





## The Firm

### Background

Giagante Accounting Firm was established in 1966 by accountant Alejandro Giagante, based in Bahía Blanca (southern Buenos Aires Province).

Since then, the firm has offered its services to companies and professionals. Its own constant expansion has mirrored the growth of its clients.

Accountant Guillermo Giagante joined the firm in 1996. Since then he has been in charge of the consolidation of the company's growth and the ongoing evaluation of standards and procedures necessary to strengthen the structure, in order to continue on this path of unremitting improvement of service quality.

In the year 2004 the firm took a major step forward in joining SMS Argentina, a network of independent accounting, consulting and auditing firms, based in Buenos Aires City, and with representatives in most Argentine provinces.

The network eventually evolved into SMS Latin America, following the same original principles, and it is currently one of the world's largest professional networks.

This connection led to the addition of advanced technologies worldwide regarding the supply of services and management of professional firms.

It also resulted in the establishment of contacts in almost every country in the Americas and in all the provinces of Argentina, which allows for additional services to clients located in diverse geographical regions where such services might be hard to access.

### Profile

The following professional goals set the core guideline for members of Giagante Accounting in their daily activities:

- Professional responsibility
- Technical know-how and constant updating
- Training and specialization in each professional area, never losing sight of the company's global outlook
- Objectivity and independence of criteria
- Integrity and honesty
- Quality of services provided
- Team work
- The pursuit of efficiency based on the utilization of appropriate technical know-how, of the best technologies available, time management and the employment of standardized procedures whenever possible.
- Compliance with current laws and regulations and ongoing consulting services for clients as to their observance.
- Respect and acknowledgement of the role played by human resources within organizations, both for our firm and for our clients.



### Organization

Our constant interest in offering reliable professional services which are also efficient and appropriate has led Giagante Accounting to prioritize investment in:

- The search for excellence of human resources regarding both human and technical quality.
- Continuous training for all our staff.
- Maintenance of the kind of infrastructure which allows for an optimal working environment.
- Ongoing updating and addition of new information technology systems, as well as communication and security systems, especially in those areas which facilitate the transmission of knowledge.

Giagante Accounting is an organization of almost twenty people, mostly professionals, and the firm has first class technical and technological infrastructure. We have a local, national and international network of contacts which permits the interchange of knowledge and expertise.

This translates into the possibility of offering better professional services, with the backbone of an organization designed accordingly, which permits sustainable, replicable and profitable growth without compromising the quality of said services.

The addition of Giagante Accounting to the SMS Latin America network has given the firm great impetus and has helped us in laying the foundations for this collaboration in the use of systems, procedures and standards utilized by all the auditing firms in the network.

According to a global survey made by the International Accounting Bulletin on auditing and consulting firms, in January 2012, SMS Latin America ranked at number 21 in the global list of networks, and at 9 in the Latin American rank.



### Infrastructure

The firm's office was built in 1908 and the building has been declared to be Historic Heritage of the city of Bahía Blanca. It has been revamped, respecting its essential style, adapting it to our current needs.

Given our constant growth and in an attempt to strengthen our future infrastructure, we have added another building, next to the original office, expanding our premises.

The premises cover an area of about 400 square meters, including offices for our associates and partners, a room for receiving auditors and expert advisors, a filing room with the corresponding infrastructure and security systems, a library, a training room, and a conference room which can be used for meetings of up to 30 people.

Apart from having adapted the building to the supply of professional services, we have added advanced technology regarding IT systems, communication systems and permanent security.

This allows for the supply of first class, efficient professional services as well as for an ideal work environment for the firm's staff.

The use of technology has also led to a geographical expansion of our client portfolio, currently offering our services to companies in other cities and provinces, taking advantage of all the available technological media in facilitating communication.

## SMS Network

### SMS Argentina

Giagante Accounting has been a part of the SMS Argentina professional network since 2004, as a member of the network and as part of its board of directors.

SMS Argentina is a network of independent accounting, consulting and auditing firms, dedicated to the interchange of information and assistance to companies and professionals.

It was founded by *San Martín, Suarez and Associates*, based in Buenos Aires City, and it is present in the following provinces: Jujuy, Salta, Tucumán, Catamarca, La Rioja, Santiago del Estero, Córdoba, San Luis, Misiones, Formosa, Santa Fe, Buenos Aires, Mendoza, Río Negro, Chubut and Tierra del Fuego.

The network members meet at least twice a year to exchange experiences, strengthen integration and outline the organization's future path.

They also set up policies and requirements to follow in their professional activity regarding quality.

