May/June 2018

treasurytoday ASIA

research | insight | analysis

Is it time to say goodbye to cash?

Given the increasing usage of mobile money and mobile payments across the region, is it time for treasury teams to start planning for a world without cash? Treasury Today Asia looks at what is making the world turn cashless and analyses what this means for corporate treasury teams.

The Corporate View

Scott Engle

Group Treasurer

AIA

Investing

The short-term investment landscape in Asia continues to evolve, the challenges and complexities are being accompanied by new opportunities. What are the latest trends?

Regional Focus

Building a treasury network in Africa

Back to Basics

Getting value from your banks

Technology

Treasury on a budget

Question Answered

Should treasury look beyond spreadsheets?

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What goes up can stay up

Alibaba founder, Jack Ma, is renowned for his colourful quotes on all manner of topics. One that stands out is his comment on flying pigs. "First of all, a pig can fly in the wind, but when that wind dies down it's the pig who's going to fall to his death, because he's still a pig," said Ma in a 2015 interview with Sina Tech.

Curious imagery aside, Ma's comment holds a deeper meaning. What he was suggesting is that any business can have some success when following the latest trends. However, it is only by being innovative and driving the trends that true long-term success can be achieved.

The rest of Ma's quote brings this idea into context: "What everyone has to think about is how to control the wind, how to grasp that wind and push yourself up. I think we shouldn't seek the next strong wind; we should make ourselves into people that can fly at even the slightest breeze, people who can soar."

His point should resonate for all operating in today's business environment. Ma's own great success has been driven by his ability to look beyond the hype of the present and build companies that are ready to harness the trends of the future. This is a lesson for all business leaders shaping the strategy that they hope will bring their company future success.

But this is equally valid for treasury too. Indeed, it is the responsibility of the department to make sure that the business has the means to thrive in the now, whilst pushing the limits of incoming trends and making sure that the resources are there to harness these in the future. This is something that Adam Smith Awards Asia winner and Group Treasurer at AIA, Scott Engle, talks about extensively in this edition's Corporate View feature. His story is captivating and highlights the real added-value that treasury can bring to multiple areas of the business.

Carrying on with the theme of harnessing emerging trends, in this edition's Insight & Analysis we take an in-depth look into the shift away from cash as a method of payment in many markets around the world.

We also explore how treasury teams operating within tight budget constraints can achieve impressive results and find out how to make substantial savings by driving down bank fees.

Is your treasury team flying to an Adam Smith Awards Asia win?

Nominations for the 2018 Adam Smith Awards Asia open on June 11th. Find out more about this golden opportunity to shine a spotlight on your success on page 4.

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"Sorry, we don't accept cash," is an increasingly common phrase uttered in retail outlets around the world as businesses pivot customers away from notes and coins onto electronic forms of payment. Despite this, cash remains a reality in every market around the world. Should treasury teams be preparing for a cashless world, or is physical cash here to stay – and if so, what can treasury teams do to manage it effectively?

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Scott Engle
Group Treasurer

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The art of bank fee negotiation

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REALISE YOUR

POTENTIAL

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Best Liquidity Management/Short-Term Investing Solution
Best Foreign Exchange Solution
Harnessing the Power of Technology
Harnessing the Power of Emerging Technology
Best SWIFT Solution
Best Solution in China
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All award winners attend the Adam Smith Awards Asia Gala Presentation Lunch on Thursday November 15th at the Four Seasons Hotel in Singapore to be presented with their awards. Good luck with your submissions and we look forward to welcoming all 2018 award winners!

Should you have any queries please do not hesitate to contact us: **awardsasia@treasurytoday.com**

HIDDEN THREAT

OF PAYMENT DELAYS IN CHINA

The improvement in China's economic fortunes has led to an improvement in business conditions. With Chinese economic performance rebounding in 2017 with the country posting GDP growth of 6.9% – the first annual acceleration for seven years and beating the government's target – fewer corporates are claiming an increase in delayed payments. The extended period between the payment due date and the date the payment is received is something that has blighted corporates in China in recent years.

According to new data from French credit insurer, Coface, only 29% of the 1,003 corporates it interviewed for its latest China Corporate Payment Survey saw an increase in delayed payments in 2017. This is a marked improvement from the 46% that had experienced increased payment delays in 2016.

Devil in the detail

This is encouraging news for corporate cash flow in China. However, beneath the surface, the picture is not quite as positive.

Coface's report indicates a worrying increase in businesses experiencing ultra-long payment delays in 2017. Twenty-six percent of corporates said this had been the case in 2017, up from 19% in 2016. Sectors most affected include construction, pharma and autos.

Whilst these statistics are concerning in themselves, digging further beneath the surface reveals significant additional risks. Indeed, the data shows that 21% of companies experiencing ultra-long payment delays have more than 10% of their annual turnover tied up in these payments. Coface estimate that roughly 80% of these ultra-long payment delays do not get paid at all. This could put cash flow at significant risk, notes the report.

Conditions are most worrying for companies operating in the energy, construction and auto sector. With corporate debt levels at an all-time high, and the Chinese government keen to deleverage parts of the economy, notably local governments and state-owned enterprises, companies across the supply chain might be in for a rough ride in the year ahead.

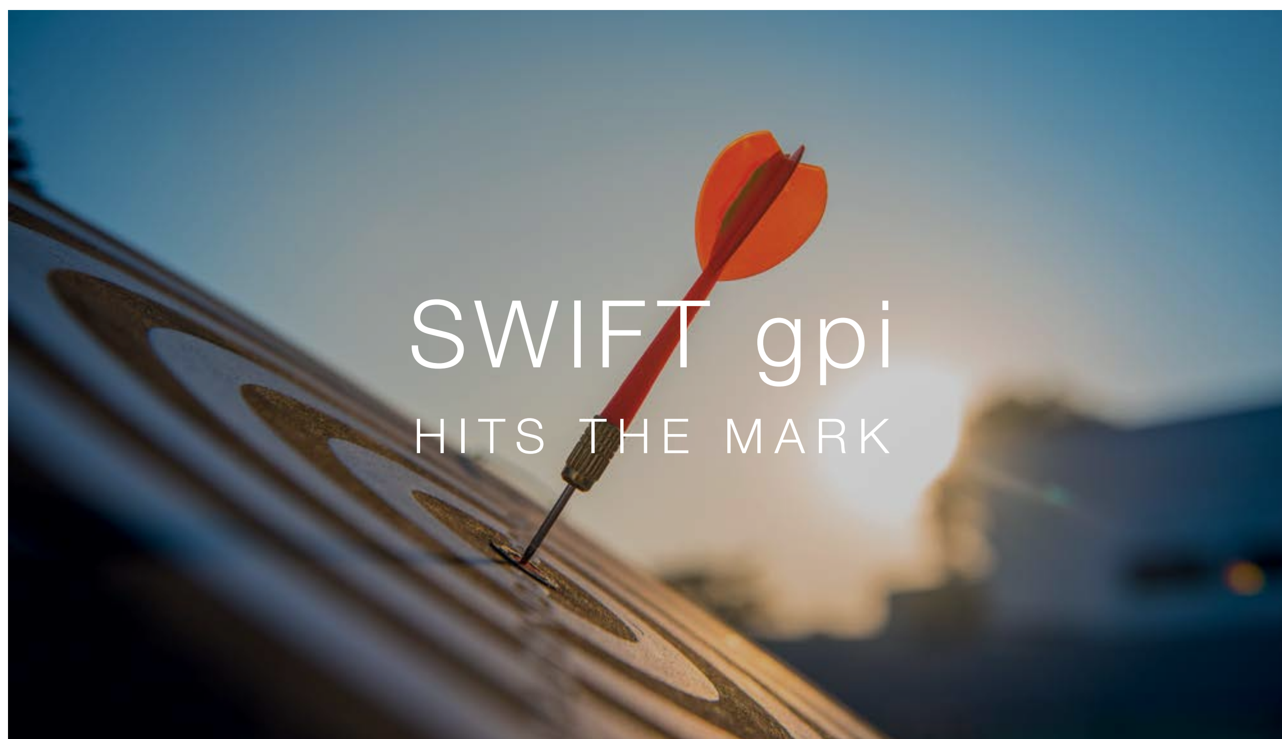
Unrealistic outlook

Despite the significant risks companies face, many risk managers in China are becoming complacent, according to Coface. This is evidenced by the decline in use of credit management tools to manage the risk of late/non-payment.

