



cutting through complexity

Our People

Alumni Edition

R.G. Manabat & Co.

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Roberto G. Manabat named Chairman of AASC



The Auditing and Assurance Standards Council (AASC) announced the appointment of RGM&Co. Chairman and CEO Roberto G. Manabat as the new Chairman of the AASC from 2015 until 2017. Manabat was sworn into his duties at a ceremony on 15 December 2014 at the Tower Club, Philamlife Tower, Makati City.

The Auditing and Assurance Standards Council or AASC was formed in December 2005, under the Philippine Accountancy Act of 2004, by the Professional Regulation Commission (PRC) upon the recommendation of the Board of Accountancy (BoA). The AASC is the body authorized to establish and promulgate generally accepted auditing standards (GAAS) in the Philippines.

“I am proud to have the opportunity to lead AASC,” said Manabat who once served as the Securities and Exchange Commission’s (SEC) first General Accountant. “My focus will be to further reinforce the development, adoption, and implementation of high quality auditing and assurance standards among professionals of our practice. The AASC is continuously committed to strengthen public confidence in financial reporting.”

RGM&Co. once again recognized as First Tier Philippine Tax Practice

RGM&Co. has been named once again as a Tier 1 tax practice in the Philippines by the International Tax Review’s World Tax 2015.

WorldTax 2015 is a comprehensive guide to the world’s leading tax law and accounting practices. It is the foremost publication of its kind to focus on the leading firms for tax advice around the world by rating the tax expertise offered in more than 50 jurisdictions globally. The International Tax Review is the leading publication on international tax, providing international news and updates, surveys and analysis from leading tax directors and officials worldwide.

“We are proud that we are named once again as a top-tier tax practice here in the Philippines. This achievement demonstrates the expertise of our tax professionals in helping our clients adapt to the changing tax environment and, at the same time, the Firm’s continued commitment to excellent service,” said Emmanuel Bonoan, Vice Chairman and Head of Tax, Chief Operating Officer of RGM&Co.

RGM&Co. joins the International IT-BPM Summit



RGM&Co. participated in the International IT-BPM Summit held on 13-14 October 2014 at the Makati Shangri-La Hotel with the theme *Drive Change. Shape the Future.* Organized by the IT and Business Process Association Philippines (IBPAP), the event served as an avenue for industry stakeholders to explore new insights from other international industry leaders and experts as the information technology and business process management (IT-BPM) industry continues to be one of the biggest drivers of Philippine economy today. During the conference, KPMG Director for Management Consulting Mohammed Zafar Ali talked about leveraging ASEAN integration to boost shared services and outsourcing (SSO) opportunities in the Philippines.

RGM&Co. awards the KPMG Executive Leadership Team of the Year Award to SMPHI



RGM&Co. Chairman and CEO Roberto Manabat (left most) and Head of Advisory Henry Antonio (right most) gives the KPMG Executive Leadership Team of the Year Award to SMPHI President Hans T. Sy (second from left) and SMPHI CFO John C. Ong (second from right).

RGM&Co. Chairman and CEO Roberto Manabat and Head of Advisory Henry Antonio awarded the KPMG Executive Leadership Team of the Year Award to SM Prime Holdings, Inc. (SMPHI) during the Asia CEO Awards held on 12 November 2014 at the Solaire Resort and Casino. Receiving the highest honor given to an organization by the Asia CEO award-giving body, SMPHI was chosen when it reached new heights because of the efficient consolidation of its real estate companies. Today, it has transformed into one of the leaders of the country's real estate and retail industries from being a small shopping mall development and operations company.

RGM&Co. partners with the Institute of Internal Auditors Philippines



RGM&Co. partnered with the Institute of Internal Auditors Philippines (IIAP) as a Gold Sponsor during its 67th Annual Convention on 15-17 October 2014 at the Limketkai Luxe Hotel, Cagayan de Oro.

IIAP remains committed to the development of the profession and the individuals who practice internal audit. With the theme *Internal Auditing 2000 and Beyond*, the conference's aim was to build the internal audit profession with a forward-thinking approach based on trends and patterns of growth. RGM&Co. played a key role as the convention committee during the event and organized sessions that brought an understanding of the recent internal audit developments and discussion about the industry's best practices to address challenges as the role of internal audit continues to evolve. Some of the speakers were from KPMG's roster of experienced professionals, namely, RGM&Co. Head of Advisory Henry Antonio who talked about Risk Appetite and Risk Culture, RGM&Co. Audit partner Aline Novilla who gave a briefing on the Foreign Corrupt Practices Act, Anti-Bribery Act and Anti-Money Laundering Act, and KPMG Australia's Director for Shared Services Reena Malik who discussed how to build a competency-based development program for internal audit professionals. There were also several networking activities for the participants in order to share knowledge about different insights and opportunities during the three-day event.

