

el Periòdic News

INTERVIEW

AUGÉ HOLDING GROUP

Catarina Da Silva

CATARINA DA SILVA, ACCOUNTING MANAGER
AT AUGÉ ACCOUNTANTS, S.L.U.

«We are a
360° group
that advises
in all fields of
business»

IRINA RYBALCHENKO
ESCALDES - ENGORDANY

Catarina Da Silva has a degree in business administration and management and has been working at Augé Holding Group, S.A.U., for over four years. He currently holds the position of Accounting Manager at Augé Accountants, S.L.U., an operating subsidiary of the Augé Holding Group. He talks to us about the characteristics of accounting in Andorra and explains why it is so important that entrepreneurs choose a corporation that has qualified lawyers, tax accountants, economists and accountants. That's how Augé Holding Group works.

—How does the subsidiary of Augé Holding Group Accountants work?

—Augé Holding Group has a subsidiary company, Augé Accountants, consists of eight

direct hired professionals and other indirect professionals. Our professionals work with a portfolio of companies, but also with individuals (entrepreneurs or professionals). We guide our clients from the very beginning of the company's creation, through all of its ongoing operations, right up to the liquidation of the companies. We comply with all accounting, tax and labour obligations arising from business operations.

Our distinctive feature is that we rely on all team members to provide clients with comprehensive advice: we have a large team of lawyers, economists, tax experts, immigration consultants, patent attorneys and estate real agents who can complement the consultation for our clients.

—Does quality service mean fast service?

—Quality service is almost



In our house, each client finds absolutely everything he needs to settle in the country with dignity.

never fast. Organisation is very important, and we are happy to say that accounting closure months, such as July, are absolutely acceptable in terms of workload at Augé Accountants, as we start working towards this objective from January. It must be said, as well, that accounting is a subject that is strongly influenced by

Andorran labour law. There are many companies and individuals who provide these services without having professional or legal technical qualifications. This also leads to the fact that competition can offer lower prices that could never be offered within a consolidated structure, which can be detrimental as

the client falls into the hands of unqualified professionals who can put him/her in a difficult situation.

—**What is the difference between Augé Accountants and its competitors?**

—The main difference is that we are a group offering 360 degree services. In our house, each client finds absolutely everything he needs to settle in the country with dignity and ensure continuity of their stay and business development. We offer services at both the professional and family level (e.g., immigration and family reunification services, real estate services for comfortable living in the Principality), as well as services at the corporate and legal level (e.g. establishment and setting up of companies) and at the level of accounting, tax and labour support related to the obligations of each new resident or company. Finally, every person settling in the country needs a consultant for each of the cases described. And we have all the necessary advice to share with the new resident on all of the above issues.

—**What advice would you give to your potential clients on optimising accounting and tax services?**

—The best advice is to get into the hands of qualified professionals. There is a problem in Andorra: accounting and tax services are provided by companies



«We have a large team of lawyers, economists, tax experts, immigration consultants, patent and real estate agents»

whose employees do not have a degree in economics or ADE or employment services and are not registered as qualified lawyers. Therefore, the relevant types of services can be provided without real guarantees of compliance with the applicable rules, which can seriously harm the taxpayer; i.e. a client.

On the other hand, when qualified specialists work as a united team, accounting optimisation comes through good fiscal optimisation, which should be defined when the structure is set up. In other words, optimisation is only achieved through correct planning.

—**To be a good accountant, you need to stay up to date. Don't you agree?**

—Absolutely. There are constant changes, as we have just seen with the rate on foreign real estate investment, at the CASS level, at the corporate tax level, personal income tax, municipal taxes, etc. A good professional

must constantly upgrade his/her skills in order to always offer the best service in accordance with current regulations.

—**Yes, it is indeed important to keep up to date with changes in legislation. Many self-employed people have suffered from CASS inspections regarding the percentage of contributions after the change of legislation, because they were not informed in time about the change and kept paying the reduced contribution, although they were obliged by law to pay 100% of the quota. What would you recommend to those affected? Who is responsible? The self-employed? Their consultants? Or the CASS, who had to notify the company of 100% payments from 2019, which is when the law came into force?**

—It is true that, for a few months, the CASS had been inspecting all the self-employed entrepreneurs who had not updated their contribution base since in 2019 - the year the new standard came into force.

The corresponding contributions are the responsibility of each entrepreneur and he must always assume full responsibility to the Administration.

However, to avoid this type of incident, it is essential to surround yourself with qualified professionals who are always up-to-date with the changes in

criteria and regulations that the administration regularly communicates regarding the CASS and all others that may be applicable.

—**How can the use of artificial intelligence help your profession?**

—The use of artificial intelligence and technology can benefit us immensely on a practical level when performing the most repetitive and mechanical tasks. However, we must always have the human capital to stay on top of the rules and apply them correctly when fulfilling our clients' financial and accounting obligations. Finally, I believe we are a long way from AI being able to replace a highly skilled professional, as it cannot reflect every possible practical application of regulatory updates.

