

2015 global



WORLD SURVEY 2016

NETWORKS: FEE DATA

Rank	Name	Fee income (\$m)	Growth rate (%)	Fee split (%)							Year-end
				Audit & accounting	Tax services	Management consulting	Corporate finance	Corporate recovery/insolvency	Litigation support	Other	
1	PwC* (1)	35,356.0	4%	43	25	-	-	-	-	32	Jun-15
2	Deloitte* (1)	35,200.0	3%	28	19	-	-	-	-	53	May-15
3	EY*	28,655.0	5%	40	26	25	9	-	-	-	Jun-15
4	KPMG*	24,440.0	-2%	41	22	-	-	-	-	37	Sep-15
5	BDO (2)	7,303.9	4%	59	20	-	-	-	-	21	Sep-15
6	RSM (3)	4,641.4	6%	49	29	-	-	-	-	22	Dec-15
7	Grant Thornton International*	4,632.8	-2%	42	21	29	-	-	-	8	Sep-15
8	Baker Tilly International*	3,807.0	7%	49	25	10	2	4	1	10	Jun-15
9	Crowe Horwath International (4)	3,506.7	2%	45	24	12	1	-	-	16	Dec-15
10	Nexia International*	3,082.7	0%	45	26	6	1	1	2	18	Jun-15
11	Moore Stephens International (5)	2,659.9	-1%	50	27	8	2	1	1	12	Dec-15
12	Kreston International*	2,045.2	0%	39	27	14	2	4	-	15	Oct-15
13	HLB International*	1,910.3	1%	47	23	13	2	2	1	13	Dec-15
14	Mazars*	1,423.8	-2%	65	18	8	8	-	1	0	Aug-15
15	PKF International*	1,014.1	-58%	54	25	7	2	1	2	9	Jun-15
16	UHY International*	517.0	-19%	62	17	9	2	1	1	9	Dec-15
17	Russell Bedford International* (6)	392.0	1%	55	23	8	-	-	-	14	Dec-15
18	ECOVIS International (7)	322.0	-15%	45	30	10	2	2	3	8	Dec-15
19	Pan-China International (8)	320.6	36%	80	5	3	-	-	-	12	Dec-15
20	ShineWing International*	276.1	5%	76	5	6	-	1	-	12	Dec-15
21	TGS Global*	212.5	20%	69	19	5	-	1	1	6	Dec-15
22	Santa Fe Associates (9)	201.3	18%	50	25	15	10	-	-	-	Dec-15
23	UC&S AMERICA	190.8	300%	18	58	24	-	-	-	-	Dec-15
24	Reanda International (10)	165.1	15%	46	11	5	0	4	-	34	Dec-15
25	IECnet/EPR*	120.5	-14%	55	26	8	2	1	1	7	n/a
26	AUREN*	106.9	-3%	40	40	15	3	-	1	1	Dec-15
27	SMS Latinoamérica (11)	69.6	0%	47	28	18	1	3	-	3	Dec-15
28	FinExpertiza (12)	47.2	-33%	45	10	5	-	-	1	39	Jun-15
29	Kudos International (13)	18.0	72%	33	-	-	-	-	-	67	Aug-15
Total revenue/growth		162,638.4	2%								

Notes: (1) 'Other' refers to all services outside of assurance and tax; (2) BDO revenue includes \$1.9bn from alliance member firms; BDO revenue in 'other' refers to its advisory service line; (3) RSM revenue includes \$1.0bn from alliance firms; RSM revenue in 'other' refers to its advisory service line; (4) Crowe Horwath International revenue includes \$911.2m from alliance or correspondent member firms; (5) Moore Stephens International revenue includes \$35.2m from alliance or correspondent member firms; (6) Other includes corporate finance, corporate recovery/insolvency and litigation support; (7) ECOVIS International revenue does not include fee income of associated US partners. If it were to, the combined revenue of the network would be \$515.6m; (8) Pan China International revenue includes \$29.2m from alliance or correspondent member firm; (9) Santa Fe Associates revenue includes \$45.5m from alliance or correspondent member firms; (10) Reanda revenue includes \$17.1m from alliance or correspondent member firms; (11) SMS Latinoamerica revenue includes \$2.6m from alliance or correspondent member firms; (12) FinExpertiza revenue includes \$15.1m from alliance or correspondent member firms; (13) Other includes all non audit services. *Disclaimer = Only data from the named member firm or the exclusive member firms within a network/association is included. Data relating to correspondent and non-exclusive member firms is not included.