- In order to do so, the network members have:
- Training programs, with both on-site and remote classes, for employees of all levels of the firms (partners, managers, seniors and juniors)
- Operational management manuals and procedure handbooks for all areas of the firms
- Tailored software, such as:

- *Time Report*: used for the planning of tasks; measuring of hours worked by each member of the firm, for each task and for each client; measuring of costs and productivity; obtaining information for the budgeting of tasks, turnover, etc.
- *SENDA*: a system for the planning and carrying out of audits which ensures that all work programs comply with the corresponding audit standards in each case, recording the auditing company's work and obtaining the necessary support for future quality controls; it also permits controlling estimated time vs. real time needed and programming the appointment of work teams and future staff additions.
- *Dinamia*: a client data system which facilitates service management, supplying a calendar of deadlines and due dates for tax obligations for each one of them, creating reminders, managing the work teams and client services.
- *Tools ERP*: management software which permits unifying several areas in the company such as finances, production, sales and purchases, keeping smooth communication and online information, with a scorecard and advanced reports system.

The SMS Argentina network currently employs about 500 professionals, among the several companies which make up the organization.

### SMS Latin America

Through SMS Argentina, Giagante Accounting has been a part of the SMS Latin America network since its foundation.

SMS Latin America is a regional network made up by independent professional firms in the areas of accounting, auditing and consulting, which share state-of-the-art technology to offer their clients the best services, assisting companies and other organizations in Latin America in their trade and industrial operations and services.



Being made up by independent national firms of the highest professional standards, SMS Latin America is the only professional organization in the continent which has true Latin American values in their services to all global companies which base their operations in the region. Covering the whole of Latin America, the firm prioritizes national expertise over firms whose headquarters are outside of the continent, facilitating the creation of Latin American multinationals, allowing them to expand to the rest of the world while keeping their methodology and culture. Its success is based on specific knowledge in each situation, always able to provide a fitting response. This is achieved only through belonging and being an active player in the region.

SMS Latin America was founded with the conviction of the need for a professional firm that could understand the Latin American situation at its core, to be able to work with a global vision of business and contribute to the region's economic development.

The SMS Latin American network has 1,767 professionals, as members of firms or representatives, in the following countries: Argentina, Bahamas, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, the United States, Guatemala, Haiti, Honduras, Jamaica, México, Nicaragua, Panama, Paraguay, Peru, Puerto Rico, Dominican Republic, Trinidad and Tobago, Uruguay and Venezuela.

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### SMS in the World

As a result of its strong presence in the Americas, SMS Latin America has subscribed agreements with other international networks, such as *Fidunion International* (Europe), *ASNAF* (Southeast Asia) and *Talal Abu-Ghazaleh Organization* (Arab countries). These reciprocity agreements permit supplying services in more than 120 countries,





meeting the needs of clients around the world, and generating business for the network's members.

The careful selection of associate firms guarantees the quality of work and service.

### Forum of Firms

SMS Latin America is the only Latin American firm which is a member of the Forum of Firms of the International Federation of Accountants.

Established in 2001, the Forum of Firms is an organization of international firms which carry out audits on financial status which are used or might be used beyond international frontiers.

Their goal is to promote the same quality standards in auditing services offered by these companies worldwide, through the utilization of policies and methodologies based on the International Standards on Auditing and in compliance with the Code of Ethics of the IFAC, as well as national rules and regulations.

The Forum of Firms also abides by the quality control standards laid down by the International Standards on Quality Control (ISQC), as well as applicable national laws.

Affiliation to the Forum demands that members carry out regular internal quality controls, coordinated globally, as long as this does not interfere with national legislation.

## Services

### Accounting and Bookkeeping

We understand accounting as the foundation of the company's information system and we emphasize its use as the base for the supply of useful information in decision-making and, ultimately, as a tool that permits validating the consistency and coherence of management information provided by the different areas within a company.

Consequently, our vision of this tool largely exceeds its utilization as a mere obligation in compliance with legal or tax duties.

Thus, we assist our client companies so that this information base can be as solid as possible.

The services we provide in this area include:

- Consulting in technical accounting
- Planning and Accounting Plans in accordance to the particular features of the company, its activities and its information requirements
- Outsourcing of document processing and the generation of accounting entries
- Review of accounting procedures
- Frequent reporting based on the needs of the company and its management, offering information on the financial position and results
- Coordinated work with Auditing, so as to achieve more efficient accounting procedures in order to reduce the time needed for future audits, guaranteeing quality and the opportunity for information
- Supply of reliable information to the Board of Directors at suitable times

- Compliance with legislation regarding documents and registration

### Audits

Through a wide range of audit services, we meet our clients' ever changing needs, based on the company's life cycle.

In designing our audit plans, we take into account the kind of risk faced by our clients, in relation to the firm's characteristics, its assets and liabilities, and the sector of industry it works in.

The services we provide in this area include:

- External auditing of financial statements
- Internal auditing
- Operative auditing and review of financial statements
- Auditing in company acquisitions
- Review of company controls
- Reports to headquarters
- Design of standards and procedures
- Development of reviews and special audits

### Corporate Counseling

The choice of the type of company to develop a business is a major decision for the future of the enterprise.

This choice depends on several variables to be taken into account and adequately explained to the entrepreneurs, based on the possibilities under the current legislation.

We have staff that has specialized in this area, working in multidisciplinary collaboration, devoted to counseling as much as to the instrumentation and start up of companies in the selected type of partnerships.

