



O'GORMAN COSGRAVE  
AND ASSOCIATES  
Certified Public Accountants & Registered Auditors

# Newsletter

## O'Gorman Cosgrave

CERTIFIED PUBLIC ACCOUNTANTS & REGISTERED AUDITORS

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# What are the Panama Papers?

**The Panama Papers lift the cover on how offshore organisations are utilised by the global elite to disguise the ownership and control of assets and property worth billions.**

Individuals from The International Consortium of Investigative Journalists have spent over a year analysing a store of 11.5 million reports and records from Panama-based

Mossack Fonseca, one of the greatest suppliers of offshore services to people, organisations and middle men who prompt them.

The spilled information covers about 40 years, from 1977 through the end of 2015. The documents list about 15,600 paper organisations that banks set up for customers who need to hold their accounts under wraps, including thousands made by worldwide giants, UBS and HSBC.

The law firms's leaked inner documents contain data on 214,488 offshore entities associated with individuals in more than 200 nations and regions.

Spokesman Carlos Sousa said that the firm **"merely helps clients incorporate companies."**

### Secret companies around the world

The information incorporates messages, financial spreadsheets, passports and corporate records uncovering the secret proprietors of bank accounts and companies in 21 offshore jurisdictions, from Nevada to Singapore and to the British Virgin Islands.

ICIJ will discharge the full rundown of companies and individuals connected to them toward the beginning of May.

The findings from The International Consortium of Investigative Journalists is a worldwide network of investigative journalists who team up on in-depth investigative stories. There are 376 journalists from 109 media outlets in 76 nations included in the Panama Papers venture.

The ICIJ was established in 1997 as a project of the Centre for Public Integrity, a neutral, charitable investigative news association established by veteran US writer Charles Lewis. Its aim is to concentrate on issues that don't stop at national frontiers: cross-outskirt crimes, corruption, and the accountability of power.

It is situated in Washington DC and works with leading universal news organisations including The Irish Times, the Guardian, the BBC, Le Monde, the New York Times, the Sydney Morning Herald and the Washington Post.

The ICIJ depends on charitable establishments and financial support from the general public. The latest ICIJ sponsors include: Adessium Foundation, Open Society Foundations, The Sigrid Rausing Trust, The Ford Foundation, The David and Lucile Packard Foundation, Pew Charitable Trusts and Waterloo Foundation

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Tax authorities from around the globe, including the Revenue Commissioners, recently met in Paris to talk about the international activity in light of the Panama Papers debate. The meeting comes as tax authorities, finance ministries and criminal investigation offices have been reaching more than 100 media groups, involved in the collaborative journalism venture.

Leading Irish Newspapers have told the Revenue Commissioners that they won't agree to its solicitation for duplicates of all reports that seem to have an Irish connection. It said that this position is expected to ensure the protection of data whose action, in supplying such material, is very much in the people's interest.

- INM boss connected to Panama Papers firm
- 'Kleptocracy Tour' highlights UK's part in global corruption

- Tax authorities plan to take action following Panama Papers

The Irish tax authority has additionally written the ICIJ with a comparative request. The ICIJ, on its site, says it has a policy of not turning over material, for example, the leaked Mossack documents.

#### 'Tackling Evasion'

"The ICIJ is not an arm of law enforcement and also not an agent of the government. We are an independent reporting association, served by and serving our members, the worldwide investigative journalism group, and the general public."

A representative for the Central Bank said it is "liaising with the relevant authorities in Ireland and monitoring the situation closely".

The Revenue Commissioners is "mainly focused on handling offshore evasion and will avail in full with any rising data in connection to suspected tax evasion", a representative said. "Revenue will go to the Joint International Tax Shelter Information and Collaboration [Jitsic] network to investigate conceivable outcomes of co-operation and data sharing, identify tax compliance risks, and agree in collaborative action, in light of the Panama Papers disclosures."

The Jitsic network of tax officials is in charge of reacting to the global compliance risks through "active joint effort and fast and effective information exchange with other tax administrations". It is affiliated with the Organisation for Economic Co-operation and Development.

## Wealthy

**The Mossack records were initially leaked to Sueddeutsche Zeitung, which shared them to the ICIJ and its media partners. There is nothing unlawful about utilising Mossack services or offshore companies and use of the firm's services does not suggest any illegality.**

The records uncovered the utilisation of such structures for secretly holding assets by political pioneers, their families and friends. It additionally highlighted the use of shrouded offshore services for tax evasion and other purposes by the rich.

The leaked information incorporates more than 300 offshore companies connected with Irish locations, many Irish shareholders and beneficial owners, and various cases of Irish passports used as a part of Mossack's due diligence process.