—**What changes can we expect this year here in Andorra?**

—We have started 2024 with significant changes at the level of the calculation of the self-employed's contribution base. This is the first fiscal year that will be governed by changes affecting corporate tax. And, finally, this is the first year in which all individuals operating as an independent professional will be required to submit annual accounts derived from accounting records when filing their 2024 income tax return.●

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THE TRIBUNE

The Financial World and digital assets

Opportunities and challenges in a new era of financial democratization

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The acceleration in the creation of a highly competitive ecosystem in the blockchain and digital asset landscape is a phenomenon that deserves further exploration. The convergence of major financial players results in a greater variety of services, from exchange and custody platforms to trading and settlement solutions, aimed at investors. The competition between these entities not only drives innovation in the design and functionality of services, but also promotes the adoption of safe and transparent practices in the cryptoasset market.

Moreover, this competitiveness is not only limited to traditional financial services, but also encompasses initiatives related to regulation, taxation and international cooperation. Coordinated collaboration between countries and harmonization of regulations are key aspects to ensure an enabling environment for the sustainable development of crypto assets globally, reflecting the growth of infrastructure and services related to digital assets, developing a significant change in the perception and adoption of blockchain technology globally. This dynamic landscape promises exciting challenges and opportunities for investors, regulators and financial market participants, and highlights the transfor-

mative potential of digital assets in the global economy.

A few hours after this article was written, the most well-known crypto-asset in the world, bitcoin, has surpassed its all-time high of \$69,000, placing it above \$72,000.

At the beginning of this year, the American securities and exchange commission, the «Securities and Exchange Commission (SEC)», in a historic decision, authorized 10 exchange-traded funds, the famous exchange-traded funds or bitcoin ETFs start trading with this cryptocurrency. ETFs have been promoted by some of the world's largest asset management firms, such as BlackRock Inc. and Fidelity Investments. These companies have attracted new attention and investment towards bitcoin, allowing it to reach historic highs on the one hand and, on the other hand, their investor clients to access an alternative market to the traditional stock market without the need to use digital wallets or wallets, and thus be able to diversify their investments in an easy and simplified way thanks to the traditional investment vehicles of the stock market.

The regulation of the crypto-asset market

In the European context, the European Union is making rapid progress in the regulation of crypto assets, urging member states to develop their own regulation aligned with the known text of the MiCA regulation. Countries such as France, Germany or Lu-

xembourg are already incorporating national regulations that regulate the issuance of crypto assets and the provision of cryptographic services, allowing participants in this market to obtain licenses or authorizations that could become a European passport if they comply with the regulation approved.

The introduction of a digital currency of the European central bank as a store of value would reduce the cost of storing public money and induce a partial disintermediation of the bank, which would be mitigated. A digital euro would not be a crypto asset because it would be backed by a central bank. It should be remembered that: «Central banks are mandated to maintain the value of money, whether physical or digital.»⁽¹⁾ Crypto assets are not backed or managed by any central institution and there is no guarantee that they can be exchanged for money in cash when necessary.

Deutsche Börse, Germany's leading stock market operator, has recently launched the Deutsche Börse Digital Exchange (DBDX), a regulated platform offering trading, settlement and custody operations for digital assets aimed at institutions, in collaboration with Crypto Finance GmbH, a Swiss entity authorized to provide this type of service in Germany.

In France, the country has implemented regulations for the issuance of crypto assets and the

provision of cryptographic services. These regulations allow market participants to obtain licenses or authorizations in the EU market. This regulation demonstrates France's commitment to creating an environment conducive to the development of digital asset services within the established legal framework.

In Andorra, this initiative adds to the growing activity in the ecosystem, where banks are already directly providing services, either through service providers in the ecosystem or through the offer of exchange services and custody of crypto assets. The creation of this offer has facilitated both the purchase and sale and the custody of these assets, allowing investors to carry out financial operations with digital assets using fiat currencies issued by central banks, such as dollars or euros among others.

Some countries have strictly prohibited their citizens from conducting transactions with crypto assets, while others, such as China, impose restrictions on domestic or foreign financial institutions and their public employees.

The adoption of regulated digital asset services is expanding internationally, with a number of significant developments in different countries demonstrating dynamic growth in the cryptocurrency and blockchain technology market.

As more countries and financial institutions join

this trend, the crypto asset landscape is expected to continue to evolve, offering new opportunities and challenges in the global financial arena.

Blockchain must reach its maximum potential and for this global diffusion and adoption is necessary. It is essential that everyone, from individuals to companies and governments, identify the benefits of this technology and commit to its development and implementation.

I am extremely pleased to observe how our initiative of Blockchain Andorra Association #AND-BLOCKCHAIN that was born in 2017 has succeeded in promoting a significant change in the national scene.

While collaboration is essential, competition can also be a positive factor, as long as an atmosphere of cordiality and diplomacy is maintained. In a competitive environment, companies and players in the sector are forced to constantly surpass themselves, to innovate and to offer ever more advanced solutions. This benefits the sector as a whole and contributes to its growth and consolidation.

In this digital age it is important to adapt and persevere in the face of the great challenges and opportunities presented to us.

⁽¹⁾ESRB: Working Paper Series 2024/146 - Manuel A. Muñoz (European Central Bank) - Oscar Soons (Nederlandsche Bank). ●

President and founder of Andblockchain