Source: International Accounting Bulletin

2015 global

WORLD SURVEY 2016

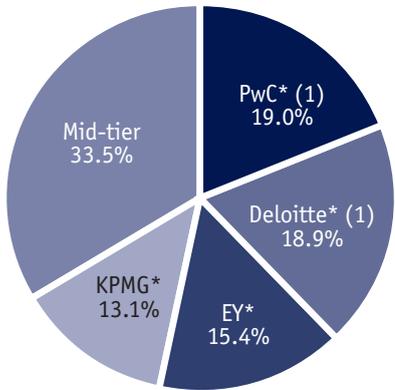
NETWORKS: STAFF DATA

Rank	Name	Total staff			Partners		Professional staff		Administrative staff		Offices	
		2015	2014	Growth (%)	2015	2014	2015	2014	2015	2014	2015	2014
1	Deloitte	225,351	210,400	7%	10,601	10,247	176,935	163,676	37,815	36,477	674	674
2	EY*	211,450	188,292	12%	10,500	9,703	161,793	141,859	39,157	36,730	700	700
3	PwC*	208,109	195,433	6%	10,611	10,002	163,513	153,051	33,985	32,380	756	758
4	KPMG*	173,965	162,031	7%	9,445	9,039	134,064	124,827	30,456	28,165	900	900
5	BDO	64,303	59,428	8%	5,413	5,037	49,952	45,940	8,938	8,451	1,408	1,328
6	Grant Thornton International*	42,204	40,197	5%	3,087	2,975	32,132	30,273	6,986	6,949	733	725
7	RSM	38,353	37,443	2%	3,384	3,279	28,613	28,172	6,356	5,992	763	732
8	Crowe Horwath International	33,207	31,040	7%	3,699	3,544	24,063	22,338	5,445	5,158	752	726
9	Baker Tilly International*	27,986	26,846	4%	2,729	2,603	21,130	19,916	4,127	4,327	745	693
10	Moore Stephens International	27,613	26,290	5%	2,727	2,495	21,128	19,486	3,758	4,309	657	626
11	Nexia International*	24,781	24,066	3%	2,587	2,707	17,183	16,548	5,011	4,811	565	576
12	Kreston International*	21,715	20,319	7%	1,667	1,522	16,999	15,891	3,049	2,906	663	633
13	HLB International*	21,201	18,708	13%	2,086	1,868	14,993	13,813	4,122	3,027	618	605
14	Mazars*	15,462	14,088	10%	788	748	12,548	11,401	2,126	1,939	247	250
15	PKF International	12,193	20,869	-42%	1,252	2,624	9,006	13,645	1,935	4,600	402	435
16	UHY International*	7,623	7,669	-1%	767	791	5,554	5,629	1,302	1,249	319	296
17	Russell Bedford International	5,590	5,353	4%	599	635	4,243	3,925	748	793	266	247
18	ShineWing International*	5,081	4,555	12%	214	199	4,472	3,940	395	416	31	26
19	ECOVIS International	4,806	4,686	3%	617	666	3,527	3,464	662	556	281	274
20	Pan-China International	4,676	4,271	9%	155	131	4,200	3,819	321	321	15	15
21	UC&S AMERICA	3,907	1,579	147%	232	193	3,342	1,140	333	246	176	112
22	Santa Fe Associates	3,594	3,195	12%	643	568	2,241	1,979	710	648	143	125
23	TGS Global*	2,910	1,963	48%	263	175	2,253	1,547	394	241	194	150
24	Reanda International	2,623	2,529	4%	165	132	2,080	2,145	378	252	95	82
25	SMS Latinoamérica	2,005	1,928	4%	175	165	1,664	1,610	166	153	53	48
26	IECnet/EPR*	1,764	1,849	-5%	289	282	1,088	1,176	387	391	157	162
27	AUREN*	1,613	1,507	7%	231	212	1,231	1,177	151	118	50	50
28	FinExpertiza	1,125	1,059	6%	40	35	915	848	178	176	24	20
29	Kudos International Network	692	558	24%	64	43	-	-	-	-	33	23
Totals		1,195,902	1,118,151	24%	75,030	72,620	920,862	853,235	199,391	191,781	12,420	11,991

Notes: *Disclaimer = Only data from the named member firm or the exclusive member firms within a network/association is included. Data relating to correspondent and non-exclusive member firms is not included.

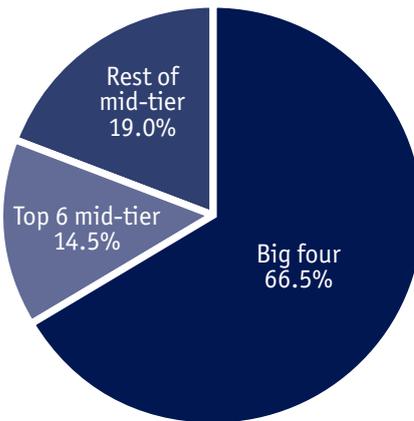
Source: International Accounting Bulletin

MARKET SHARES – THE BIG FOUR vs OTHERS



Source: International Accounting Bulletin

THE BIG FOUR vs THE NEXT SIX AND OTHERS



Source: International Accounting Bulletin

AVERAGE FEE SPLIT (%) BIG FOUR 2008, 2013 TO 2015

	2008	2013	2014	2015
Audit & accounting	52	43	42	38
Tax	24	23	23	23
Advisory	24	34	35	39

Source: International Accounting Bulletin

AVERAGE FEE SPLIT (%) TOP 10 NETWORKS IN 2008, 2013 TO 2015

	2008	2013	2014	2015
Audit & accounting	53	48	46	44
Tax	23	23	24	24
Advisory	24	29	30	68

Source: International Accounting Bulletin

AVERAGE FEE SPLIT (%) ALL PARTICIPANTS 2008, 2014 AND 2015

	2008	2014	2015
Audit & accounting	53	50	48
Tax	24	24	26
Advisory	23	26	26

Source: International Accounting Bulletin

RANKING OF NETWORKS: AUDIT & ACCOUNTING (A&A) VERSUS NON-AUDIT SERVICES (NAS)

