo' platform for alternative modes of transport. In terms of infrastructure, a switch was made to LED lighting and photovoltaic solar panels were installed at one of the sites. Other measures, such as using reusable cups and recycled paper, have further reduced emissions."

However, we wanted to do more for the climate. That is why, together with our staff and under the guidance of CO2Logic, we drew up a couple of (long term) goals to reduce our CO₂ emissions even further.

“We want to reduce our carbon footprint per employee by an additional 10% by 2020 and by 50% by 2030 compared to 2018.”

COLLECTIVE BONUS LINKED TO AMBITIOUS CLIMATE PLAN

Measures to be taken by 2020 include the purchase of 100% renewable energy, further encouraging remote meetings via the internet, the implementation of a mobility budget, the establishment of a stricter air travel policy and the introduction of eco-driving lessons for all employees. By 2025, in addition to 25% teleworking and 25% electric fleet vehicles, we want to see a quarter of our staff making use of the mobility budget and we want to link part of the collective bonus to our CO₂ targets. By 2030, the plan is that at least half of our offices

should be passive and 50% of our vehicles should be electric.

This involvement of the staff is very important. Our staff has voted on the measures to be implemented and thus they underpin the new action plan and ambitious objectives for the future. We want to reduce our carbon footprint per employee by an additional 10% by 2020 and by 50% by 2030 compared to 2018. In this way, we want to make our own contribution to the climate ambitions set out in the Paris Agreement.

CLIMATE PROJECT IN GHANA COMPENSATES FOR REMAINING CO₂ EMISSIONS

Nevertheless, implementing these measures takes time. In order to compensate for the remaining emissions, we will support a certified climate project in Ghana, namely the 'Efficient Cookstoves' project. This project combats the deforestation of the rainforest in Ghana with energy-efficient ovens. We will pay part of the production costs of these ovens. ■


DO YOU HAVE ANY QUESTIONS ABOUT THE PROJECT?

If so, please do not hesitate to contact Fabrice Grogard: fabrice.grogard@bdo.be


CORPORATE

BDO INSIGHTS

The BDO library contains newsletters, brochures, articles... about very different topics. You can download these insights on the BDO website: www.bdo.be/insights



THE NIS DIRECTIVE EXAMINED
A PRAGMATIC APPROACH TO NIS COMPLIANCE




A PRAGMATIC APPROACH TO NIS COMPLIANCE – THE NIS DIRECTIVE EXAMINED


Essential service providers (such as energy suppliers, transport companies, financial services, healthcare, digital and telecom services) are increasingly threatened by (cyber) terrorism, as both local and international incidents have shown. Almost half of the time, an attack is about information loss. Moreover, research has shown that files are not sufficiently protected. The size of the organisation does not matter: 61% of breach victims were businesses with less than 1,000 employees.

In order to withstand such attacks and threats, the new European NIS Directive aims to increase the level of security and resilience for critical Network and Information Systems (NIS) within the EU and across its member states. In our white paper, we give you more information about this new Directive and map out a pragmatic approach to NIS compliance.

Download our white paper at advisory.bdo.be/nis



SMARTEN YOUR MOBILITY
ACHIEVING THE MODAL SHIFT BY ENABLING A MENTAL SWITCH



ARE YOU READY TO SMARTEN YOUR MOBILITY?

35 working days. That is how much time per year the average employee loses due to traffic jams. Consequently, employees increasingly prefer to leave their (company) car and to opt for more environmentally-friendly alternatives, which are emerging quickly. How can employers give their employees the freedom to choose a mobility option that fits their needs best? What options do you have?

Download our white paper and discover everything you need to know about smart mobility at advisory.bdo.be/smart-mobility

BDO IS ALWAYS ON THE LOOKOUT FOR NEW TALENT

Have a look at jobs.bdo.be

ACCOUNTING & REPORTING

- ▶ Accountancy – Junior – *Various offices*
- ▶ Accountancy – Senior – *Brussels (Airport), Antwerpen or Hasselt*
- ▶ Accountancy – (Senior) Manager – *Brussels (Centre), Antwerpen or Hasselt*

AUDIT & ASSURANCE

- ▶ Financial Audit – Junior – *Various offices*
- ▶ Financial Audit – Senior – *Various offices*
- ▶ Financial Audit – (Senior) Manager – *Various offices*
- ▶ IT Audit – Junior – *Brussels (Airport) or Antwerpen*
- ▶ Risk Advisory – Junior – *Various offices*

ADVISORY

- ▶ Organisation & Performance Management Public Sector – Senior – *Wallonia or Flanders*
- ▶ Interim Management – Senior Manager – *Brussels (Airport), Gent or Wallonia*
- ▶ BDO Ideas at Work – Junior – *Brussels (Koekelberg)*
- ▶ BDO Ideas at Work – Senior – *Brussels (Koekelberg)*
- ▶ Corporate Finance – Senior Modeller

TAX & LEGAL

- ▶ Social Law – Senior Manager – *Flanders*
- ▶ Legal Advisor – Junior or Senior – *Flanders*
- ▶ Payroll Officer – Senior – *Antwerpen*

- ▶ General Tax – (Senior) Manager – *Gent or Hasselt*
- ▶ General Tax – Junior – *Various offices*
- ▶ Employment Tax – Senior or (Senior) Manager – *Antwerpen*
- ▶ VAT – Junior & Manager – *Brussels (Airport)*

BUSINESS SUPPORT SERVICES

- ▶ Admin – Finance Admin – *Brussels (Airport)*

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 bdo Brussel Centre@bdo.be

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BDO RISK ADVISORY SERVICES

TOGETHER TOWARDS A SAFER CYBER ENVIRONMENT



In an increasingly digital and connected world, new cyber threats emerge every day. The question is no longer whether you will be attacked, but rather when. To ensure effective and efficient cyber security to protect your data and systems, three building blocks are essential: people, technology and processes.

BDO can offer you a coordinated and technical approach that focuses on your organisation's highest priorities and risk components. You can rely on us for support and advice in every step along the way towards a stage of cyber maturity in line with your specific risk profile. Our approach is to get the basics right first and help you to evolve towards a cyber intelligent organisation. That's what we call cyber Darwinism.

Interested? Our certified and experienced professionals would be happy to help you.

Contact us at ras@bdo.be.

Can't wait to get started?

Please visit our cyber security self-assessment: advisory.bdo.be/cybersecurity-self-assessment/

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