Coface found that fewer than 20% said their business used credit insurance or credit agency reports to mitigate the risk. Only 10% used factoring or debt collection products, with 40% saying they used no credit management tools at all.

The report notes that figures such as these are understandable in the light of the headline data that shows payment conditions are improving. Yet, given the existence of beneath-the-surface pockets of stress, and the fact that debt in China is at an all-time high, perhaps greater attention needs to be paid to risk management.

Coface expects more companies in the sectors that are currently experiencing either high debt levels or long payment delays that exceed 2% of annual turnover, to face further difficulties this year because of tighter monetary and fiscal policies.



SWIFT's global payments initiative (gpi) has made a strong start in life. New data released by SWIFT shows that over US$100bn in gpi messages are being sent every day. This accounts for nearly 10% of SWIFT's total cross-border payments traffic.

These payments are flowing daily across 220 international payment corridors. This includes the USA-China corridor, where gpi payments already account for more than 25% of the payment traffic.

The speed at which these payments are happening is also notable, with nearly 50% of gpi payments credited to end beneficiaries within 30 minutes. Those payments that take longer typically require more complex foreign exchange conversions, compliance checks or regulatory authorisations and are settled within 24 hours.

"SWIFT gpi continues to gain significant traction, and we are delighted with the total number of banks using the service, the geographical diversity of these institutions and the customers and sectors they serve," says Harry Newman, Head of Banking at SWIFT.

A payments revolution

Launched in February 2017 to much fanfare, SWIFT gpi is designed to improve the customer experience in correspondent banking by increasing the speed, transparency and predictability of cross-border payments.

Using gpi, corporates can today make payments with same day value, obtain transparency over fees, increase certainty by offering end-to-end payments tracking and ensure that remittance information is transferred unaltered. To achieve this, SWIFT has enforced a new service agreement for banks. Each bank then has the responsibility to translate the innovation brought by SWIFT gpi into a value proposition for their customers.

Gpi and blockchain

Given the success of gpi in bringing increased speed, transparency and predictability to cross-border payments, it puts into question where blockchain technology fits into the equation, if at all.

Ripple, for example, has been very outspoken about the need to replace the existing payments infrastructure with a blockchain-based system. Whilst blockchain-based payment methods may have some advantages over gpi, SWIFT has the benefit of incumbency. And it also has the speed now, with 50% of gpi cross-border payments being credited in under 30 minutes. It begs the question of whether the few minutes that blockchain potentially saves is worth the time and effort required to revamp the global payments infrastructure. The debate will continue.

Future developments

SWIFT is also looking at how blockchain could work within a SWIFT context. But its "immediate goal is adoption and, over time, steady expansion and upgrading of gpi," says Newman. "A number of planned upgrades are set to be introduced to SWIFT gpi in 2018 and will be announced in due course."

Use of spreadsheets in corporate treasury

Can corporate treasury live without Excel spreadsheets?

Cale Bennett

Former Group Treasurer of Tatts Group

Cofounder, Arkava

At the heart of every treasury operation sits a file system stuffed with spreadsheets, most likely created in Microsoft Excel. A category killer that is equally powerful and versatile, Excel is the go-to application in treasuries for everything from complex financial modelling to issuing payment notices. Yet, despite their benefits, spreadsheet errors have been implicated in several significant financial failings.

Fundamentally, Excel's strengths ensure its weakness. Versatility and power together can be unwieldy and as the complexity increases the probability of being error free falls. Highly skilled practitioners only have one significant spreadsheeting advantage over newcomers: they know there are errors in their spreadsheets.

The reality, however, is that many treasury professionals are highly skilled spreadsheeting practitioners. Very few problems are unable to be solved within the confines of those cells and therefore when presented with a problem, firing up Excel is the first thing any treasurer thinks of.

Numerous online applications are springing up to replace Excel and spreadsheets in general, with cloud-based alternatives attacking everything from financial modelling to time tracking and everything in between. Investors are clearly believers in the new offerings with one alternative, Smartsheet.com, having raised over US$100m alone.

However, these applications are only replacing parts of what Excel can do. Admittedly, some are likely better than Excel at their niche (which Excel was probably not intended for anyway). That said, it is impractical to split Excel into its use cases and begin using individual applications as substitutes – particularly for power users such as those typically found in treasuries.

If it is impractical to remove Excel from treasuries globally, what does the future of Excel look like? There are two possible trends that could be anticipated to play a larger role in the next evolution of Excel. They can be summarised as internal and external extensibility – fundamentally extending the functionality of Excel to better account for the use cases being implemented in the up and coming cloud-based Excel substitutes.

Internal extensibility includes third-party add-ins that improve the functionality of Excel. These extensions could be used for improving governance or increasing productivity. Add-ins like Modano, which increases productivity and governance when creating financial models in Excel, is an excellent example of an internal extension of Excel. Modano restricts some of the versatility of Excel but rewards the user with increased productivity and reduced ability for structural errors within their models.

External extensibility fundamentally involves enabling Excel to interact with the internet. As more and more systems move to be cloud-based and the application programming interface (API) ecosystem expands, the ability of systems to talk to each other improves. Whilst dealing with API's via Visual Basic for Applications (VBA) is quite difficult, the integration of languages that more naturally do so, such as Python, is likely to increase. This will enable Excel to sit in the middle of many systems, dragging in and manipulating data in a way that treasury people love so much.

In conclusion, despite the well-known failings of spreadsheets and the challenge of new systems to the dominance of Excel, it appears very unlikely that treasuries will relinquish their use of spreadsheets.

Andrew Marshall

Managing Partner

Covarius

One-word answer: no.

My reasons do not focus on the wonderful yoga-like flexibility of the spreadsheet and the other many reasons we can find as to why the spreadsheet will live on. However, my reasons are more aimed at the general approach and attitude to technology adoption and the subsequent poor track record defining and maintaining suitable ownership and roadmap strategies.

What does this imply?

Treasury has proved to be a rather poor owner of technology and the number of treasuries who have implemented 'multiple' TMS is testament to this. The initial investment in a TMS is a significant one across many levels (financial and resource). It is therefore surprising to learn how many treasuries are 'looking for a new TMS'. In many cases, this can be occurring in timescales as short as the standard five-year contracts that are signed at the outset.

I see this as being down to two key factors.

1. At go-live, many treasuries think that the 'job is done', and the TMS is then left to fight for its own survival with minimal oversight, management and worst of all, maintenance. A loose approach to addressing issues on a timely manner, logging bugs with the relevant vendor and a failure to maintain the system at the highest levels (using vendor consultants) is a sure fire way to ensure that the TMS's operational effectiveness will begin to deteriorate from the levels achieved at the outset.

2. One of the causes of this is a lack of a clear roadmap (ie defining upgrade policies), and a lack of an annual budget to invest in ongoing maintenance and also to drive new initiatives that will lead to greater automation/efficiencies (or at least to maintain those levels previously attained).

Why does this impact the humble spreadsheet?

Failure to invest and maintain a TMS at its optimum level, over time leads to a decrease in efficiency, an increase in system complexity (ie no clear strategy around configuration/standardisation) and leads to decreases in performance and a confusion amongst users as for how best to implement new processes into the TMS. This ultimately leads to user dissatisfaction and the end result of this is that users become quickly disillusioned with the TMS, and this, in turn, leads to users taking processes 'offline' (not in the TMS). This invariably means 'Excel', as it often becomes the path of least resistance/pain to help deliver a solution. Hence, its assured place in the treasury technology for many years to come!

In summary, I believe Excel will live on in the treasury space as long as treasuries fail to protect their investments fully into the future by designing and adhering to strictly managed technology roadmap strategies and ensuring sufficient budget is available to maintain/improve the system every year. Failure to do so leaves the door open for users taking process and tasks 'offline'. I do not believe that a lack of functionality (at least in the leading TMS for 99% of business reasons) is a genuine reason for using Excel in this current age of the TMS.

Bob Stark
VP of Strategy
Kyriba

Spreadsheets have been popular in corporate finance and treasury because they are simple – and they are right in front of you without having to purchase additional software. Unfortunately, spreadsheets are also incredibly inefficient and create risk for the organisation.

Accuracy

Ninety-five percent of spreadsheets contain errors because people make mistakes with formulas, rekeying numbers or copying/pasting data. There are far too many stories of critical financial decisions made on the back of incorrect data, costing organisations millions of dollars. When dealing with an organisation's cash and payments, treasury cannot afford such mistakes.