Ranking by A&A % vs total fee	Accountancy firms	A&A (%)	NAS (%)	Total fees FY15 (\$m)	
1	19	Pan-China Int.	80	20	320.64
2	20	ShineWing Int.	76	24	276.1
3	21	TGS Global	69	31	212.5
4	14	Mazars	65	35	1,423.8
5	16	UHY Int.	62	38	517.0
6	5	BDO	59	41	7,303.9
7	25	IECnet/EPR	55	45	120.5
8	17	Russell Bedford Int.	55	45	392.0
9	15	PKF Int.	54	46	1,014.1
10	11	Moore Stephens Int.	50	50	2,659.9
11	22	Santa Fe Associates	50	50	201.3
12	8	Baker Tilly Int.	49	51	3,807.0
13	6	RSM	49	51	4,641.4
14	13	HLB Int.	47	53	1,910.3
15	27	SMS Latinoamérica	47	53	69.6
16	24	Reanda Int.	46	54	165.1
17	9	Crowe Horwath Int.	45	55	3,506.7
18	18	ECOVIS Int.	45	55	322
19	28	FinExpertiza	45	55	47.2
20	10	Nexia Int.	45	55	3,082.7
21	1	PwC	43	57	35,356.0
22	7	Grant Thornton Int.	42	58	4,632.8
23	4	KPMG	41	59	24,440
24	26	AUREN	40	60	106.9
25	3	EY	40	60	28,655.0
26	12	Kreston Int.	39	61	2,045.2
27	29	Kudos Int.	33	67	18.0
28	2	Deloitte	28	72	35,200.0
29	23	UC&CS AMERICA	18	82	190.8

Notes: All footnotes from fee table ranking on page 8 apply.

Source: International Accounting Bulletin

RANKING OF ASSOCIATIONS: AUDIT & ACCOUNTING (A&A) VERSUS NON-AUDIT SERVICES (NAS)

Ranking by A&A % vs total fee	Accountancy firms	A&A (%)	NAS (%)	Total fees FY15 (\$m)	
1	10	Morison Int.	57	43	623.6
2	6	BKR Int.	56	44	1,350.00
3	9	IAPA	56	44	1,093.40
4	11	MSI Global Alliance	54	46	604.6
5	4	PrimeGlobal	54	46	1,794.00
6	18	INPACT	53	47	268
7	1	Praxity	53	47	4,487.10
8	26	ACEE	52	48	19.2
9	23	GMN Int.	52	48	162.1
10	19	Integra Int.	50	50	251.6
11	8	AGN Int.	47	53	1,208.20
12	12	CPA Associates Int.	47	53	588
13	14	KS International	47	53	345.5
14	2	LEA GLOBAL	40	60	3,022.90
15	7	DFK Int.	44	56	1,220.90
16	17	JHI Association	41	59	286.2
17	20	ANTEA	39	61	242.6
18	5	Allinial Global (formerly ARAF)	39	61	1,608.00
19	16	Enterprise Worldwide	38	62	315.1
20	25	Abacus Worldwide*	35	65	65.1
21	15	Alliott Group	33	67	342.9
22	3	GGI Geneva Group Int.	26	74	2,311.00
23	21	UC&CS GLOBAL	24	76	201.4
24	22	EuraAudit Int.	Information not provided	188.7	
25	13	MGI		548	
26	24	Parker Randall Int.		129.7	

Notes: All footnotes from fee table ranking on page 9 apply.

Source: International Accounting Bulletin

WORLD SURVEY 2016

Countries	Average growth of firms (%)	
	2014	2015
Australia	5	10.3
Brazil	13	9.1
Canada	1.4	5.8
China	18	6.5
Colombia	-	14.2
France	4	6
Germany	5	5.5
Italy	4.6	4.9
Japan	4	3
Mexico	7.4	11

Notes: Average growth rates are taken from International Accounting Bulletin country surveys in calendar year 2015.

WORLD SURVEY 2016

Countries	Average growth of firms (%)	
	2014	2015
Netherlands	-0.7	2.2
Nigeria	19	-4.5
Russia	5.8	18
Singapore	-	7.2
South Africa	8.4	-10.7
South Korea	0.6	2.8
Spain	4	4.8
Turkey	12	13
UK	4.9	7.2
USA	7	7.9
World	6	2

Notes: Average growth rates are taken from International Accounting Bulletin country surveys in calendar year 2015.

on Asia-Pacific's market trends. What can be said for certain is that the region is dominated by several economic hubs.

Southeast Asia and particularly the Association of Southeast Asian Nations (ASEAN) is a community to - at the very least - keep a watchful eye on in 2016.

Late last year, the formation of the ASEAN Economic Community (AEC) was agreed by the leaders of 10 ASEAN nations at a meeting hosted by Malaysia on 22 November.

While a far from an operational single market like the EU, this landmark agreement certainly tightens apertures within Asia-Pacific's sub-region.

"There used to be a tendency of people saying China will override us and take over the world and we, in the EU and US, will become an appendix," GGI's CEO Michael von Filski says.

GGI's total fee income for Asia-Pacific decreased marginally, from 11.3% to 11.2% from FY14 to FY15. Overall, the firm's global fee income has increased by 8% over the same period, which Von Filski describes as considerable.

"Our main concerns for 2016 are volatility of the markets based on political instability. That is the key element. If the stock market's plunge due to economic data coming from the US, China, Japan, Greece - you name it - then there is a very, very strong volatility that was not the case 5-10 years ago."

Euro Areas and Farther Afield

While GGI has slightly lower growth for Europe, Von Filski explains: "That doesn't mean Europe is shrinking but that other regions are growing more, mainly Africa and the Middle East. Also the changes are very soft, perhaps 1% or half a percent."

