

Q 4 2023

Our quarterly update.

2024 MARKET TRENDS | CONQUERING MULTI-LOCATION SET-UP
NAVIGATING THE FINCEN REPORTING MANDATE | & MORE!

Time has flown, and here we are, saying farewell to 2023. This year has brought valuable insights to our team and we are grateful for all that have contributed to our continued success. We look forward to new opportunities coming in 2024.

Join us as we dive into the highlights of the last quarter, sharing some helpful international business tips and observations about the key market trends set to unfold in the Private Equity Sector in 2024.

If you are viewing this on mobile, you can also read this newsletter on our website [here](#).

LOOKING AHEAD

Private equity: Reflecting on 2023 and anticipating trends for 2024.

The private equity landscape underwent a seismic shift in 2022 after a decade of low interest rates, robust capital inflows from LPs and a market brimming with buy and sell opportunities (including a multitude of PE-backed IPOs). Suddenly, capital became more expensive, exit opportunities dwindled and LPs pivoted their focus towards distributions. While 2023 saw a slight industry-wide uptick, it was far from a breakout year. The question now is, will 2024 mark the resurgence of private equity?

In short, we expect to see some of the positive signs of 2023 to continue in 2024. However – don't think we're out of the woods yet – there might still be more pain to come. Here are a couple of the high-level trends we anticipate will come to fruition in 2024:



OPERATIONAL RESILIENCE AT PORTFOLIO COMPANIES

Learning from challenges, portfolio companies are expected to showcase improved cash flow and efficiency in 2024.



STABILIZING / DECREASING DEBT PRICES

As interest rates stabilize or decrease, we anticipate a positive trend in debt prices, with the EU potentially leading in rate adjustments due to its slower growth rate.



FUND RAISING WILL REMAIN CHALLENGING

Firms, especially those with limited track records or showing limited distributions, will face fundraising challenges. Limited partners expect to see strong IRRs, MOCs, & DPIs.

LOOKING AHEAD (CONTINUATION)



ESG INITIATIVE PUSHBACK

While ESG initiatives have gained widespread adoption, some LPs may push back where sustainability efforts appear as greenwashing or when financial performance falters.



RISING REGULATORY SCRUTINY

Following a year of increased regulations in 2023, the private equity sector anticipates continued scrutiny from regulators, necessitating proactive preparations from GP's investor relations teams and back-offices.



MORE DISTRIBUTIONS ACROSS THE SECTOR

From Q3 2023, a rise in asset sales began in the PE landscape, initially focused on top-performing assets resilient to market decline. Now, there's increased movement across the broader PE sector, which we expect to continue into 2024.

Want to learn more about the key trends that shaped 2023 and our Private Equity sector predictions for 2024? Read the full article [here](#).

BUSINESS SOLUTIONS TIPS

Doing business in the US: How to navigate FinCEN's new reporting mandate.

Operating in the US? A new mandate and information to be aware of.

Do: Be ready to provide detailed information regarding the ultimate beneficial owners of your operation to the United States Financial Crimes Enforcement Network (FinCEN) starting in January 2024 to ensure US operations are not disrupted.

Effective January 1, 2024, **FinCEN** will require US-based firms to furnish detailed information regarding their ultimate beneficial owners, marking a pivotal shift in transparency and regulatory adherence. The requirement aims to create a more comprehensive understanding of who truly owns and controls US companies, a critical step toward fostering integrity and accountability within the business ecosystem.

Companies must be ready to provide certain disclosures, including personal information, such as names, addresses, dates of birth and official identification documentation. Failure to comply with this mandate may result in penalties, legal repercussions and business disruptions for US operations.

Don't: Underestimate due diligence in complex cases.

One of the central challenges posed by the FinCEN mandate is navigating the intricacies of identifying and verifying ultimate beneficial owners, especially in cases involving elaborate corporate structures. Complexities arise with multiple shareholders and intricate ownership arrangements, necessitating a specific approach.

The importance of robust due diligence, documentation, and compliance processes cannot be overstated. In these intricate corporate landscapes, unraveling ownership structures demands thorough investigations into histories, relationships and interconnected entities. Documentation is equally critical; a well-documented trail ensures compliance and acts as a transparent record for regulatory inquiries.

Our firm is intensifying its efforts to streamline these processes and provide comprehensive support to our clients, ensuring they meet the stringent regulatory criteria without disruption to their business operations.

Want to learn more about how to best navigate this new mandate for your business? Read our blog article [here](#).

OUR TEAM

We are an official Xero Gold Partner!



We are thrilled to be rolling into the new year as an official *Xero Gold Partner!* We are excited to have an elevated status, demonstrating our in-depth experience with the platform and our dedication to offering our clients top-notch solutions for their global expansion endeavors.

In recent years, Xero has solidified its position as our preferred platform for guiding our clients through the complexities of expanding their operations. The reason for

the recommendation is simple: Xero consistently proves itself capable of meeting the diverse and intricate needs of our clients across multiple countries. Other platforms simply do not integrate as seamlessly from country to country, ultimately leading to inconsistencies, errors and a lack of visibility of growth operations.

Learn more about our Xero efforts [here](#).



CLIENT SUCCESS STORY

Streamlining operations in multiple jurisdictions with Xero.

Our client, a Norwegian-headquartered, technology scale-up company, recently expanded into the UK and Switzerland. Initially relying on a Norwegian software system for Nordic operations, challenges emerged during the UK and Swiss setup. The system fell short for international finance, introducing manual work. Unavailable features like bank integrations and currency conversions hindered efficiency.

Knowing firsthand that Xero would mitigate these issues and automate the accounting workflows in the UK and Switzerland, we advised our client on the benefits of implementing Xero as the primary cloud-based accounting software for the company's multi-country operations outside of Norway. The client was able to make an informed

decision with the help of our certified Xero advisors and chose Amesto Global to plan, design, and implement Xero as the core accounting software.

Now our client has a better understanding of their cost base, which is key to budgeting and forecasting for the future

Now our client has a better understanding of their cost base, which is key to budgeting and forecasting for the future sustainability of their business.

sustainability of their business. This is a prime example as to why Xero has become our go-to, preferred platform for clients expanding to new markets and multiple jurisdictions to ensure their accounting and finance data seamlessly reports back to management teams in an easily digestible fashion.

Read more about our client's success [here](#).

OUR TEAM

Together for the holidays!



Our global team has had the pleasure to cross paths over the past few months! Oonagh & Ger made a visit to our US office in New York City earlier this fall. Meanwhile, our Limerick Team hosted our Barcelona colleagues and enjoyed a Munster Rugby match together for an early holiday celebration.

From different corners of the world, we have kicked off the holiday season right and have been having a festive time!



ICO + AMESTO GLOBAL

Wishing you...

From all of us at Amesto Global and on behalf of the *Irish Chamber Orchestra*, we wish you a healthy & happy holiday season. Here's to a successful and collaborative 2024!

- The Amesto Global Team

Interested in learning more? Reach out to globaloperations@amesto.com