Productivity

Treasury teams require automation for two reasons:

1. To eliminate time spent on manual tasks so they can focus on analysis and strategic decisions.
2. To minimise the errors that arise with rekeying and copy/pasting.

While productivity itself does not deliver a compelling ROI, treasury, having time to pursue advanced financial projects, delivers measurable value to the bottom line.

Audit and controls

The biggest complaint about spreadsheets is the lack of security and accountability. Spreadsheets have no audit trails, no separation of duties and offer no capability to manage a workflow. With reported fraud attempts continuing to reach all-time highs, it is imperative that treasury aligns with the audit and control requirements that the rest of the organisation adheres to.

Treasury must embrace best practices such as:

- **Login requiring more than user ID and password.** Ideally, login should require two-factor authentication and/or single sign-on to the organisation's internal IT environment. Spreadsheets do not offer this protection.
- **Online access by multiple authenticated users with a complete separation of duties.** No single person should be able to initiate and approve transactions and there should be structured rules defining how data can be modified. Spreadsheets do not offer such a workflow.
- **Encryption of treasury data.** Unauthorised users should not be able to open up a spreadsheet or data file and view sensitive treasury information. Spreadsheets do not offer data encryption at rest, relying upon insufficient access or password protections instead.

Data management

Spreadsheets are designed for minimal amounts of data, while at the same time treasury continues to require bigger and bigger data sets. A simple treasury requirement such as cash forecasting requires extrapolation of historical data as well as detailed forecast variance analysis.

Spreadsheets are not designed to make thousands of calculations per second or store millions of records, meaning that file sizes balloon and processing time will range from minutes to hours. Spreadsheets are no longer scalable, meaning that multiple spreadsheets or additional databases are required, adding further complications and risk for treasury teams.

Given that the treasurer's role is to reduce risk for the organisation's cash and liquidity, creating new risks by exposing treasury operations to the weaknesses of spreadsheets is no longer acceptable to management or external stakeholders. Spreadsheets are simply an inferior way to manage treasury operations.

Next question:

"How can I make the most of my corporate card programme?"

Please send your comments and responses to **qa@treasurytoday.com**

Are we any closer to the death of cash?

As the payment world becomes increasingly electronic, many might think that the long-heralded death of cash is almost here. However, data shows that in many markets the opposite is true and notes and coins are in fact making a comeback. Should treasury teams be preparing for a cashless world, or is physical cash here to stay – and if so, what can treasury teams do to manage it effectively? Treasury Today finds out.

"Sorry, we don't accept cash," is an increasingly common phrase uttered in retail outlets around the world as businesses pivot customers away from notes and coins onto electronic forms of payment. In many markets, customers need no encouragement when it comes to using electronic forms of payment and are increasingly leveraging cards and mobile-based forms of payment as a matter of convenience.

The data clearly supports this. In the UK, for instance, cards are set to take over cash as the most popular form of payment this year, according to UK Finance. In Australia, 52% of consumer payments are made with cards – two-thirds of which are contactless – according to the latest Consumer Payments Survey. Meanwhile in Sweden, which is regarded as the most cashless country in the world, a 2017 study found that 36% of people never use cash or use it only once or twice a year.

The move away from cash is even more rapid in the developing world. Countries such as Kenya, China and India are very quickly becoming cashless economies as large unbanked populations leverage digital wallets as a means of financial inclusion. Indeed, according to the 2017 World Payments Report from Capgemini and BNP Paribas, cashless transactions in developing economies will grow at a rate of 19.6% until 2020.

Why cash should die

Why then are we saying goodbye to cash? For Rohit Talwar, world-renowned futurist and CEO at Fast Future, the answer is simple: eliminating cash has huge benefits. He notes that digitalised payments provide a safer and more convenient way for individuals to transact. Indeed, a study from Tufts University found that on average, Americans spend 5.6 hours a year withdrawing cash from ATMs at a cost of US$8bn a year on ATM fees. There is also the hygiene factor: an Oxford University study showed that the average European banknote contains 26,000 bacterial colonies.

Businesses are keen to see cash disappear because it is inefficient and costly to manage. Cash also exposes businesses to significant risks, notably theft and fraud. Indeed, the Tufts University study found that US businesses lose roughly US$40bn a year to cash theft and loss, about 1% of total revenues.

Finally, governments are also keen to drive cash out of the system. Talwar comments on how this helps "reduce corruption, crime, shadow economic activity, and tax avoidance". Again, Tufts University estimates that the US government loses out on US$100bn-US$500bn in tax revenues each year, due to cash being used as a method of payment to avoid tax.

In India, the government took a radical step to combat tax avoidance when it suddenly ordered the demonetisation of all Mahatma Gandhi Series Rs500 and Rs1000 notes – which constituted 85% of the total currency under circulation – in 2016. At the time, Prime Minister Modi said that corrupt officials, executives and criminals would be stuck with "worthless pieces of paper" as they would be unwilling to transfer these for the new Rs500 and Rs2000 notes.

A year and a half on, the success of the move is up for debate as it caused a significant shock to the Indian

THE **TOTAL NUMBER** OF **GLOBAL NON-CASH TRANSACTIONS** ARE **EXPECTED** TO **REACH 726BN** BY **2020**

IN **SWEDEN 36%** OF **PEOPLE NEVER USE CASH** OR USE IT **ONLY ONCE** OR **TWICE A YEAR**

US BUSINESSES **LOSE ROUGHLY US$40BN A YEAR TO CASH THEFT AND LOSS**

economy and negatively impacted individuals and businesses. It also seemingly has not driven out black money. Recent stats from the Finance Ministry show that 99% of the old notes have been swapped, far more than had been expected. It has been suggested that those in possession of black money have used complex money-laundering networks to deposit undeclared currency without exposing themselves to the tax authorities. Apparently, the only way to stop cash being used for tax avoidance may be to remove it altogether.

Increase in cash in circulation

Demonetisation was also meant to kick-start Modi's Cashless India initiative. And whilst digital payment volumes in India have increased since 2016, the number has fallen short of the government's targets. At the same time, the amount of cash in circulation across India has surpassed the amount before demonetisation.

India is not unique in this. Given the clear move towards digital payments around the world, it would be rational to assume that the death of physical cash is nigh. However, while the use of cash as a method of payment falls, the demand for cash and cash in circulation around the world is increasing at a steady rate.

Take the UK, for example: in 2017 there was £73,198m worth of notes in circulation, up from £67,819m in 2016. Yet apparently the UK is set to move beyond "peak cash" this year, with cards poised to be used for purchases more frequently than cards and coins. The story is similar across many eurozone countries, the United States, Australia, Hong Kong and Japan.

There is no single reason that this is the case. However, Talwar speculates that in developing countries "the cashless movement could lead to exclusion of poor and more vulnerable segments of the population that do not have bank accounts or cell phones". He also notes that opposition to digital payments may be coming "from those who see this as a further incursion of 'big brother' into our lives, and yet another erosion of individual privacy".

Treasury headaches

The continued use of cash is not good news for treasury teams that must put in place products and strategies to manage its collection. The treasury team at British American Tobacco (BAT) is fully aware of these issues. Indeed, Philip Stewart, Global Head of Cash & Banking at BAT says that the company collects a "significant" amount of cash around the world, including in key markets like Indonesia, Brazil and South Africa where it sells directly to retailers.

In those markets where cash is a reality, Stewart explains that BAT has strived to put in place processes that make cash collection and management as efficient as possible. For example, in some of the large depots in Colombia and South Africa, the company has tellers from its relationship banks count and deposit the cash on site. "This enables us to quickly transfer the risk to the bank," says Stewart. "It also allows us to achieve same day value and same day reconciliation." In the company's smaller depots, BAT utilises cash counting machines, which provide similar benefits to the onsite tellers.

Stewart explains that employing these solutions and making cash collection as efficient as possible is not just about mitigating risks and reducing costs: it is about enabling the company's representatives to focus on selling its products. "When they are working we want them to be out there selling, not coming back to the depo to count cash," he says. "So, making this process efficient and standardised is adding value to the business."

Payment evolution: from barter to cashless

Bartering and trade

A direct trade of goods and services.

Coins and currency

The first minted coins were stamped with pictures of animals to represent their value.

Paper money

The use of paper IOUs led to paper currency being used.