Elsewhere the Russian Federation's economy contracted by 3.8% in 2015, while India grew by 7.2% and East Africa grew by 6.2%.

Yet the optimistic outlook from interviewees overshadows sluggish economic trends or expectations.

Asked which regions will prove worrisome in 2016, Von Filski replies: "The possibility of an accurate prediction is close to zero."

"We literally want to be present in every country in the Middle East. As long as there is a UN resolution in place, we are happy," he continues. "People say that's problematic because of the economic situation- sure. But accounting and accountability are needed everywhere." ■

■ NORTH AMERICA			
	Name	Rev (\$m)	Staff
MID-TIER NETWORKS			
1	BDO	3,438.1	20,645
2	RSM	2,849.8	14,302
3	Grant Thornton	1,960.3	11,690
4	Crowe Horwath International	1,660.6	8,512
5	Baker Tilly International	1,590.2	8,271
6	Nexia International	1,563.6	7,959
7	Moore Stephens International	1,181.7	5,809
8	Kreston International	871.2	3,867
9	HLB International	608.1	3,388
10	PKF International	248.3	1,100
11	ECOVIS International	193.7	672
12	MAZARS	181.6	926
13	UHY International	123.9	585
14	Russell Bedford International	96.0	613
15	SANTA FE ASSOCIATES	39.6	216
16	TGS Global	38.3	186
17	IECnet/EPR	34.7	404

ASSOCIATIONS			
	Name	Rev (\$m)	Staff
1	Praxity	2,513.4	13,585
2	LEA Global / Leading Edge Alliance	2,075.5	10,581
3	Allinial Global	1,577.0	9,899
4	PrimeGlobal	958.8	5,156
5	GGI	693.3	-
6	DFK	662.8	3,033
7	AGN International Ltd	555.7	3,701
8	BKR International	513.0	2,958
9	CPA Associates International	266.0	1,697
10	Entreprise WorldWide (1)	259.2	-
11	IAPA	235.5	1,267
12	MSI Global Alliance	191.5	1,155
13	Alliott Group	184.4	1,892
14	JHI Association	153.9	882
15	Morison International	139.0	711
16	MGI	134.7	663
17	Integra International	102.8	652
18	INPACT	100.6	657
19	Kingston Sorel International	81.9	495
20	Abacus Worldwide	33.0	258
21	ANTEA	23.6	140
22	GMN International	19.5	146
23	EuraAudit International	3.5	35
24	Parker Randall International	2.5	30
25	UC&CS GLOBAL	1.0	11

Note: (1) Enterprise WorldWide only classifies firms by "North American" (\$259.2m) and "International" (\$55.9m). Therefore it does not have a full regional split breakdown.

Source: International Accounting Bulletin

■ LATIN AMERICA			
	Name	Rev (\$m)	Staff
MID-TIER NETWORKS			
1	BDO	213.6	4,529.0
2	UC&CS AMERICA	190.8	3,907.0
3	Grant Thornton	176.4	3,735.0
4	RSM	120.0	2,575.0
5	Crowe Horwath International	115.9	2,815.0
6	Baker Tilly International	100.7	1,967.0
7	SMS LATINOAMERICA	72.3	2,005.0
8	Moore Stephens International	70.5	2,586.0
9	Kreston International	52.4	1,748.0
10	PKF International	48.3	1,385.0
11	MAZARS	47.5	1,243.0
12	Nexia International	47.2	1,474.0
13	SANTA FE ASSOCIATES	44.5	2,030.0
14	HLB International	41.7	1,284.0
15	Russell Bedford International	37.0	1,418.0
16	UHY International	25.5	955.0
17	AUREN	16.9	608.0
18	ECOVIS International	8.4	205.0
19	TGS Global	6.9	172.0
20	Kudos International Network	4.2	164.0
21	IECnet/EPR	3.5	165.0

ASSOCIATIONS			
	Name	Rev (\$m)	Staff
1	UC&CS GLOBAL	190.8	3,907
2	LEA Global / Leading Edge Alliance	123.6	2,194
3	GGI	69.3	-
4	Praxity	64.3	1,729
5	Kingston Sorel International	39.6	458
6	CPA Associates International	38.0	1,482
7	DFK	36.9	1,136
8	PrimeGlobal	36.7	1,158
9	ANTEA	31.7	1,107
10	JHI Association	36.2	842
11	BKR International	27.0	564
12	Morison International	24.6	814
13	MGI	18.5	915
14	Parker Randall International	16.4	274
15	MSI Global Alliance	16.2	490
16	Allinial Global	12.3	445
17	AGN International Ltd	11.0	416
18	GMN International	10.6	600
19	IAPA	9.3	348
20	Integra International	8.8	402

Source: International Accounting Bulletin

■ EUROPE			
	Name	Rev (\$m)	Staff
MID-TIER NETWORKS			
1	BDO	2,355.6	19,557.0
2	Grant Thornton	1,752.8	13,291.0
3	Baker Tilly International	1,171.4	8,250.0
4	Nexia International	1,155.1	8,595.0
5	MAZARS	1,017.9	8,726.0
6	RSM	1,009.0	8,959.0
7	HLB International	915.0	8,710.0
8	Moore Stephens International	863.5	8,513.0
9	Crowe Horwath International	852.6	8,382.0
10	Kreston International	602.1	6,931.0
11	PKF International	505.0	4,839.0
12	ECOVIS International	255.4	2,875.0
13	UHY International	254.2	2,796.0
14	Russell Bedford International	205.0	2,123.0
15	TGS Global	126.4	1,580.0
16	AUREN	90.0	1,005.0
17	IECnet/EPR	58.4	616.0
18	FinExpertiza	47.2	1,125.0
19	SANTA FE ASSOCIATES	32.8	453.0
20	Reanda International	14.3	91.0
21	Kudos International	10.2	174.0