The ICIJ said that by early next month, it will discharge names of more than 214,000 offshore entities, and also recipients, shareholders and directors associated with them. An exact date has not been unveiled.

The actual documents in the files will also not be published. Inquiries are being established in the UK and other jurisdictions, and the Mossack offices in El Salvador and Peru have been raided.

# Keeping up with business strategies

So as to survive and thrive, entrepreneurs and small business owners need to stay up to date with the latest business trends.

Here are a few lessons that can help any small business stay relevant and survive:

## Helping clients discover you online

One of the most widely recognised ways that people now discover businesses is utilising mobile phone or tablet applications. You should ensure that your business data is always updated in these applications as often as you can, and on any sites that people look out for businesses in any particular area. Use these sites as a platform to promote your services, products, business hours, contact information and special offers.

## Cloud computing

Cloud computing may represent an approach to overcome any business function that is inefficient and expensive. This internet service is viewed as a financially savvy and productive tool for small businesses. Cloud computing can be used to oversee e-newsletters, payrolls and in-house email.

## Business plan presentation technique

If you are hoping to discover investors and make money, it is crucial to consider how to present a business plan adequately. Investors are currently likely to need to see a short electronic slide presentation before a written business plan. Deliberately consider the information incorporated into these slides and if necessary learn new digital media skills so as to accomplish the desired impact. Putting a little effort into enhancing your public speaking strategies is also advisable

## Social responsibility

Business owners and entrepreneurs may have objectives beyond making money. The 'triple bottom line' refers to striving for a positive result for the planet, people and benefits. It is vital for business, whether substantial or little, to consider their social responsibilities and how their business practices affect the environment. Numerous businesses are currently looking for ways to be more feasible and to contribute to the community.

## A memorable tagline will take you far

We often don't consider them intentionally; however taglines are an essential part of an company's identity. A decent tagline should simultaneously tell clients what the embodiment of your company is, evoke solid sense of emotion and be totally consistent with your organisation identity.

An awesome slogan is additionally an incredibly cost effective way for your business to redesign its branding, paving the way for you to begin a new series of marketing initiatives. If you don't as of now have a slogan, or you are not satisfied by your present one, it worth taking time to think of one.

If you cannot also bear the cost, you may think about hiring a marketing or copywriting pro for the occupation. In any case, if your budget doesn't extend that far, try doing it yourself and ask employees, friends and families for their feedback and input.

Here are a few tips for composing a winning Tagline:

### 1. Memorable

Your slogan must be both easy to remember and instantly identifiable with your company. There are a number of ways you can make a slogan memorable - the real challenge is in ensuring that customers remembers your company when they recall it. You likewise need to keep it short because the longer it is, the harder it will be to recollect.

### 2. Personality

You need your slogan to pass on the "identity" of your company. Consider whether clients consider you to be an amusing, quirky, sympathetic, conservative or innovative brand and attempt to compose a corresponding slogan.

### 3. Informative

Your slogan needs to inform people something about your company, and if possible boil it down to its most fundamental element by specifying either your industry or key products. If you are in a niche market this is usually a place to start. For instance, 'Flowers with a twist', or 'Biggest burgers in town'.



# Car insurance costs soar by over 35% in less than two years

**Car insurance is on the rise and drivers are likely, on average, to pay €300 more for a comprehensive policy this year than they did in 2015. Fraud, legal fees, lack of enforcement and regulation of the insurance industries are all being blamed for hikes of more than 35% in the cost of premiums. During a period when drivers ought to be profiting from sharp falls in the cost of petrol and diesel at the pumps, rather they are bearing the burden of the highest insurance premium costs in years.**

"The increasing expense of motor insurance is a major frustration and one of the greatest consumer issues confronting motorists right now. We have seen an increase of near 40pc by on average over the last 18 months and for some individual drivers the increment is even worse," says Conor Faughnan, Director of Consumer Affairs for AA Ireland.

The rises have reserved years of falling premiums and the insurance industries argue that that previously, premiums were reduced to a level that implied insurance agencies were losing money, so the present increments is an endeavor to get premiums back to a beneficial rate. Notwithstanding, this is, best case scenario just a halfway clarification for the rise in motorist insurance costs, Mr Faughnan included. "Prices were stable and even falling overall for a decade and it's true to say that insurers were losing cash. Even so, these increments are not justified. Right now, we pay for the real cost of insurance, and afterward, we pay for unacceptable amounts of fraud, waste and inefficiency in the system" The absence of regulatory compliance

has additionally left a legacy for the insurance industry. Since 2010, to pay for the collapse of Quinn Insurance, drivers have been paying a levy on motor, home and commercial insurance. The failure of Quinn, which lost over €900m in 2009 and further €160m in 2010, was taken after four years by that of Setanta Insurance, which crumbled in April 2014 with an expected €90m shortage.