Money travels

Banks started buying currencies from other nations and created the first currency market.

Of course, the ultimate aim for the BAT treasury is to drive cash out of the business by incentivising its customers to use digital forms of payment. "There is a lot of work being done across the company to encourage our customers to pay without using cash and we have had some success with customers beginning to pay us using cards or through mobile wallet solutions," says Stewart. "However, we cannot force this because we are not going to risk losing business by forcing our customers to pay in a way that they don't want to."

Ultimately, Stewart believes it is just a matter of waiting for the markets that still rely on cash to reach that tipping point where digital payments become the norm. "We have worked hard to make sure we have the tools to facilitate digital payments in all our markets once the market is ready and we will continue to do our part driving the change."

The best alternative?

It is clear then that one of the chief tasks for any treasury team working in a cash-heavy business is to wean customers off cash. The good news is that in many traditional cash-heavy countries, like China and many African and South East Asian markets, there are now solutions that enable businesses to do this. Namita Lal, Managing Director, Global Head Payments, Collections, Mobile Money, eCommerce at Standard Chartered, cites the mobile phone and the emergence of mobile money as being a game changer in these markets, "bringing financial solutions to a traditionally large unbanked population".

While mobile money may have been developed to facilitate P2P payments, businesses have quickly recognised the opportunity to collect and pay using these solutions. Doing so has helped many companies reduce the amount of cash they must manage, bringing efficiency gains and cost savings. However, Lal explains that beyond that, the proliferation of mobile money has enabled businesses to access a much bigger market of consumers and even evolve their business models. She cites insurance companies as an example, many of which are now able to offer micro-insurance products due to the reduced cost of the payment process.

However, whilst the growing acceptance of mobile wallets has certainly benefited businesses, it has also created some challenges for treasury. Most notably, treasury teams are now having to facilitate and manage a multitude of payment types, as businesses must offer customers their preferred method of payment to be competitive. This is a challenge for treasury because onboarding these wallet providers takes time and resources. At the same time, treasurers have no desire to manage tens, if not hundreds, of individual payment portals.

Standard Chartered thinks it has the solution. "We've built a single gateway that enables our clients to seamlessly connect with multiple payment options in the countries they operate in," says Lal. "This removes the need for treasury to create bespoke arrangements with these wallet providers. It also ensures that they receive a consistent experience, no matter how they are being paid, and all the reconciliation efficiencies this brings."

Value adding

Moving from cash to digital payments is not just about efficiency: it is about data. Data that if harnessed correctly can see treasury deliver increased value to the wider organisation and ultimately boost the top line.

Andrew Wray, Vice President at Yoyo Wallet, explains that currently retailers only receive basic transactional data at the point of sale (POS). "However, by tapping into the point of sale through a simple transaction API, retailers can gain full

Mobile payments
Money rendered for a product or service through a portable electronic device.

Seamless payments
E-wallet payments are instant and seamless allowing for fast and safe P2P and C2B payments.

Biometrics payments
Payments that don't require a card or a phone, just a fingerprint.

Virtual currency
Virtual currencies have no physical coinage. Bitcoin is the most famous.

Source: HSBC

Sweden: the most cashless country on earth

CASE STUDY

Cash is dying in Sweden. Statistics from the Central Bank show that between 2010 and 2016 the use of cash payments in the retail sector declined around 40%. And with businesses across the country increasingly no longer accepting cash, it is unlikely to be long before the Swedish krona only exists in bits and bytes.

The reason for this, explains Gabriela Guibourg, Head of Division for Analysis and Policy at Riksbank, is two-fold. Firstly, demographically Sweden has a homogeneous, well educated, technology savvy population that responds positively to innovation. This has seen the consumption behaviour of Swedes rapidly change with more and more preferring to shop online which requires digital forms of payment, which they then want to use in the high street. "In this respect, the shift to digital payments is following the natural evolution of societal behaviour," says Guibourg.

Another driving factor is the highly cooperative and innovative financial sector in Sweden, which has responded to market demand for digital payments by creating the infrastructure to make this happen at scale. Guibourg cites the success of the Swish mobile payment system as being a prime example. Launched in 2012 by seven large Swedish banks in partnership with the Central Bank, Swish is now used by over 50% of the population.

"Swish was initially created as a platform for real-time, low-value P2P payments," says Guibourg. "It then began to be used as a collection method by businesses and most recently as an online payment method. The solution has therefore played a big role in removing cash from many different types of transactions."

In Guibourg's view, the disappearance of physical cash in Sweden is largely a positive phenomenon. However, it also creates some issues. "Firstly, there are individuals in Sweden that are not ready to live in a cashless county," says Guibourg. "Also, the disappearance of physical cash means that individuals will no longer have access to Central Bank money – historically the only asset that is completely risk-free and liquid."

The rise of digital payments also means that there is the possibility that the payment market will become dominated by a few private participants, says Guibourg. "This creates vulnerability and may stifle innovation if these new entrants are barred from accessing these payment rails."

These are the main reasons behind the bank's exploration into issuing a state-backed digital currency, the e-krona. "This would act as a complement to cash and ensure that individuals still have access to central bank-backed money," says Guibourg. "The idea is also to build a new payment infrastructure to underpin the e-krona that would be competition neutral. This would allow the market to build innovative solutions and ensure that Sweden continues to lead the world when it comes to digital payments."

Ultimately, it is important that in a cashless world there is still the ability to access central bank-backed money, says Guibourg. "A strong and sound monetary system needs to have a trusted issuer – the whole system of fiat money relies on the fact that people trust that money will be accepted by others and have a stable value."

stock keeping unit level basket data, which reveals who each customer is, what they're buying and when."

Wray explains that with basket data insight comes the ability to segment customers, connecting basket data to preferences and behaviours on an individual level. "The next step is to use this insight to engage each individual by personalising their experience, which will increase the effectiveness of campaigns," Wray says. "It's about the consumer receiving offers and rewards that are most relevant to them. And the more relevant the offers and rewards are, the more engaged a customer will be with a brand."

With this information, businesses can then engage individuals by personalising their experience, which will in turn increase the effectiveness of campaigns. "Once customer segments are developed, retailers can target them with a campaign that either rewards, thanks, or encourages them to carry out a certain behaviour," Wray adds.

The end of cash is coming

For treasurers in certain businesses, it is clear that the move away from cash presents a tremendous opportunity to add value to the organisation by creating efficiencies and harnessing the power of data. The challenge, however, will be to find ways of accepting this plethora of payment types without creating a spaghetti-bowl of complexity.

And cash will have to remain a consideration. Indeed, whilst it is widely believed that cash will soon disappear, it is clinging on for dear life. Fast Futures Talwar anticipates that it might take 20 to 30 years for cash to become extinct.

"While there are clearly many potential benefits to shift to an entirely digital medium of exchange, there are also significant hurdles and concerns to be addressed," he says. "The pace of transition could therefore vary quite dramatically between nations and the process may require a fundamental reshaping of economies."

Understanding the short-term investment landscape

Regulatory changes such as Basel III have affected the way that banks view operational and non-operational deposits, while low interest rates and the rise of money market funds are also impacting treasurers' short-term investment decisions. What are treasurers looking for in the current market – and how important is it to review existing policies?

Central to the treasurer's role is the task of ensuring that short-term cash is invested effectively – but what that looks like can vary from company to company, for a number of reasons. For one thing, regulatory developments such as Basel III are continuing to affect the way in which banks view deposits. Meanwhile, the types of product on offer are not set in stone – and treasurers' investment goals can change over time as a result of evolving market conditions as well as changes to their business models.

Challenging investment landscape

For treasurers, the current short-term investment landscape presents certain challenges. The low interest rate environment has made it increasingly difficult for treasurers to achieve any meaningful yield from their short-term investments. At the same time, regulatory change – most notably the arrival of Basel III – has had an impact on the value that banks place on certain types of corporate deposit.

"The effects of Basel III regulation continue to be felt in money markets across developed countries," comments Gordon Rodrigues, Fund Manager at HSBC Australia Liquidity Fund. "Basel III introduced new requirements to the way banks assess their funding sources from a liquidity (ability to withstand severe illiquidity for 30 days) and ALM/stability of funding (asset and liability tenor mismatch) point of view. The implementation of these rules is expected to be completed by 2019."

Rodrigues notes that the impact on markets and investors has included a continued reduction in banks' appetite for short-dated deposits as implementation progresses. "Investors are being asked by their banking partners to clearly define what is operational cash (versus non-operational), and different rules are applied to each, depending on the depositor category you fall into," he says.