ASSOCIATIONS			
1	Praxity	1,316.7	12,071
2	GGI	1,132.4	-
3	IAPA	772.5	6,396
4	BKR International	650.0	6,287
5	PrimeGlobal	672.1	7,640
6	LEA Global / Leading Edge Alliance	541.4	4,585
7	AGN International Ltd	454.4	4,142
8	DFK	380.6	3,332
9	MGI	317.3	2,638
10	MSI Global Alliance	317.1	3,646
11	Morison International	259.6	1,840
12	CPA Associates International	202.0	2,057
13	ANTEA	169.0	1,864
14	Kingston Sorel International	157.0	1,448
15	EuraAudit International	139.5	2,408
16	Alliott Group	122.0	1,673
17	INPACT	102.7	1,040
18	GMN International	97.7	963
19	Parker Randall International	92.6	879
20	Integra International	91.6	1,029
21	JHI Association	69.5	765
22	Abacus Worldwide	25.5	196
23	ACEE	19.2	144
24	Allinial Global	10.8	150
25	UC&S GLOBAL	9.0	107

Source: International Accounting Bulletin

■ AFRICA/MIDDLE EAST			
	Name	Rev (\$m)	Staff
MID-TIER NETWORKS			
1	BDO	232.4	4,251
2	Grant Thornton	176.6	3,923
3	Baker Tilly International	94.5	1,638
4	MAZARS	91.6	2496
5	Crowe Horwath International	74.3	1,235
6	PKF International	71.9	2,247
7	RSM	65.9	1,603
8	Nexia International	62.8	2,167
9	Moore Stephens International	53.7	1,558
10	Kreston International	49.7	1,429
11	HLB International	43.1	1,315
12	UHY International	31.0	763
13	SANTA FE ASSOCIATES	18.4	353
14	Russell Bedford International	13.0	232
15	ECOVIS International	10.3	182
16	IECnet/EPR	6.6	248
17	TGS Global	3.9	105
18	Reanda International	3.5	57
19	Kudos International Network	0.9	14

ASSOCIATIONS			
1	GGI	161.8	-
2	Praxity	125.0	3,103
3	Morison International	78.4	1,735
4	LEA Global / Leading Edge Alliance	47.5	1,247
5	BKR International	30.0	591
6	PrimeGlobal	26.6	924
7	MSI Global Alliance	18.9	507
8	AGN International Ltd	18.6	780
9	IAPA	15.7	506
10	DFK	15.4	621
11	MGI	13.5	521
12	Kingston Sorel International	11.3	307
13	INPACT	10.9	365
14	Parker Randall International	10.3	240
15	Integra International	9.4	422
16	GMN International	7.7	309
17	CPA Associates International	7.0	279
18	Alliott Group	6.3	127
19	EuraAudit International	4.1	234
20	JHI Association	3.7	154
21	ANTEA	1.1	26
22	Abacus Worldwide	0.6	47
23	UC&S GLOBAL	0.2	10

Source: International Accounting Bulletin

■ ASIA-PACIFIC			
	Name	Rev (\$m)	Staff
MID-TIER NETWORKS			
1	BDO	1,064.2	15321
2	Baker Tilly International	850.2	7860
3	Crowe Horwath International	803.2	12263
4	RSM	596.7	10914
5	Grant Thornton	566.7	9565
6	Moore Stephens International	490.6	9,147.0
7	Kreston International	469.7	7740
8	Pan-China International	320.6	4676
9	HLB International	302.4	6504
10	ShineWing International	276.1	5081
11	Nexia International	254.0	4586
12	Reanda International	147.3	2,475.0
13	PKF International	140.7	2622
14	MAZARS	85.3	2071
15	UHY International	82.4	2524
16	ECOVIS International	47.8	872
17	Russell Bedford International	41.0	1204
18	TGS Global	36.9	867
19	SANTA FE ASSOCIATES	23.5	542
20	IECnet/EPR	17.2	331
21	Kudos International	2.6	340

ASSOCIATIONS			
1	Praxity	467.8	8,576
2	GGI	254.2	-
3	LEA Global / Leading Edge Alliance	234.9	4,407
4	AGN International Ltd	168.5	3,772
5	DFK	146.2	2,398
6	BKR International	130.0	2,373
7	Morison International	122.0	3,046
8	PrimeGlobal	99.8	2,707
9	CPA Associates International	75.0	1,518
10	MGI	64.0	529
11	MSI Global Alliance	60.9	1,605
12	IAPA	60.4	1,145
13	Kingston Sorel International	55.7	1,399
14	INPACT	48.0	1,349
15	Integra International	39.0	793
16	Alliott Group	27.4	288
17	GMN International	26.6	669
18	JHI Association	23.7	368
19	ANTEA	17.2	489
20	Parker Randall International	8.2	275
21	Allinial Global	8.0	100
22	Abacus Worldwide	5.0	271
23	EuraAudit International	2.7	312
24	UC&S GLOBAL	0.5	16

Note: *Crowe Horwath China and RSM China have merger Ruihua CPA and both networks have reported their respective share of the new firm.