What's more, it is estimated that fraudulent cases added €50 to the cost of each motor policy, from criminal staging of "accidents" to fake production of counterfeit "no-claims certificate" by drivers changing insurers.

As of late, a few prominent insurance claims cases were tossed out after evidence rose up out of Facebook. A month ago, a Dublin lady had her €60,000 claim thrown out after photographs she posted were used as proof against her. She asserted she suffered injuries following a crash in an auto park. However, her case ended when photographs she posted on Facebook posing in a swimming outfit at a body-sculpting competition and on top of Bray Head, Wicklow, were presented in court. Another couple who staged a car crash while claiming to be strangers were discovered when the insurance agency saw they showed up in each other's Facebook profile pictures.

An expensive compensation system is also a key factor in driving up premiums. Somewhere in the range of 80% of motor injury claims are for whiplash in Ireland and on average, a petitioner will normally get €15,000; in the UK, the corresponding figure is €5,000.

There are calls for the whole agencies involved - from insurance companies, the courts, the Injuries Board, the Central Bank, the Government, the Garda Síochána, and others to act together and for the Government to assemble a Task Force to address the issues. Legal and claims costs additionally should be tended to and compensations set at levels the society can afford.

A data sharing system would effectively combat fraud. A system known as the Integrated Information Data Service, which is currently under development, would mean insurers would never again be required to obtain paper duplicates of clients' reports which can be easily faked.

Windscreens disks would likewise be nullified for using the database as proof of insurance. Car insurance is a legal prerequisite and there is a concern that the quantity of uninsured cars could rise because of high insurance costs. It is estimated that uninsured driving adds a further €30 to the average premium.



## Alternative investment properties

Choosing an investment property is an important decision, and you have to ensure that you are weighing up all of your options evenly. A great number of people will go for something that is familiar to them, usually a residential property that is in a community that they are familiar with. There are certainly advantages to this methodology: you know the market and you will have a relatively sound understanding of the kind of people that might become your tenants. There can likewise be some advantages to exploring less conventional investment property choices. In any case, if you are interested in a more unusual kind of property, you have to do a great deal of research to guarantee that you are making the right decision. This list contains some details of the things that should be taken into consideration when exploring different types of investment properties:

### Buying off the plan

There is a great deal of financial advantage to purchasing a property off the plan. Your investment property will probably encounter significant capital development, as developers will frequently offer discounts for early investment in a project. Be that as it may, the principle downside to purchasing off the plan is that you can never be totally sure about what the final product will be. Thus, purchasing off the plan is something you should consider if you are extremely confident about your choice, and preferably if

you have a little experience in investment properties.

Issues to put into consideration include medium apartment costs in the territory, any local developments that may affect your property (for instance a nearby high rise that would block the view), vacancy rates and general development patterns.

### Empty Land

Investing in an empty block of land is alluring on the grounds that you have so much flexibility over what to do with it. The primary thing you have to do is to gain a thorough understanding of any policy that may influence what you should or shouldn't do with the property. For instance, some local councils may have regulations on the number of stories you can build or restrict certain sorts of business activities. You should also research a few quotes to give you an exact idea regarding what you're building expenses will be, particularly for utility connections

### Foreign real estate

Investing in an overseas property is an exciting prospect. Numerous individuals look at putting resources into foreign property with the dream of it turning into a holiday house, or even a fantasy retirement home. The primary disadvantage to investing abroad is that you will always be far from your investment, implying that you will require a real estate agent that you can trust. There are likely going to be some travel costs that you will incur in the course of acquiring and maintaining the property. The tax implications of owning a foreign investment property can also be varied and complicated.

## Identifying Investment Scams

Fraudulent investments can be a serious issue and people with a high net worth are frequently targeted in these scams. Some investment scams in the past couple of years have been greatly sophisticated, and have figured out how to fool seasoned investors. Here are a few things that ought to raise a red flag in a prospective investment opportunity:

### a. Website

If an investment opportunity is presented to you on the web, you should do a lot of research to verify that there is a legitimate association behind it. It will be too good to be true if the profits that you are being guaranteed on a investment sound too good then there is a good chance that they are scams.

### b. Cold calls

Receiving a cold call with a investment offer ought to raise your suspicions immediately. Organisations with legitimate investment offer usually don't have to turn to resort to cold calling.

### c. No risk

Any investment offer that claims to be without risk ought to be treated with caution. Indeed, even the most stable investment options carry a little measure of risk, and no respectable expert should guarantee an option is without risk.