"We are one with IIAP in providing a holistic experience for internal audit professionals through this annual convention as they remain relevant and meet the increasing needs of their clients," said Henry Antonio, Head of Advisory of RGM&Co.

RGM&Co. officially opens its own KPMG Store

RGM&Co. opened its first ever KPMG Store at the 6F of KPMG Center on 14 November 2014. The KPMG Store contains official KPMG and RGM&Co. merchandise which are readily available for purchase. Current items for sale are ceramic mugs, umbrellas, water bottles, sports shirts, jackets and caps.



Introducing the KPMG Store

KPMG Jacket PhP 1,245

Available in XS, S, M, L, XL sizes.



KPMG Collezione Sports Shirt Men's PhP 1,090 Ladies PhP 985

Get this exclusive KPMG and Collezione Sports polo shirt. Just indicate your Collezione size when you place your order. Colors: blue, white and black



KPMG Ceramic Mug PhP 130

A white ceramic mug is classic and useful for both home or office.



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Always be hydrated and bring your favorite beverages anywhere with this sturdy and functional water bottle. Colors: blue, red and green 450 mL capacity



KPMG Cap PhP 195

This multi sport cap is made of durable semi-stretch dri-fit material that you can use for sport or casual days. Adjustable to fit most sizes. Colors: blue, white and black



KPMG Foldable Umbrella PhP 390

Don't let heavy rain ruin your day when you have something perfect for the unpredictable weather. This umbrella is compact, efficient, fully foldable and fits most bags and briefcases. Length: 21 inches in diameter and 11 inches when folded



KPMG Golf Umbrella PhP 245

Get more coverage from the elements with this full size golf umbrella. This comes in navy blue color with silver lining for heat protection. Length: 30 inches



Store hours are from 10:00am - 11:00am and 2:00pm - 4:00pm only.

For inquiries and pre-order items, you may call 885 7000 local 392.

Happy shopping!

KPMG delivers strong growth and record revenues for FY14

KPMG International announced record-high aggregated network revenues of US\$24.82 billion for the fiscal year ending 30 September 2014, representing a 6.3% increase in local currency terms over the previous year.

"The companies we serve are operating in an increasingly complex, global and rapidly changing environment, which demands that we provide a broad range of services and solutions, seamlessly and consistently across the world. The quality and breadth of professional services we offer, combined with significant investments we've made to strengthen and broaden our services and capabilities, has enabled us to achieve strong and sustainable growth in 2014. At the same time, we have recruited 18,000 graduates and grown our headcount to 162,000 professionals," said John B Veihmeyer, KPMG International Chairman.

Strong regional results

The Americas delivered strong growth over the prior year, with revenues rising by 10.1%, driven by a 15.1% growth in Advisory revenues, 8% increase in Tax and an 8.7% increase in Audit revenues.

Europe Middle East and Africa (including India) revenues grew by 4.7%, with strong growth in Ireland, Spain, Switzerland and the UK, as many of the region's leading economies returned to growth.

The Asia Pacific region realized revenue growth of 3.8%, a positive performance in the context of the challenging economic conditions for many of the region's leading economies.

KPMG has a longstanding commitment to supporting clients in the world's fastest growing economies and this focus drove 17.8% annual growth in revenues in India, 11.1% in the Middle East, 10.5% in Africa, 8.0% in ASEAN and 7.3% in China.

Growth in Audit, Tax and Advisory

KPMG saw increased growth in FY14 in Audit, Tax and Advisory.

Audit

Audit performed strongly, with member firm revenue increasing 3.8% to US\$10.46 billion, up from 1.2% growth in the prior year. This growth was achieved against the backdrop of a global market for audit and assurance services which has become increasingly competitive and challenging. We continue to see intense price pressure on audit engagements and the introduction of European Union audit reforms is driving an unprecedented level of audit tenders.

"The US\$600 million multi-year investment to continuously enhance the quality of the KPMG audit, was maintained and extended, and we were proud to win a number of significant audit appointments including: American Airlines, Mapfre, ING, Panasonic, Renault and Vale," said John Veihmeyer.

Tax

Tax revenues grew 6.1% to US\$5.27 billion, up from 4.2% in FY13, driven by an increased demand for tax compliance and tax advisory services in all three of our regions.