Source: International Accounting Bulletin

Audit

The European Union audit reform which will come into force this summer is still on all interviewed firm leaders' lips. A lot of ink has been spilled in recent years about the reform and whether its main provisions such as mandatory audit rotation and prohibition to render non-audit services (NAS) to audit clients will have any impact on market competition, audit quality and auditor's independence.

Grant Thornton director of global public policy Nick Jeffrey explains the reform is in for the long game and the answer to the questions on its impacts will only be answered in at least a decade.

However, there has been encouraging signs in recent months, as companies have started to rotate their auditor before the reform's full implementation.

Kreston International director of quality and professional standards Andrew Collier says there has been an uptake in audit assignments tendering in 2015 and it will continue in 2016. However he points to the concern that these audit assignments might just rotate between the Big Four.

Jeffrey says we shouldn't expect anything else in the early stages. "In 10 years' time if they are still going around the Big Four that would be disappointing because in Europe you don't have just rotation as a new rule you have the restriction on NAS to audit clients which is a regulatory nudge for companies to use and get to know a wider range of firms."

Collier says some of the larger groups are starting to give some elements of their group audits to firms outside of the Big Four. Even so he doesn't hold a lot of confidence to see companies moving outside of the Big Four in terms of audit work. Collier believes the reform will result in greater concentration of the audit market.

A thought shared by Lena Fiedler, INPACT president, who says: "We do not believe we will get new clients as a result of rotation, usually they change from SMPs to bigger firms and don't come back."

Assurance for SMEs

As audit thresholds are expected to rise internationally, the relevance of assurance services to SMEs is a question often raised.

"Even if some of our clients fall out of the audit, they have loans at financial institutes and these

institutes might require some level of assurance," Morison Frankfurt partner Karl Heinz says. "On the other hand companies that fall out of the legal audit requirement normally come back to us for help to prepare their financial statements."

Fiedler believes the future of audit for SMEs is under threat: "For me, an innovative or different type of service could be the answer. Or the regulatory boards could get on par with this difficult issue and help us address it, over time if this is not the case, I'm afraid audits will become few and far between for firms that service SMEs."

The main challenge for audit firms, according to Heinz, is the increased internationalisation of businesses of all size combined with the increased legal requirements on the auditor. First he says there is the question of language and culture differences, and then the question of finding the right auditor in a country on the other side of the globe can prove to be difficult.

"Therefore I think the small practices which do not have an international affiliation in the next few years will lose out," Heinz says.

He sees technology as a great opportunity to counter the challenges of internationalisation. For example, through technology, audit papers can be translated easily and swiftly, he says.

Collier agrees that the deployment of technology will be important in the coming years to help audit firms achieve consistency in audit procedures and processes on a global basis.

He also foresees more regulation coming in as many countries, in particular in Asia and Latin America, continue to develop and enhance their regulations on a similar line to the PCAOB, the UK FRC or even the EU.

Jeffrey says that audit regulation is an interesting space as there is a question on whether the independent audit regulators are themselves producing information that is useful to the investors. "Have the audit regulators ever caused an investor to change auditor, I don't think so," he says. "There is a need for greater communication between regulator, investors and users."

The reaction to the next big audit failure will be quite telling, he continues. "The answer to an audit failure can't always be increased regulation of the audit firms. It comes a point where to learn the lessons for the benefit of future generations you've got to start looking elsewhere."

He highlights business models and understanding the users need as possible areas to explore.

"If the accounting profession had a better interaction with investors and therefore a better understanding of what they want and need, I would hope that during the course of that dialogue auditors would change what they do to better serve investor and bridge the expectation gap," he concludes. ■

V.H.

■ SERVICE LINE FEE SPLIT – AUDIT & ACCOUNTING

	\$m	%
PwC	15,177.0	0.3%
EY	11,348.0	0.6%
KPMG	10,030.0	-4.1%
Deloitte	9,800.0	-3.0%
BDO	4,307.1	3.3%
RSM	2,272.7	4.2%
Grant Thornton	1,953.3	-3.9%
Baker Tilly International	1,850.2	1.9%
Crowe Horwath International	1,591.0	-0.4%
Nexia International	1,397.4	1.1%
Moore Stephens International	1,341.0	-3.8%
Mazars	930.8	22.7%
HLB International	900.5	-4.7%
Kreston International	790.2	-13.7%
PKF International	547.6	-60.5%
UHY International	320.5	-16.5%
Pan-China International	257.6	34.2%
Russell Bedford International	215.6	0.5%
ShineWing International	209.1	14.4%
TGS Global	146.5	16.3%
ECOVIS International	146.3	-10.5%
SANTA FE ASSOCIATES	79.8	-31.1%
Reanda International	75.7	-11.0%
IECnet/ EPR	66.7	-16.9%
UC&S AMERICA	43.9	24.3%
AUREN	43.0	-15.1%
SMS LATINOAMERICA	34.3	4.9%
FinExpertiza	21.2	-33.4%
Kudos International	6.0	-