### d. Pressure to act Sales

People who pressure you to make an investment decision fast, for instance by telling you know that the opportunity will expire quickly, ought to be treated with caution. It is possible that they are attempting to keep you from conducting independent research. You should never feel pressured to make a hasty decision with respect to any sort of investment.



## Expenses Explained

### Flat Rate (employment) expenses

These are expenses that are incurred in the execution of the performance of the duties and are directly identified with the 'nature of the employee's employment'. A standard flat rate costs allowance (deduction) is set for different classes of employees. For instance, driving instructors are granted flat rate costs of €125 per annum. The amount of the deduction is agreed between the Revenue and representatives of groups or classes of workers (usually the employees are represented by trade union authorities). The agreed deduction is then applied to all employees of the class or group being referred to.

### Round sum expenses

Round-sum expenses payment (lump sum expenses payments) whether paid weekly, monthly, and yearly or otherwise, which are paid to the employee to cover costs, must be treated as pay and taxed accordingly. An example of a round sum payment is where an employer consents to pay, say €300 every month in addition to the basic salary in order to cover costs. This €300 must be treated as pay and taxed accordingly. Employers are reminded that round-sum expenses payments are taxable in full and should be dealt with as pay.

### Meal Vouchers

Where an employer gives luncheon or meal vouchers to workers, there is taxable benefits and the face value of the vouchers (ignoring 19c for every voucher) must be dealt with as pay and taxed in like manner.

### Canteen Meals

Taxable benefit does not emerge in respect of free or subsidised meals in staff canteens where foods are provided for the staff generally. The facility must be accessible to all workers. Otherwise, the exemption does not apply.

Reimbursement of allowance expenses  
Payments made to the employee which are no more than reimbursement of vouched costs, really incurred by the employer in performing the obligations of the employment, should not be dealt with as pay. Expenses which are not regarded as pay must not just be actually incurred in the performance of the duties of the employment yet should likewise be wholly, exclusively and necessarily so incurred. Costs which are acquired by employees in travelling to and from the place of employment are not permissible for tax purposes and any re-imbursement of these costs must be dealt with as pay and taxed likewise.

### Motoring costs

A few employees use their private cars for business purposes. Reimbursement of motoring expenses incurred can be managed in different ways. Employers are reminded that round-sum motoring costs installments are taxable in full and should be dealt with as pay. Please refer to the previous paragraph 'Round-Sum Expenses'.

### Reimbursement of Motoring Expenses by Flat-Rate Kilometric allowances

Where employees use their private car for business purposes, reimbursement in respect of allowable motoring costs can be made by method for flat-rate kilometric allowances. There are two

types of kilometric allowance plans which are acceptable for tax purposes, if an employee bears all the motoring costs:

The prevailing schedule of Civil Service rates or Any other schedule with rates not greater than the Civil Service rates

### Expenses claims submitted to Revenue

As an alternative for the reimbursement by the employer, an employee may submit a claim to Revenue for a expenses reduction (and any wear and tear allowance in respect of the motor vehicle). Be that as it may, where the worker chooses to make such a claim, any re-imbursement of expenses by the employer, including any scale allowances, must be dealt with as pay and taxed accordingly. Employees cannot claim from Revenue for any costs that are or will be reimbursed by the employer.

### Information Required

- Date of procurement of car
- Purchase cost.
- Date from which car was used for business purposes.
- Mileage and percentage of business to private use.
- Running Costs - Repairs, Service, Tax and Insurance.
- Any reimbursement of running cost made by the employer.
- CO2 emissions



## Distinguishing client needs

If you understand the nature of your clients' needs, you will have the capacity to showcase your products or services far more effectively. Different types of customer needs require different marketing and marketing strategies.

**Below are the three most essential types of customer needs and how best to target them:**

### 1. Immediate needs

These are short-term needs that

customers must respond to immediately, for instance, lunchtime hunger or a plumbing problem. To target clients with immediate needs, you ought to continually promote and emphasise fast service, comfort and price.

### 2. Actual long time needs

These are genuine needs and wants that are not necessarily immediate, for instance, a car service. To target clients with actual long-term needs you should be advertising regularly, as a deliberating client will probably turn to familiar or recognisable outlets. Attempt to stay in contact with previous satisfied customers; this can guarantee more noteworthy word-of-mouth recommendations.

### 3. Perceived needs

These are needs that a person thinks they have, however in reality, are not a necessity. These have a tendency to be for extravagant goods, for example, clothes or eateries. You should aim to emphasise the superior quality of your product or services because the customer will likely do some comparisons.