As such, Basel III has given rise to a more pronounced distinction between deposits which are used for daily operations and non-operational deposits. In many cases, the new rules make it unattractive for banks to accept the latter, as there is a greater risk that non-operational cash could be withdrawn if a liquidity crisis were to take place.

Treasurers in Asia also face additional complexity where short-term investments are concerned. "Asia's short-term investment market is far from uniform," says Aidan Shevlin, Head of Asian Liquidity Fund Management at J.P. Morgan Asset Management. "Each country is at a different stage of development, with its own regulatory environment, market practices and investment instruments. And with the vast

majority of multinational corporations operating in more than one of these markets, this complexity is something that treasurers cannot avoid."

Priorities, priorities

In practice, bank deposits continue to be the product of choice for treasurers across Asia. "Most of the corporates in Asia prefer to invest their short-term cash in bank deposit products," comments E-May Neoh, Asia Head of Liquidity and Balance Sheet, Global Transaction Services at Bank of America Merrill Lynch. "This is because it is a safe investment and it is simple to understand and explain."

Where investment priorities are concerned, Neoh observes that "all treasurers want their investments to be secure, liquid and with high returns, typically in this order." As a result, she

Christopher Emslie

Asia Regional Treasurer

Q&A

Could you give me an overview of your role and your team in Asia?

The treasury department at General Mills in Asia is quite new. I've been involved for six months and I'm building up the treasury team – I've got people in India and China at the moment, but in Singapore it's just me. We're currently focusing on cash management and putting the policies in. I previously spent ten years with ABB running treasury first in Africa and then in Asia, here in Singapore.

What is your strategy in the area of short-term investments?

We didn't have a strategy up to six months ago – our strategy was pretty much to keep the money in the bank, although we were using money market accounts in China and Hong Kong for any overflow of liquidity.

Working with the treasury departments in Europe, we've now put a new policy in place – we've changed our investment focus to try and get a return on investment and have a more structured approach to what we do with our excess cash. We're an American company, so a lot of our cash now goes back to the United States, but any excess cash is now going into an investment portfolio and we're looking for the best returns now.

I've spent a bit of time with the banks trying to understand how the landscape is changing and where we can get the best return, considering that interest rates in the region are so low. It's not like it used to be ten or 15 years ago when you could earn a really good rate of return, but you still want to be in a favourable growth position and get something back.

How is the short-term investment landscape in Asia Pacific changing?

The short-term investment landscape is definitely changing – there are far more opportunities for good investments and the banks are starting to make far better offers and have new product offerings in the region. In particular, we're starting to see more products come to market in Hong Kong and China – we have a lot of excess cash sitting in China at the moment, so that's given us opportunities to invest there.

Are you facing any particular challenges where short-term investments are concerned?

Yes – I think the biggest issue at the moment is regulation. In Asia there's always the worry that you will go through various stages and outline a plan, and then six months down the line the regulations will change. But I think it's become far more stable recently. Everything else is pretty straightforward.

How often do you plan to review your short-term investment policy?

We have just updated our investment policy – the policy we had was about ten years old, so we've totally rewritten it to take in as much of the newer landscape and the newer regulations as possible. We will continue to update it every three to six months as the landscape changes. The goal will be to update the policy when regulatory changes take place and make sure that it remains relevant, rather than necessarily aiming for broad strategy changes.

Are factors such as Basel III and in-country regulatory change prompting you to adjust your short-term investment policy and goals? If so, how?

Yes, there has been a lot of conversation around the changes and the impact to our strategy – it's just made us more proactive and made us have a vested interest in our strategy as the changes come into play, both from a regulatory and an in-country perspective – especially in markets where we have liquid cash that can be utilised.

says that most treasurers in Asia are content with placing short-term cash with their relationship banks as the three criteria are met. "We often see local or regional banks in Asia offer highly competitive rates for bank deposit products, which provide less incentive for corporate treasurers to look for alternative investment tools," Neoh adds.

Indeed, while the pressures brought by Basel III are being felt around the world, it's worth noting that corporates may face less pressure to move their cash deposits off balance sheet in Asia than in other regions. The 2017 J.P. Morgan Global Liquidity Investment PeerView℠ survey found that only 17% of respondents in Asia Pacific had been encouraged to move their cash deposits off their balance sheets as a result of factors such as Basel III – compared to 55% of respondents in Europe and 36% of those in the Americas.

Meanwhile, some banks in the region may offer solutions enabling treasurers to achieve higher interest rates than would otherwise be available. Neoh notes that most large multinational corporates have one or two key cash management banks in the region to manage their day-to-day operations, which are also likely to act as liquidity management providers. "Due to the regulatory landscape in Asia, excess cash in some of the restricted markets can only be invested onshore," she says. "Some banks do offer interest optimisation solutions, where the bank will agree to pay a higher interest rate in each market based on a pre-agreed aggregated balance level."

Weighing up money market funds

While bank deposits are still the most common short-term investment option for corporates in Asia, money market funds have become a more attractive option in recent years. "Money market funds (MMFs) have increasingly been looked at as an alternative," comments Neoh. "However, the size of the MMF for some of the Asian currencies continue to be more for retail investors rather than institutional investors."

Nevertheless, MMFs are playing an increasingly important role for many treasurers in Asia Pacific. "One of the key changes in Asia Pacific's short-term investment landscape over recent years has been the growing internationalization of the region's money market fund industry," says J.P. Morgan Asset Management's Shevlin. He notes that traditionally, the options treasurers had for investing surplus liquidity would have been of a very small number, limited mainly to bank deposits. "Global treasurers new to the region typically chose to work with the largest banks in each country because the financial systems in Asian markets were not very sophisticated," he adds.

However, Shevlin says that with MMFs boasting increased liquidity and size, the short-term investment options available to treasurers have increased significantly. "The range of products and instruments available has grown and developed, while the level of market flexibility has increased; this makes money market funds a very valuable tool for corporate investors in the region," he says. "MNCs have the comfort of a product that they are familiar with, while local corporates can move more in line with global standards."

The market for MMFs is experiencing considerable growth in China. In December 2014, AUM stood at RMB1.96trn. By November 2017 this had reached RMB6.8trn, according to figures published by the Asset Management Association of China (AMAC). Shevlin observes that the popularity of money market funds in China is "quite unique": "When compared with returns on other investment options such as equities and fixed income, which have been quite volatile, money markets have posted fairly solid returns in China, with rates averaging between 4% to 7%," he comments.

Updating the investment policy

In light of this changing landscape, treasurers may take the opportunity to review their short-term investments and consider what they are looking to achieve. This may include updating the company's investment policy, which sets out clear investment goals as well as stipulating which investment instruments and counterparties are approved.

Shevlin points out that many corporates which are fairly new to the region follow an investment strategy which is guided by a policy drafted at the company's headquarters in the US or Europe. "Although this strategy can work to a certain degree, especially in the region's more developed markets like Singapore and Australia, ultimately it is not viable in the long-term and may see the business exposed to unnecessary risk, resulting in missed opportunities," says Shevlin. "A similar issue arises around credit ratings. The development nature of the markets in Asia means that many countries are not rated this highly – China's rating, for instance, is AA."

He also notes that companies may expand the range of short-term investment vehicles that they use over time, explaining that most corporates in Asia tend to start investing cautiously in the region, primarily using time deposits with safe banks. "As they become more comfortable with the region and its rules and regulations, they eventually start branching out and use other instruments," he says.

A company's investment policy may not be set in stone – but changing that policy is not always straightforward. Indeed, J.P. Morgan's 2017 PeerView℠ survey found that changing the investment policy is considerably more difficult in Asia Pacific than in the other regions surveyed. According to the report, 47% of respondents in Asia Pacific reported the level of effort required to change the investment policy as 'significant', compared to 21% in the Americas and 20% in Europe. Nevertheless, it seems that more investors may be considering changing their investment policies than in the past. The 2017 survey found that a third of respondents in Asia Pacific were considering changes to their investment policy, up from 26% in the 2015 survey.

While treasurers do not typically make significant changes to their investment policies on a regular basis, it is nevertheless important to keep policies up to date with market changes. This might include both scheduled reviews and ad-hoc adjustments in light of regulatory changes and market changes such as interest rate movements. Likewise, the introduction of new products could prompt companies to include these in their investment policy – even if they may not use those products until further down the line.