Source: International Accounting Bulletin

■ SERVICE LINE FEE SPLIT – AUDIT & ACCOUNTING

	\$m	%
Praxity	2,356.0	10.2%
LEA Global / Leading Edge Alliance	1,209.2	-14.5%
PrimeGlobal	968.8	-12.1%
BKR International	756.0	-3.6%
Allinial Global	635.0	
IAPA	612.3	
GGI	600.9	3.6%
AGN International Ltd	566.4	-18.7%
DFK International	557.8	-9.9%
Morison International	355.4	-18.6%
MSI Global Alliance	326.5	0.1%
CPA Associates International	276.0	-9.1%
Kingston Sorel International	160.7	-8.4%
INPACT	140.9	-1.3%
Integra International	125.8	-25.6%
Enterprise Worldwide	119.7	5.3%
JHI Association	117.6	-5.4%
Alliott Group	100.1	-10.7%
ANTEA	95.6	-13.9%
GMN International	84.1	1.5%
EuraAudit International	81.5	-15.9%
Parker Randall International	71.4	-4.8%
UC&S GLOBAL	48.3	22.2%
Abacus Worldwide	23.1	46.7%
ACEE	9.9	-13.4%

Source: International Accounting Bulletin

Tax: end of secrecy, and the quest for

Reputation

In recent years the world of tax has been impacted by two major developments: greater collaboration between tax authorities resulting in less secrecy, and the work of the Organisation for Economic Cooperation and Development (OECD) on base erosion and profit shifting (BEPS).

Both developments are intrinsically linked

to the increased scrutiny by regulators and the public on how companies go about their tax planning in an effort to tackle tax avoidance and evasion.

Tax planning today is no longer only about compliance but it forms part of the company's strategic choices to preserve and nurture its reputation.

In this context the role of tax advisors has become increasingly important. No surprise then that tax practices around the world have reported good growth. Amongst this year's survey participants, tax revenues have increased by an average 4.6% compared to last year's survey. Surveyed networks have reported an average 2.4% growth in tax while surveyed association have reported 16.5% average growth.

There seems to be an unshakable consensus amongst interviewed firm leaders that the main driver for this growth is the increasing chaotic nature of the environment in which companies operate.

BDO global head of tax John Wonfor summarises: "The tax world is changing and nobody is quite sure what the ultimate change is going to be, there is the OECD BEPS plan, ongoing developments at the EU level, the question of what the USA is going to do with its tax system. Our clients will need a lot of navigating in a chaotic landscape so it represents a lot of opportunities."

The changing landscape requires businesses to have a greater look at their tax positions, according to Wonfor, but also requires firms to pay better attention to their clients and being more proactive in helping them.

OECD BEPS action plan

In October 2015 the OECD released its final report on 15 actions to tackle BEPS. Wonfor warns that what the OECD says

"[The OECD] hasn't tackled the elephant in the room which is the digital economy and therefore I don't think it is a big achievement. On the other hand, it is certainly an achievement within the space of two years to have got 90 different countries to reach agreement on as wide a range of things as they have done,"

Robert Maas, CBW (DFK Int.)

and what actually is going to transpire will be two different things but nevertheless the impact of the BEPS action plan on the global tax landscape can't be ignored.

According to him the OECD was trying to achieve three things. First, a greater coherence of tax laws which impact international businesses across the globe. "I wish them all the luck in the world but they are not going to achieve coherence," he says. "In fact we see it play out as a much more chaotic environment as countries wait and see what others will do and some pick and choose what they like from the action plan and others don't do anything."

The second and third objectives of the BEPS action plan was to ensure that profits are being taxed where the actual business activity that generated that profit occurred and greater transparency. On those two items Wonfor believes the OECD has delivered.

Robert Maas, tax consultant at UK firm CBW (DFK International), says that most of the changes introduced by the action plan will come in gradually through 2016 and 2017 but "sadly [the OECD] ducked the big question which is the internet".

"The big problem perceived has been that the vision for tax for each country was devised hundreds of years ago when the situation was different and today half the world trades on the internet," he says. "A

■ SERVICE LINE FEE SPLIT – TAX		
	\$m	%
PwC	8,944.0	1.5%
EY	7,487.0	3.6%
Deloitte	6,700.0	3.1%
KPMG	5,310.0	0.8%
BDO	1,489.0	4.3%
RSM	1,353.8	7.4%
Grant Thornton	967.5	2.3%
Baker Tilly International	942.5	7.0%
Crowe Horwath International	852.8	0.9%
Nexia International	812.9	-2.0%
Moore Stephens International	706.1	5.3%
Kreston International	561.3	-4.9%
HLB International	433.3	4.2%
Mazars	253.7	58.0%
PKF International	253.5	-49.4%
UC&S AMERICA	141.2	1749.6%
ECOVIS International	98.0	-7.9%
Russell Bedford International	90.2	0.5%
UHY International	87.9	-23.7%
AUREN	42.3	16.6%
SANTA FE ASSOCIATES	39.7	55.3%
TGS Global	39.5	39.4%
IECnet/EPR	31.9	-1.6%
SMS LATINOAMERICA	20.4	4.7%
Reanda International	18.5	16.4%
Pan-China International	14.5	41.6%
ShineWing International	14.3	102.2%
FinExpertiza	4.7	-

Source: International Accounting Bulletin

Advisory: Firms make the most of clients' endeavour

Advisory services have been the star performers for professional services firms in recent year so much so that their share in the firms' global revenue is on a constant rise. This is unlikely to change in 2016 and beyond as companies of all size continue to expand internationally and have to deal with technologic advances, regulatory scrutiny, geopolitical risks and economic tensions.