KPMG continued to lead the way in the global dialogue on the future evolution of tax transparency and morality, with KPMG experts contributing research, thought leadership and articles to further this important debate. KPMG's publicly available Global Tax Principles sets out the standards which KPMG tax professionals follow in their work delivering tax services for their clients.

Advisory

Total Advisory revenues for the year were up by 10.4% to US\$9.09 billion, up from 6.5% in FY13, driven by:

- Strengthening demand for KPMG's Management Consulting services, which delivered 9.6% growth. Risk Consulting services which grew 12.3% from FY13.
- Transactions and Restructuring, where increased demand from a more active market delivered growth of 10.8%.

Investing for future growth

KPMG is at the mid-point of a five year, US\$1 billion, global investment program aimed at developing new Data & Analytics solutions, incorporating state of the art technology and investing in high growth markets. As an example, in the past two weeks, KPMG has in the U.K. announced a strategic alliance with McLaren, which will apply McLaren Applied Technologies' ('MAT') predictive analytics and technology to KPMG's audit and advisory services, and taken an equity stake in Bottlenose, the market leading real time trend intelligence company.

KPMG also completed a number of other significant transactions through FY14 with respect to:

- SAFIRA, widely regarded as one of the world's leading provider of IBM's Business Process Management services (KPMG in Portugal)
- Cynergy, a pioneering digital and mobile technologies company (KPMG in the US)
- Qubera, a cyber-security firm providing services to many Fortune 500 and Global 2000 companies (KPMG in the US & UK)
- Rothstein Kass, a leading US-based provider of professional services to hedge funds and the Alternative Investment industry (KPMG in the US).

A leading choice for talent

KPMG has maintained its long-standing focus on recruiting top talent in FY14, recruiting a record high of 54,000 graduates and experienced hires, including 350 new partners who joined from outside. KPMG's global workforce grew by almost 7,000 to over 162,000 partners and staff, the highest number of individuals ever employed across the network.

John Veihmeyer added, "KPMG remains a leading choice for graduate talent, and we were proud to be voted in the Top 5 most attractive global employers in the annual Universum 'World's Most Attractive Employers to Work For' poll of around 200,000 degree students."

Other FY14 highlights:

- KPMG's member firms now serve more than 80% of Global Fortune 500 companies.
- KPMG Capital, the investment fund for KPMG member firms to acquire, invest or partner with innovative cutting-edge technology businesses, announced its first investments.
- Continued investment in Management Consulting, with strong capabilities in key areas like HR transformation; procurement; outsourcing & supply chain; customer & enterprise performance management; and CIO advisory.
- Continued significant investment in global Centers of Excellence including Financial Services, Government, Infrastructure, Energy & Natural Resources, Healthcare, Climate Change & Sustainability and Human Resources bringing together KPMG experts around the world to develop practical solutions for client issues.
- Simultaneous publication of KPMG's International Annual Review and Transparency Report.

"As one of KPMG's fastest-growing firms in the Asia Pacific region, we are proud to be part of its network of member firms where we are always driven to offer the best services and add value to the businesses of our clients. This strong and consistent growth is attributed to the quality and breadth of our services and, more importantly, our high-performing professionals who continuously pursue integrity, efficiency and diligence in everything they do," affirmed Roberto G. Manabat, Chairman and CEO of RGM&Co.

Knowledge Management Corner

KPMG ASPAC launches new thought leadership about CFOs

KPMG and Forbes Insights have recently completed an ASPAC CEO research publication entitled *The View from the Top* which seeks to understand how CEOs view their own CFO and the changing role of the CFO.

As part of the research, Forbes surveyed 178 CEOs throughout the ASPAC region, complemented by interviews with six ASPAC-based CEOs and five senior KPMG partners.

The report explores how CEOs in Asia Pacific view their CFO, what they see as attributes of a high-performing CFO, and how they see the CFO role changing in the next three to five years. Below are some the key insights from the publication:

- CEOs have high expectations of their CFOs, particularly to harness technology and build a more dynamic finance function.
- CEOs want their CFO to be able to articulate an insightful, compelling story. CFOs are in a unique position to think through the big questions related to strategic shifts: How does an idea translate into real activity on the ground? What are the risks? How will the market react? How will results be affected?
- To progress, CFOs need to set aside time to focus on strategy and build teams that can provide qualitative output for a strategic view.



This thought leadership can be downloaded from www.kpmg.com.ph.

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Editorial Page

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Our Values

We lead by example
We work together
We respect the individual
We seek the facts and
provide insight
We are open and honest in
our communication
We are committed to
our communities
Above all, we act
with integrity

For comments and suggestions,
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