In conclusion, as the short-term investment landscape in Asia continues to evolve, the challenges and complexities are being accompanied by new opportunities. In order to take advantage of these, treasurers need to remain up-to-date with developments in the market, while making sure that their investment policies continue to reflect both their investment goals and the evolving market conditions.

Navigating Asia's regulatory landscape for efficiency and growth

Sandip Patil

Region Head, Global Liquidity and Investments, Asia Pacific, Citi

Managing regulatory change in Asia Pacific is par for the course when doing business in the region. However, over the past few years, the pace of change has picked up, domestically, regionally and globally. What are the key challenges corporates are facing and what can treasury teams do to drive real value from compliance?

Regulation is often seen as something that must be done before the real business can get underway. Across Asia, this viewpoint is compounded by the fact that corporates are facing a complex and dynamic regulatory environment that can seem almost overwhelming for the uninitiated. But with a change of mindset, this challenging landscape can become genuinely beneficial, suggests Sandip Patil, Region Head, Global Liquidity and Investments, Asia Pacific at Citi.

Growing ambitions

Managing business in Asia is all about growth. With virtually every industry in the region exhibiting this aspiration, many companies are finding out how difficult it can be to move from market to market, says Patil. Heterogeneous regulations, different customer buying behaviours and even variances within banking service delivery, are creating a series of unique environments through which treasury must navigate in its support of business growth. With a series of optimisation goals to achieve, each domain in which treasury moves sees regulation having a major influence on what can and cannot be realised from jurisdiction to jurisdiction.

Where the wording of individual regulations is often uncertain, understanding the "spirit of their intent" is essential, says Patil. Facing an interpretive element can force businesses into a cumbersome tactical reaction for each change, he adds. Over time, this approach creates inefficiencies eventually leading to KPIs falling behind competitor or industry best practice. Conversely, a positive approach and a firm grasp of the regulations in each jurisdiction – and the intentions behind them – can be a source of improved efficiency and long-term value for treasury and finance teams.

Facing complexity

There are many verticals in the regulatory space and within each there will be sub-sets to which corporates must adhere to, varying from country to country. These rules can, for example, dictate the types of accounts that can be opened or whether funds can be co-mingled or not. Cross-border regulations may further stipulate, for instance, the movement of cash and capital thresholds. FX rules can also dictate matters such as currency convertibility and necessary permissions for movement.

With a noted trend for protectionism in certain markets, regulators are also steering corporates into new actions such as the mandating of local currency billing. In addition, the governance of data is rising up the agenda in many jurisdictions, driven in part by a focus on digitisation. This is driving businesses to review how they manage their infrastructure and flows, potentially curtailing outsourcing plans. Yet another regulatory domain that demands close consideration is that of taxation. Again, rules can differ considerably between jurisdictions, as they are subject to both global and domestic variables.

Given the regulatory complexity to which many corporates in Asia, especially those from overseas, are exposed to, failing to see beyond compliance is perhaps understandable. However, Patil notes a broad spectrum of corporate reactions to this topic; from the static to the highly evolved. Those that have taken little or no action are often encumbered with fragmented operations, he says. "Often, they find it a challenge to determine what steps to take, especially if they do not have a consistent treasury policy or model to help them form an effective response to regulatory issues."

The most agile corporates have implemented appropriate organisational structures for their needs. Commonly, this appears as a regional treasury approach with local outposts under constant management. This will be guided by strong governance, trusted local personnel, and a willingness to engage with the authorities.

One view

Bringing the organisation together is key to success in a disparate regulatory environment, says Patil. In driving efficient working capital management and forming effective strategies around, for example, shared services, businesses can begin to understand what kind of legal entities are most appropriate to them.

From here, it becomes possible to build best-practice responses to matters such as cash repatriation, capital funding, expectations of returns on capital and comprehensive risk management practices. The role of the treasurer is therefore not only to understand the often highly nuanced applicable regulations, but also to bring this understanding to conversations with the wider organisation, generating a truly holistic and consistent outlook.

Delivery of the most efficient response will typically require the conversation to be extended to external stakeholders too, key amongst whom will be the organisation's bank. The right banking partner, says Patil, will be able to engage treasury about what regulations exist and where, how best to interpret these, and how other businesses are responding so that vital benchmarking can be executed. This feedback must be delivered on a constant basis too, he adds, especially in rapidly evolving markets like China and India.

Corporate gain

Perhaps the most obvious area where corporates can derive regulatory advantage is through understanding of the evolving tax environment in Asia and implications on treasury management.

Tips for managing regulatory change

Where centralisation through a payment factory or in-house bank is desired, regulations in jurisdictions such as Singapore, Hong Kong, Malaysia and Thailand have all allowed government sponsorship for the onshoring of regional structures. Through this support, corporates have benefited from tax breaks and a de-cluttering of the rulebook affording them lower cost of funding, reduced operational cash requirements and opportunities to pay down expensive debt or repatriate cash to headquarters.

Although the Asian regulatory approach is still far from 'one-size-fits-all', and remains more restrictive than in Western financial centres, it is more open-minded today than ever before, says Patil. A bank such as Citi, with its long history, strong reputation for innovation, and on-the-ground presence in the region can be a proactive sounding board for ongoing local regulatory developments, to increase ease of cross-border business and help multinational clients operate more efficiently.

Technological approach

Whilst a strong partner is essential, the role of technology in enabling efficient operations in Asia's complex and dynamic regulatory environment must also be acknowledged. This now extends beyond functions such as electronic clearing, into new endeavours such as blockchain, artificial intelligence, machine learning, 'Big Data' analytics and APIs.

The bank has for some time been helping clients to digitise their processes and documentation, and build connectivity standards for their underlying systems and platforms. But it also extends its work with the authorities as part of the effort to develop appropriate 'RegTech'. "The regulators are extremely keen on making sure their respective countries are seen as leading some of these digital practices," says Patil. This, he notes, has propelled a notable evolution in the market around the use of the kind of advanced technologies mentioned above.

In fact, Citi has been working with several Asian authorities, advising on and helping to develop a regulatory sandbox approach. This enables businesses to explore and test new products, services, business models and delivery mechanisms for regulations such as KYC and AML, within a controlled real-world setting.

Given the progress being made, naturally the level of enthusiasm and uptake for RegTech is rising amongst the corporate community. "We work with some of the most sophisticated companies in any market and we are seeing much more demand from them," says Patil. With a collaborative spirit operating between bank and client, he adds that the pace of development in the real world is helping many more clients take a step along this pathway.

Rules for engagement

Corporates exhibit a wide range of readiness for handling regulatory change in Asia. Even within the inevitable diversity of maturities and needs, "the first step is knowing yourself", says Patil. With every journey starting with a full understanding of the organisation, it will be necessary to map existing structures to what is needed. This should raise the issue of centralisation for financial processes, the learning of best practice, taking steps to mitigate any new process challenges, and, of course, securing C-suite buy-in for change.

The second step is knowing what is possible. No corporate can achieve this alone, states Patil. It will be necessary to talk to experts in the market, to learn all the local regulatory nuances, define a response and set benchmarks. Whether this is about establishing a major centralisation project or simply reducing the amount of local operating cash, the expert voice will help figure out the best way to do this at a country, regional or global level.

Regulatory optimisation can never be a one-off exercise, so the third requirement is to sustain the process of discovery, says Patil. In doing so, companies can ensure they are benefitting from changing regulatory conditions.

Partner-plus

There is a clear advantage for treasurers choosing to work with a bank capable of offering an up-to-the-minute understanding of the regulatory environment. But, says Patil, a bank such as Citi can go further, helping the client explore the full range of opportunities and offering help in forming the most appropriate response for the entire enterprise, not just treasury, not just locally, and certainly not just as a one-off exercise.

With 70% of the centralised liquidity structures of the Fortune 500 companies on its books, Citi knows how some of the world's most successful businesses are optimising their operations in the face of the complex and shifting regulatory landscape that is Asia. Being part of that ecosystem enables the bank to provide trusted advisory to clients – shifting the regulatory viewpoint from one of compliance to one of opportunity for corporates' growth and transformation.

Have your say

Visit **treasurytoday.com/2018/05/citi-polling** to share your views on Asia's regulatory landscape by taking part in our exclusive poll.

Hello future!