Added to this flux and complexity which drives the demand for advisory services is a renewed activity on the M&A market. This is proving to be a great source of opportunity for firms. As KPMG global head of advisory Mark Goodburn explains: "With our clients interested in either cleaning up their portfolio disposing of a none core asset or strengthening their portfolio in buying a strategic asset, you put that together [with the market complexity] and our client were really busy and that length

that self very well for us to apply our skills."

Goodburn says KPMG enjoyed a good growth in advisory of which the vast majority was organic even though the network had a number of small transactions. "[These transactions] were relatively modest in size so they didn't have a huge impact at that point relative to our revenue," he says. "But they were attractive to us because they had an asset or intellectual property, or craft, or industry skill we wanted to add up to our portfolio – it was more an investment of building the practice than it was creating scale in existing businesses."

Asked whether these trends were global or specific to particular regions, Goodburn says when it comes to regulation the mature economies are usually making the first steps while others are followers. "So there is a timing difference, but I think the trend impacts virtually everyone at some point in time."

Looking at technology, he says that equally there are some differences as some regions seem to bypass certain evolution of technology. He gives the example of the adoption of mobile phone in Africa which peaked in the space of

five years compared to the USA where adoption took place over a longer period of time.

"They are differences around the geographies no matter what you look at but I would say every one of our clients today is playing on a global stage," he summarises. "And part of their supply chain, their distribution, their customers, their regulators, their tax regimes are global or have a multinational taste to it."

You may reprioritise depending on where the majority of your business is, he continues. "But you can't say that you are immune from the implication of other part of the world."

RSM US national consulting leader Gary Sturisky is optimistic for the USA market but remains concerns regarding the international stage. "In the USA we have seen double digit growth both in revenue and margin," he says pointing as a combination of economic recovery and RSM's ability to innovate as drivers of growth.

Sturisky says the confidence to invest is back and therefore there is a lot of activity on the market. "We have seen a significant uptake in cybersecurity, some of the major scandals that have taken place have pushed clients to insure that their systems are safeguarded," he says.

Globally the picture is less rosy, according to Sturisky. Europe has been slower to recover from the crisis, he says, while the Gulf region faces some challenges with regards to the impact on oil prices and the geopolitical situation.

Asked what are the biggest challenge for firms like his going forward, Sturisky says: "The continued pressure on consultancy fee rates, and to ensure we always have processes and tools in places, consistency in our methodology, to ensure our clients get the same experience regardless of where in the world they are and what services they are procuring."

Looking forward, Sturisky says RSM wants to be the leader of the mid-market delivering audit, tax and advisory. "Most of the mid-market will be privately held and you would have significantly less regulatory oversight, so there is more opportunities to deliver the full basket of our services."

Goodburn says KPMG wants to focus on clients with large transformational issues. "We apply that to an environment that is going to become increasingly noisy and the pace is going to accelerate," he says. "We have to have extremely well integrated teams, deep and rich tool sets, global consistent methodologies.... It is going to be a really good year." ■

V.H.

■ SERVICE LINE FEE SPLIT – OTHER		
	\$m	%
Deloitte	18,700.0	6.3%
PwC	11,235.0	12.3%
EY	9,820.0	8.7%
KPMG	9,100.0	0.1%
Grant Thornton	1,712.0	-2.1%
BDO	1,507.8	5.9%
Crowe Horwath International	1,062.9	7.0%
RSM	1,015.0	6.9%
Baker Tilly International	1,014.3	17.1%
Nexia International	872.4	0.9%
Kreston International	693.6	31.1%
Moore Stephens International	612.8	-0.7%
HLB International	576.4	8.9%
Mazars	239.3	-55.7%
PKF International	213.0	-57.5%
UHY International	108.6	-22.9%
Russell Bedford International	86.2	0.5%
ECOVIS International	77.7	-29.5%
Reanda International	71.0	64.1%
UC&CS AMERICA	57.2	1099.9%
ShineWing International	52.7	-21.8%
Pan-China International	48.6	42.0%
SANTA FE ASSOCIATES	39.3	35.7%
TGS Global	26.5	14.4%
IECnet/epr	21.9	-22.4%
AUREN	21.6	-6.5%
FinExpertiza	21.3	-33.2%
SMS LATINOAMERICA	17.6	1.1%
Kudos International Network	12.0	-

Note: Includes all fees earned from services that are not audit & accounting and tax
Source: International Accounting Bulletin

■ SERVICE LINE FEE SPLIT – OTHER		
	\$m	%
GGI	1,016.8	7.5%
Praxity	1,010.4	-20.2%
LEA Global / Leading Edge Alliance	725.5	20.5%
PrimeGlobal	358.8	-17.9%
DFK International	356.1	37.0%
Allinial Global	344.0	
AGN International Ltd	277.3	-1.5%
IAPA	229.6	
BKR International	175.0	-3.8%
Morison International	156.0	-16.6%
MSI Global Alliance	126.9	0.0%
CPA Associates International	124.0	-8.6%
Kingston Sorel International	114.2	2.8%
Enterprise Worldwide	81.9	9.6%
Alliott Group	79.5	-16.1%
ANTEA	74.2	7.4%
JHI Association*	66.4	-2.4%
Integra International	62.9	2.3%
EuraAudit International	49.2	-17.4%
INPACT	43.7	-6.4%
Abacus Worldwide	29.0	43.2%
GMN International	27.6	-11.2%
Parker Randall International	25.9	-4.8%
UC&CS GLOBAL	8.1	18.8%
ACEE	7.2	-15.5%

Note: Includes all fees earned from services that are not audit & accounting and tax
Source: International Accounting Bulletin