



See Page 2 for more photos from Bob Fairweather's Reception



Thanks to sponsors of the 13th Annual Golf Tournament:

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Introducing Bruce Flexman, President of the International Financial Centre BC

Bruce Flexman, formerly Canadian Managing Partner, Tax at KPMG LLP, is the new President of the IFC BC. During his tenure at KPMG, Bruce was responsible for managing the Canadian Tax Practice of approximately 900 tax professionals as well as long-term strategic business and financial planning. He brings a wealth of international experience from serving as one of six Country members of KPMG's International Tax Steering Group tasked with coordinating the global tax practice. He served on KPMG's Board of Directors and was elected as Chair. Bruce also served for two years on KPMG's America's Board of Directors. He is well-known in the Vancouver business community, having worked as KPMG Vancouver's Partner-In-Charge, Tax from 1995 to 2003 and Office Managing Partner of the New Westminster office from 1986 to 1989.



In 1989, Bruce transferred to the Ottawa office of KPMG to assist the firm in preparing for the introduction of the GST as its National Partner-in-Charge, GST. During the time in Ottawa, Bruce acted as Technical Advisor to the Senate Banking and Finance Committee on its hearings into the GST. From 1991 to 1993, Bruce was on loan to the Canada Revenue Agency (CRA) as Deputy Director General, Policy and Legislation in Headquarters.

Bruce obtained an Engineering degree in Engineering Mathematics from Queen's University and followed that with an MBA with Distinction from Cornell University. After a short stint with the Ford Motor

Company as a financial analyst, Bruce volunteered for two years as a Lecturer at the Zambia Institute of Technology under the auspices of Canadian University Services Overseas (CUSO) before joining KPMG.

Bruce is married to Dale, a communications and public policy consultant. He has four daughters (lucky man!): Alana (a medical doctor and 4th year anesthesiology resident); Jennifer (Ph.D. in bio-medical engineering); Molly (first-year Ph.D. candidate in bio-medical engineering at Columbia

University); and Tyla (4th year at UBC Kinesiology). Beyond his family, Bruce's passion is running, having completed over 20 marathons (including 9 Boston marathons) and one sub 3-hour marathon. His active conditioning allows him to enjoy downhill and cross-country skiing and golf.

Bruce was awarded his FCA (Fellow of Chartered Accountant) of the Institute of Chartered Accountants of British Columbia for his service to the profession and community. He is a past Governor of the Canadian Tax Foundation and a member of the Canadian Institute of Chartered Accountants and the C.D. Howe Institute.

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Bob Fairweather's Retirement Reception A Great Success

Many friends, colleagues, and dignitaries attended the reception at the Vancouver Club to celebrate with Bob Fairweather on his retirement from the International Financial Centre BC. Here are some photos from the event.



Left to right: B. Sakich, PWC, J. Hayre, E&Y, R. Fairweather, T. Amgwerd, Bank Vontobel



Korean Consul General Suh, R. Fairweather



Left to right: S. Bow, Northstar, A. Meyer, Raymond James, B. Redekop, Kerr, Redekop, Leinburd & Boswell, W. Brolly, Computershare

IFA Audits: Member Comments

by Alice Harder

In the December Newsletter, the Audit Department of the BC Ministry of Revenue and Small Business offered a unique insight into what members can expect from the audit process. Following that article, registrants of the International Financial Activity (IFA) Program were asked to comment on the audit process.

At first glance, the relationship between the provincial auditor and the IFA registrant may seem to be in conflict, but a closer assessment of the objectives of the IFA registrant and the auditor reveals agreement along two important dimensions. First, both auditor and registrant should share the same goal: to optimize the potential refund from the IFA business. In fact, in 9 cases (from 59 total), the Audit Department has been able to increase refunds for registrants. Second, both agree it is important to continue working towards a more efficient audit process.

One IFA registrant, experienced in the audit process, comments that if the auditor is reviewing new or revised IFA business, it is important that the head of the IFA business or the person most knowledgeable about the IFA business be involved in discussions as to how the business operates and how it qualifies under the *International Financial Activity Act (IFAA)*. Also, involving the IFA expert from the outset

can expedite all aspects of the audit—from being able to supply the appropriate documentation to agreeing, if possible, on the correct amount to be refunded. Taking the time to educate and build a comfort level with the auditor and a road map for the process will pay dividends by significantly speeding up future audits.

Until both registrant and auditor derive common terms of reference, asking for the appropriate documentation as well as providing it is a matter of familiarity with the IFA business. This is another situation where assistance from the person most familiar with the IFA business can be invaluable.

The good news is that once the first audit is completed, the process should be shorter in the future. Both the registrant and the auditor will know what documents are required. IFA registrants can set aside required documents during the year to prepare for the audit and adjust their data capture system as needed. To

assist those new to the audit process, the Audit Department has put together a list of documents for a company about to be audited so they can begin preparing the paperwork in advance. These lists are attached to Form FIN 546/578G, *Guide To Filling Out Either The IFA Tax Refund Of A Corporation Or The IFA Tax Refund Of A Life Science Corporation* and can be found through the website of the BC Ministry of Small Business and Revenue at www.sbr.gov.bc.ca/business/Income_Taxes/International_Financial_Activity/ifa.htm.

Finally, the Audit Department can assist in improving communications with the IFA registrant when staff is on site. On completion of the audit, audit staff and the IFA registrant may benefit from reviewing the audit process. Both sides will most likely be able to contribute useful ideas and suggestions to improve future audits, thus moving both IFA registrants and auditors closer to the shared goal of optimizing refunds.