We can also assist you in the case of eventual modifications to the partnership so that future needs (internal and external) can be met in the most efficient way, taking advantage of all the benefits permitted under current legislation.

Thus, our services in this area include:

- Planning and counseling in the formation of commercial partnerships
- Counseling, planning and start up of firm reorganization plans
- Counseling and start up of new legal entities such as fiduciary funds, trusts, joint ventures, etc.
- Company audits, collecting all corresponding information and in compliance with current legislation
- Family business planning in relation to families and business relationships and characteristics
- Counseling, planning and implementation of legal actions which are part of the evolution of companies, such as capital assignment, capital decreases and increases, modification of corporate purpose, other statute modifications, etc.
- Multidisciplinary counseling on commercial contracts and their drafting

#### Tax counseling

Our services in this area include:

- Tax planning
- Tax auditing
- Constant reviews of tax compliance
- Analysis and measurement of tax obligations in special projects, such as reorganization plans, new business, etc.
- Tax analysis of particular situations introduced by clients, including the issue of the corresponding reports

- Habitual and periodic services, such as tax settlement and sworn statements for individual and corporate taxpayers
- Counseling and assistance in doing the paperwork to apply for tax exemptions
- Taxpayers' defense in all administrative courts, regarding national and provincial taxes
- Representation and counseling before all state agencies of tax collection and control
- Assistance in tax audits or inspections
- Response to requirements, proceedings and records
- Supplying the client with a tailored calendar of tax due dates
- Periodic reports on the main changes in tax legislation

#### Labor and Pension Counseling

The main service supplied in this area is outsourcing the payment of salaries and wages, and the corresponding social security contributions, as part of the general counseling offered to our clients in all aspects pertaining to the complex relationships of labor.

Our services in this area include:

- Legal framework of labor relationships both for existing and future businesses
- Auditing and assessment of the labor and pension situation of existing companies
- Organization, updating and maintenance of the staff's files
- Payment of salaries and wages
- Payment of social security contributions
- Creation of electronic files for the payment of salaries
- Printing of books (Law No 20.744), and processing paperwork at the Ministry of Labor to get authorization of the use of detachable sheets and their corresponding signature

- Counseling on currently labor contracts
- Counseling the payment of salaries, final settlements and labor agreements
- Counseling and management of new hires, leaves and terminations of staff at the corresponding state agencies
- Monthly reports on cost centers or departments
- Reports for the accounting of salaries and social security contributions
- Response to requirements and assistance in tax inspections
- Analysis and counseling on labor relationships with directors, partners and shareholders
- Representation and assistance before tax collection and tax control state agencies
- Assistance in labor or pension inspections
- Supplying the client with a tailored calendar of tax due dates
- Periodic reports on the main changes in tax legislation

### Business Processes Outsourcing

Through this service we provide specialized staff to carry out several administrative tasks for our clients.

This service allows clients to reduce fixed costs in their administrative personnel, while obtaining a first class service, thus having more time to focus their efforts on their core business.

It also gives them more flexibility to face periods of work overload in the administrative sector, replacements or temporary leaves of staff, start up of new businesses or projects, etc.

The tasks can be carried out both on-site or in our firm, depending on the characteristics of the company and the labor needed.

### New ventures

Our service in this area is counseling entrepreneurs in the assessment of new projects and business alternatives.

We collaborate in this analysis both from an economic and financial standpoint, as in relation to tax, legal and corporate matters to be taken into account.

When required, we carry out a multidisciplinary assessment with law firms, notaries, economists and other professionals, depending on the matters to be analyzed.

### Family businesses

Family businesses constitute the basis of our economy. Although between 80% and 90% of companies are family businesses, their death rate is alarming.

In spite of the strengths associated with this kind of businesses, namely loyalty and commitment, only a few of them manage to survive to a second generation successfully and, out of this group, a still smaller figure continues into the third generation.

The main causes for their failure are connected with family and corporate conflict as well as with the lack of planning and accuracy at the time of establishing the corporate roles of family members in relationship to other members of the company and third parties.

There are also major problems and conflicts due to lack of planning in the transition of the company into future generations.

We can help you assess your family business, its life cycle and the possibility of being proactive in detecting potential conflict or problems, planning and formalizing relationships between company and family members and putting into practice the most appropriate solutions in each case.



### Management consulting

We follow our clients in their growth and evolution, contributing with our know-how and expertise in business management to the knowledge of the industry that they already possess.

We offer our outlook on the company's projects, assisting in the carrying out of necessary changes, in detecting risk and weaknesses, in identifying opportunities and strengths, and in all areas of management which will add value to the company and improve their decision making.

### Training

We believe that training the middle management and administrative staff significantly increases a company's likelihood of success.

So, just as we place great emphasis in the training of our own personnel, we also offer training services to our clients and third parties.

We have developed a series of courses that we often offer in our premises and, in many cases, they can be done in-company, according to the clients' needs.

We also work in collaboration with the Training Department of SMS Argentina, one of the country's most active centers of executive training.

This lets us offer our clients first class training programs in a variety of forms (on-site, remote, etc.)