Scott Engle
Group Treasurer

Scott Engle, Group Treasurer at AIA is keen to ensure that his treasury team is well positioned to safeguard and drive the success of the organisation. In this exclusive interview, he talks about his career and the work he has done to make AIA an award-winning treasury.

Hong Kong AIA Group is the largest independent publicly listed pan-Asian life insurance group – with a presence in 18 markets across the Asia Pacific region. AIA delivered strong results for the year ending November 30th 2017, with double-digit growth across its main financial metrics.

The key objective of the treasury department is crystal clear in the mind of Scott Engle, Group Treasurer at the pan-Asian insurance giant, AIA. "We are here to provide the Group with cost-effective financial flexibility," he says. "This means making sure AIA has the appropriate financial resources to take advantage of opportunities as they come along, allowing the business to meet its ambitious growth objectives."

Engle, it is apparent, is a man set on making history for the firm. And it is his keenness to learn from the past that has set him and his team up as guardians of its future prosperity.

If the past eight years are anything to go by, AIA certainly has a prosperous future ahead. Indeed, since its spin off for AIG in 2010, the company has harnessed the economic vitality of

Asia and become one of the world's largest insurance companies by market capitalisation.

Such rapid growth makes AIA a "fast and furious place to work", and you must be "fully in", says Engle. "We joke that working here is like drinking out of a firehose: you can't have a drink unless you are prepared to get wet." And he would not have it any other way.

Pacific crossings

Asia has played a significant part in Engle's storied career in finance, which began in banking following his graduation from Columbia University. Engle first worked on the corporate lending desk with Bank of America in New York, before receiving the opportunity to move to Tokyo to support the bank's growing franchise in Japan.

His move to Japan came in the wake of the signing of the Plaza Accords – a multilateral agreement to depreciate the US dollar in relation to the Japanese yen. The agreement led to an incredible change in Japanese purchasing power, which fuelled the country's 'economic miracle' (later known as the Japanese asset price bubble) and saw Tokyo become a major financial centre.

Given all these events, Engle recalls this stint in Japan with fondness, noting that "it was an extremely exciting time working in Japan". From a personal perspective, Engle's time in Japan was especially fulfilling. "Culturally, Japan has always been its own place and they do things very differently," he says. "As a young New Yorker going to work over there, it was a very interesting experience."

After several years in Japan, Engle made his way back to New York with Citi, heading up its Insurance Client Coverage business. It was then that Engle started thinking about shifting over to the corporate side. "I was spending a lot of time with the corporate treasury departments of my clients as they were the main buy-centre," he says. "And it became obvious to me that it would be interesting to sit on the other side of the table."

The chance to move into a treasury role with one of Engle's clients came about at the turn of the century, and he was quick to accept the offer. "What was most interesting is that I was now the buyer of banking services and on the receiving end of the pitches that I had been giving for two decades," he says. "This certainly has its advantages when it comes to dealing with the banks."

Indeed, Engle would recommend that any budding treasury leader gain some experience on the banking side. "It isn't a must if you want a successful career in treasury, but it certainly helps," he says. "This is because you are able to speak the banker's language, understand their messaging, pinpoint gaps in their logic and understand the difficulties in implementing a good idea."

However, nothing could have prepared Engle for what happened between 2007 and 2009 when he was Treasurer at AIG Consumer Finance Group, a company hit hard by the financial crisis. As a key crisis team member, tasked with maintaining and allocating scarce liquidity across all international bank subsidiaries, he acutely remembers the challenges of this time.

In many respects, the crisis helped shape Engle's treasury philosophy. He talks about how the difficult period clearly highlighted the important role treasury plays in the success of a company. Most notably, he says that it fully confirmed the fact that "companies must keep a close track of their liquidity because it can never be assumed the markets will behave rationally and credit will always be available".

Treasury will have an increasingly important role in helping the business enhance the customer experience as markets around the world digitise and move away from cash.

Lasting foundations

Engle took these lessons with him and arrived in Hong Kong in 2010 with a blank canvas to work with and a long to-do list at AIA. The company had just been spun off from AIG, so the first task was to establish new bank accounts and obtain access to external capital. "This was not a simple task, largely due to AIA's complex organisational structure, comprised of multiple subsidiaries across 18 Asian markets," says Engle. "We needed to map how we could build credit facilities with different banks that would provide us with the resources we needed in different markets and currencies."

Despite the challenge this presented, Engle and the team excelled by putting in place multiple funding structures to support the growth of the business. One notable deal that Engle is especially proud of is a backstop facility, which offered a group-wide credit envelope for AIA. This unique facility met the complex requirements of AIA and saw the treasury team awarded a Highly Commended Adam Smith Award Asia for Best Financing Solution in 2014.

At the same time that Engle was providing AIA with access to external capital, he was also working on understanding and optimising the internal financial capacity of the Group. To achieve this, treasury set about building two key functionalities within AIA's SAP system: an integrated cash forecasting solution and a standardised payments engine. "Doing this allowed us to begin harnessing the data that we held internally to begin optimising our financial flows," says Engle.

To complete the picture, AIA became a member of SWIFT and began collecting bank balance information from its 3,000-plus bank accounts on a daily basis. "This information is automatically uploaded to SAP in a standardised format and then played through our cash forecasting engine," he says. "As a result, we are now able to forecast individual subsidiary cash positions for one year in the future. This is vital to understand the cash position of the subsidiaries and gives treasury the ability to deliver financial flexibility to the Group."

Engle is now excited about the next step in the evolution of the AIA treasury, which he says will take it to the "next generation".

Underpinning this is the movement of several functions, including forecasting, to a new shared centre of excellence. "Once the transition is complete, the business will receive an extremely detailed and accurate cash forecast for the next two weeks outlining individual country positions," he says. "Then, once we bring everything together, we will have an accurate rolling 52-week forecast of our liquidity across the Group."

Supporting growth

Whilst Engle has spent a lot of time over the past eight years building out AIA's external and internal financial capacity, he has also positioned treasury as a strategic department working closely with the business to deliver solutions that support AIA's on-the-ground operations. There are multiple instances of this from across the 18 markets that AIA operates in, but Engle is keen to highlight the success that AIA has had in China as a notable case study.

He notes that demographically China has all the characteristics that make it the perfect growth market for a life insurance company. However, to be successful insurance businesses must tailor their offerings – by which Engle means "be digital". As a result, over the past few years, AIA has re-engineered its business in China so that it is digital end-to-end – minus the sales process, which is best achieved through face-to-face interaction.

Treasury has been crucial to this, given the importance of collections and disbursements in building a first-class user experience for AIA's customers in China. "We have had to digitise at the same speed as the business," says Engle. "This means building seamless digital integration with our banks to drive straight through processing, and enabling collection and payments to be made using popular platforms like WeChat Pay and Alipay. Today, China stands as a shining example of the digital ecosystem we are striving to create in our other markets."

Digitalising the factory

For Engle, AIA's business in China provides a glimpse into what the future of treasury will look like. "Treasury will have an increasingly important role in helping the business enhance the customer experience as markets around the world digitise and move away from cash," he says.

AIA's work in China also highlights that technology can drive standardisation and automation across the end-to-end flows of the department. "In essence, treasury is a giant factory," he says. "Every process can be highly standardised and automated using technology and in turn this can provide efficiencies of scale unlike ever before. At AIA we are in the early stages of this journey, but we have a clear roadmap for the future, defined by technology and digitisation."

Engle admits that it can be hard for corporate treasurers to picture treasury as a giant factory that can be digitalisation. He muses that this may be down to a fear that the treasury profession will die out as a result of such high levels of digitalisation and standardisation. However, in his view, this evolution of the department can only be a good thing. "Using technology in this way makes us much more efficient and ensures we are able to provide solutions to the business that supports its growth," he says. "And there will always be a need for the treasury team to know how to harness this technology so that it can deliver the most value for the business."

Banks in transition

Although Engle predicts a bright future for treasury, the same cannot be said for the banks. Engle has some interesting views here, expressing that whilst banks do play a crucial role in the economy they "significantly overvalue their value to a corporation".

As a result, he thinks the banking industry is currently at an inflection point of change because of the proliferation of technology in financial services and the recent emergence of fintech companies offering cheaper and more convenient ways to pay and collect money. This has put into question the sustainability of traditional banks, at least in their current guise.

"The challenge faced by the big banks is that they have a lot of legacy technology that they have spent billions on over the years," he says. "Whilst this works, it is often slow and inefficient, especially when it is compared to the solutions being developed by fintech firms. It is like the difference between 3G and 5G in the telecoms sector."