Write out your duties and responsibilities and consider how they help others, either by reducing costs, boosting sales, or making life easier or safer for your colleagues or customers.

## Make your business environmentally-friendly

Making your business practices more environmentally-friendly can cut expenses and give you a marketing boost. Here are a few tips to help the planet and your bottom line:

### 1. Reduce waste and contamination

Waste includes something you purchased, couldn't or didn't sell, and are presently ready to be disposed. You've been paying for items you didn't completely use, and whether it's manufacturing material, excess packaging or only a lot of trash. Reducing your waste is the least

difficult and most cost-effective approach to reduce your ecological footprint. In most cases, it will really spare you cash!

### 2. Cut energy use:

If you can produce your products or services or run your operation with less energy consumption, then you've not just saved money, you're additionally helping the environment. Solar energy for your business is a large upfront investment; however it can pay itself off in only a couple of years.

### 3. Recycle

That is not just limited to manufacturing plants or operations. Each office disposes of dirty bins full of recyclable paper, aluminum (soft drink cans) and plastic (water bottles). Work with your maintenance or cleaning service to guarantee there are marked recycling bins all throughout your office.



## SME Credit and Lending Division

The Government recognises that Small and Medium Enterprises (SMEs) are the backbone of the economy and play a vital role in the recovery of employment development in our country. One of the key priorities of the Programme for Government is to guarantee that an adequate pool of credit is accessible to support SMEs in the real economy during the restructuring and downsizing programmes.

SME Credit and Lending Division are tasked with ensuring that viable SMEs can be able to access funds from a wide variety of sources, including bank and non-bank sources. The Division also works closely with the Credit Review Office (CRO) both in its capacity as an appeal body for SMEs, refused credit by banks and observing the lending conduct of AIB and Bank of Ireland

### Bank Funding

AIB and Bank of Ireland are required to present their lending plans to the Department of Finance and the CRO toward the beginning of every year, outlining how they intend to accomplish their loaning targets. SME Credit and Lending Division, in conjunction with the CRO, examinations plan to meet the banks to discuss any issues of note. The banks likewise meet with the Department of Finance and the CRO on a quarterly basis to discuss about progresss, in addition to submitting monthly reports outlining advancement on lending separated by sector and region. SME Credit and Lending Division also meet with other banks and the IBF to guarantee that the Department has a thorough handle on the machinations of the bank SME loaning landscape. The Division additionally liaises frequently with small representative organisations whose members have first-hand experience in dealing with the banks.

### Non-Bank Funding

SMEs use financing for growth and investment needs and also to fulfill working capital needs which can include financing their supply chains. SME Credit and Lending Division promote and evaluate alternatives to diversify financing for SMEs away from banks. This is particularly significant given that numerous banks are deleveraging and that SMEs depend on the banking sector heavily for financing needs - Irish SMEs are among the most reliant in Europe on bank funding.

As SMEs represent a wide variety of business types and sizes, Government policy in Ireland supports a wide variety of supports for the sector. As far as non-bank subsidising SME Credit and Lending Division are supporting or researching the use of the following policy interventions: Loan Guarantee Schemes, Direct Lending to SMEs (with and without Private Sector), provision of account from the National Pension Reserve Fund to the real economy through partnership with private sector investors, Venture Capital plans, Supply Chain Finance supports, support for reigniting markets to securitise SME loans which can prompt safe increments in bank credit directed at SMEs, Peer to Peer and Crowd Funding support, encouragement of IPOs and Retail Bond

Markets and the capacity of funds to extend loans to SMEs. Inputs to international policy debates in this area of the European Commission's

Green Paper on Long term financing and funding of SMEs. A High Level Expert Group on SME and Infrastructure Finance was comprised of experts from the financial sector, EU Institutions, public development banks and EU governments and was chaired by the Secretary General of the Department of Finance with backing from the SME Credit and Lending Division. The HLEG issued its report on 11 December 2013. The report contains a set of solid suggestions aimed at boosting bank and capital market financing in Europe for SMEs and infrastructure investment. The proposals of the groups will be fed into national plans in this space, including the Action Plan for Jobs 2014 and the SME Credit and Lending Division will draw on the Report to guarantee that whatever number of the recommendations as could be allowed is converted into action over in the Irish business sector.

FundSME will be hosting a funding conference at the RDS on May 28th where small business owners can meet the investors who will support the growth and expansion of their organisations. The organisers are also hosting various roadshows across the nation ahead of the conference in association with local Chambers of Commerce, at areas running from Kilkenny to Cork and including Limerick, Dundalk and Galway. The conference can accommodate up to 4,000 SMEs and registration at the FundSME site is free.