FIAF - PIP

1. Stated Objectives

- Management and staff efficiency

To have both FIAF and PIP daily operations « put under one roof ».
This will ensure:

* better coordination and cohesion;
* better management and staff efficiency (allocation of tasks);
* uniformity and computerization of procedures (in particular accounting and invoicing).

- Savings

(1) Rental savings
The present lease allows for important savings in the next years (50% to PIP, 25% to FIAF);

(2) VAT:
To become VAT registered in Belgium to recuperate VAT on expense and purchases
of furniture/equipment (mostly 21%) with the minimum of administrative formalities
and no need for a new legal entity.

2. Legal status
As indicated in our preceding memorandum date August 29th 1996, the overall schema (see
annex C) is as follows:

* FIAF
Unchanged, except that editing and publications activities are transferred to PIP.

* PIP (Already VAT registered in UK)
Editing and publishing body of FIAF with two sections: PIP-Belgium and PIP-UK
Under the Belgian law PIP-UK may open a foreign office in Brussels.

Keeping an address in UK will have the following advantages:
⇒ No new legal entity necessary in Belgium;
⇒ Minimum administration formalities;
⇒ Immediate VAT recuperation in Belgium;
⇒ Possibility to benefit of the lower UK rates on invoices within the EU
   Community (see annex B)
⇒ Distribution and production in UK will remain possible, if needed..
3. **ADMINISTRATION**

- **Sales invoices**
  - Prepared in Brussels on FIAF paper with the PIP-UK address
  - Payments made to the PIP-Belgium account in Brussels (BEF/GBP/USD)

- **Purchases**
  - Purchases: through PIP-Belgium, in order to recuperate 21% VAT.

- **Agreement FIAF - PIP-Belgium**
  - FIAF pays expenses without VAT (rent, salaries) in exchange of PIP-Belgium paying expenses with VAT.

- The PIP-UK account will be kept in existence for local payments, with a minimum of cash.

4. **Power of SIGNATURE**

Our recommendation is to extend the general rules, currently applied to FIAF, to PIP-Belgium as well than to PIP-UK.

5. **ORGANIZATION**

- The current organization chart is presented on the annex A.
  
  A new Organigramme will result from a comprehensive discussion about FIAF's activities during the EC meeting.

- The analysis of this chart is characterized by:

  - similar administration tasks in FIAF/PIP are performed by different persons. MM purchase order processing and invoicing: this prevents to spend precious time to product development.

  - CV has a series of responsibilities in different areas. This results in:

    - difficulty (impossibility) to meet minimum professional standards;
    - conflicting priorities such as:
      - basic accounting/editing of Journal
      - editing of journal/journal subscriptions
      - basic accounting/sales administration and subscribers services
there is no computerization of the sales administration tasks resulting into:

- high level of errors;
- lack of up to date status;
- lack of reliable statutes;
- low productivity;
- sloppy filing

- Our recommendation is as follows:
  
  * Analyze and evaluate in detail FIAF and PIP sales administration procedures;
  * Adapt existing procedure with the staff to have organization and procedures meeting the need (quantity, quality, cost efficiency, zero delay);
  * Evaluate computerization possibilities (small standard software) with costs and benefits of possible alternative.

6. **TIMING**

- PIP-UK with its staff (MM-AB) has moved to Rue Désacq office on October 1\textsuperscript{st} 1996 and will be completely operational on November 1\textsuperscript{st} 1996 with a PIP-Belgium bank account already opened;

- VAT registration operation: first VAT recoup file will be entered on December 15\textsuperscript{th} 1996;

- Transfer of FIAF Editing-Publication activities to PIP-Brussels on January 1\textsuperscript{st} 1997;

- FIAF will move to the new office on January 15\textsuperscript{th} 1997;

- Analyzing and evaluation of organization and procedures: Target Date: January 12\textsuperscript{th} 1997;

- Adaptation/computerization costs/benefits: Target Date: January 31\textsuperscript{st} 1997;

- Implementation of procedures: Target Date: March 30\textsuperscript{th} 1996.
# FIAF - PIP
## FINANCIAL DATA

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<tr>
<td>Others</td>
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<tr>
<td><strong>Purchases</strong></td>
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<td>Salaries</td>
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Transfert par organisme français (siège social à Paris) de son centre d'activités commercial de Londres vers Bruxelles avec maintien en Grande Bretagne de la distributions des livres.

**Activités:**

**Bruxelles:**

Création, édition, promotion et ventes de publications sous forme de livres périodiques, CD-ROM, Multimedia etc.

**Grande Bretagne:**

Stock et distribution des livres.

**Forme Juridique:**

**Belgique:**

Etablissement étranger à but commercial. (assujetti TVA)
Localisation à Bruxelles.

**Grande Bretagne:**

Adresse à Londres