Exciting developments

It is not only the future of banks that Engle is closely following – he is also interested in developments in Asia's economies and financial infrastructure. For example, Engle is currently following the advances in payment systems and the proliferation of instant payment methods because, as a business that collects and pays to consumers, AIA stands to benefit from these developments. "There is so much change happening in this space that it can be hard to keep track," he says. "But it is certainly something that treasurers should be paying close attention to."

Engle is also closely following the development of Asia's capital markets – developments that he says could be a "game changer" for AIA. "The dollar has been dominant in the region for some time and because of this, local currency capital markets have not developed as robustly as elsewhere," he says. "However, the importance of the dollar is starting to be balanced by other currencies, notably the RMB. This, tied with increased wealth creation across the region, will lead to the expansion of local capital markets, which will prove incredibly important moving forward from an investing and resource access perspective."

A place in history

Whilst the future of Asia is a professional interest, it is the region's past that captures Engle's personal imagination. Indeed, as a "keen student of culture and history", Engle is known to take full advantage of the rich cultural history that Asia has to offer. "There are endless opportunities to see and experience new things across the region," he says. His most recent "quest" has taken him to nearly all 52 UNESCO World Heritage sites in China.

Professionally, Engle's next "quest" is to position the AIA treasury team to support the company's future growth. With his readiness for digitisation and determination to bring treasury to the fore, the future of treasury at AIA is assured.

Keeping the costs down and the quality up

Doing more with less is the often-heard mantra of most business functions. How can a professional treasury be run on a tight budget?

Every organisation is duty bound to find better ways of operating. Quite often the need is to reduce headcount and costs. The phrase 'doing more with less' has entered into the common lexicon of professionals but how easy is this to achieve? Indeed, given the strategic value of some functions – notably treasury – is it even wise to operate on a budget?

The truth is that it depends on the size and complexity of the business. The human factor must also be added in to account for the individual treasurer's background, areas of interest and expertise. Because of these variables, there can only ever be a relative notion of how efficiently a treasury is being run.

All of this suggests that driving efficiency and 'doing more with less' is not an easy matter to tackle. For Sebastian di Paola, PwC's Global Leader of Corporate Treasury, "increasing treasury efficiency depends considerably on the extent to which the department has invested in technology".

Treasuries that have the technological vision, and that can gain the support of senior management for its deployment, will be at an advantage, he argues. Those that are not in this position are very likely to experience "a proliferation of manual processes" to cope with the expanding remit of today's strategic treasury.

Same issues, smaller budget

The level of complexity and treasury requirements in a mid-sized or even small but international business are almost on a par with those of a reasonably 'homogenous' multinational. The mid-cap treasurer has to deal with the same set of issues but typically on a much smaller budget.

To deliver in an international environment – with FX exposures, cross-border flows, bank accounts in multiple countries et al – it is too big an ask to automate and run on a basic accounting package. And where there is M&A activity, the proper integration of businesses becomes almost untenable because, in treasury terms, without a robust treasury solution in place, there is nothing into which the acquisition can be integrated.

The argument for having a specialist TMS, or treasury module of an ERP, is therefore rather compelling for the complex organisation. Whilst it seems counterintuitive to spend to make savings, without this investment, treasuries under pressure to operate on reduced headcount will struggle.

Paring back treasury too far could even intensify risk exposure as it becomes increasingly difficult for the organisation to apply an appropriate level of segregation of duties, for example. Offsetting increasing risks, especially given the current increased corporate sensitivity to internal controls, may then force the downstream proliferation of manual back office operations and processes.

Indeed, a common method of achieving this, notes di Paola, is to call upon the accounting department to fulfil back office duties such as confirmation matching. Whilst this creates a separate reporting line, it merely displaces the problem elsewhere, and to a function that is not necessarily well-versed in the treasury specialism. Doing so could introduce yet more inefficiencies and risks.

Building a business case

The desire to make treasury lean rarely starts with the notion that the function is oversized, says Paul Taylor, Global Head of Corporate Sales, GTS and Head of Sales for GTS EMEA, Bank of America Merrill Lynch. Instead, efficiency is often

Coding value

CASE STUDY

Kirsty Dent
Treasury Analyst

Some enterprising treasury professionals have a very hands-on approach to the 'more with less' conundrum. Kirsty Dent, Treasury Analyst at Brisbane Airport Corporation (BAC) sees much value in knowledge of computer coding. She is versed in Visual Basic for Applications (VBA) – the programming language of Microsoft Excel. This has enabled her to save several days effort per month by automating several manual tasks.

Her most recent effort has been the development of a macro for creating, saving and sending payment notices to BAC's bond holders. "This macro was designed to remove any human intervention from an important but repetitive process," explains Dent. "Doing so has saved the team up to two full working days per month. It's a good return on the few hours it took me to write the code."

Dent always ensures that another person within the treasury team checks process output before going into production with the code. "This four-eyes approach is pivotal to ensuring an additional review level and will increase confidence in the outputs."

Dent started her career in treasury with "little to no" knowledge of coding. It was only after receiving a 'Visual Basic: run-time error' message when working on a crucial Excel spreadsheet, that her journey into coding began.

"I was challenged by my boss at the time (who understood coding) to find the solution to the issue for myself," she explains. "And it was from here that I started to learn exactly how to use macros, automate and create time-saving efficiencies in many different situations." She comments that coding is about problem solving and logical thinking. "These two skills that any treasury person should excel at, so we should have a head start in learning to code."

Automation often brings fear for job security. Dent has a positive take on the application of technology. Instead of ignoring the efficiencies it can create for fear that jobs may become redundant, she says it is important that treasurers focus on automation as an enabler, fully reaping the benefits which arguably make the role more secure.

Indeed, Dent believes coding is just as important today as the more traditional treasury skills. "It allows individuals to challenge the norm and become a more valuable asset to the organisation," she comments, adding that it will become even more important over time "as treasuries shrink and people are required to do more with less".

> Increasing treasury efficiency depends considerably on the extent to which the department has invested in technology.
>
> Sebastian di Paola, Global Leader of Corporate Treasury, PwC

derived from digitisation, the removal of manual and paper-based processes and ensuring proper visibility of data.

With the common view that many companies are operating on a "patchwork quilt" of technologies, often thrown together through mergers, Taylor argues that the main barrier to treasury efficiency often relates to that 'post-integration' set-up. But change is afoot. He believes that "there is so much that can be simplified and refined". The evolution of treasury is "naturally lending itself to greater process and cost efficiency".

Structuring a leaner treasury function is therefore a matter of first mapping every financial process, workflow and touch-point. This end-to-end view (even if it is fragmented) will inform the plan of action. But it will also call out the "mandatory from the obsolete", says Taylor.

Armed with self-knowledge and an action plan for efficiency, treasury now has to develop a convincing business case for the investment required to rationalise and integrate that fragmented infrastructure.

There are many options. A 'one system' approach may, for example, yield greater efficiency through automation of labour-intensive manual process. From document management and KYC, to cash forecasting and reporting, ideas of robotic process automation and the use of artificial intelligence to manage workflows are much in evidence in treasury conversations today (if not yet in treasury practice).

These new ideas may be deemed fanciful. But, advises Taylor, "the more technology can be harnessed to digitise processes, the greater the efficiency will be for treasury, and the bigger the gains for the business".

If, as it seems, investment is necessary, asking hands outstretched for 'more' when less is called for will be a challenge. It helps that with the ready availability and relative ease of implementation of Software-as-a-Service (or cloud) solutions, running the basic functionality of a TMS is cheaper than when an installed solution was the only option.

Even in today's consolidated treasury technology market, the competitive edge amongst vendors is still evident, says di Paola. The larger players, with a stable of acquisitions, have to differentiate who they are aiming their products at. And that, he says, has a positive impact on pricing for the customer. "It is still possible to get something that would easily make the business case fly."

Furthermore, as treasury makes its contribution in areas such as improved cost of capital, more efficient working capital management, and improved FX management, Taylor makes the further point that it starts to become, if not exactly a profit centre, then at least "a generator of value".

Despite the number of quantitative and qualitative benefits (and improvements to organisational health) potentially derived from lean treasury, resistance to investment is still found, notes di Paola. Overcoming this depends to an extent on whether the CFO is treasury-minded or not.

Coming from a treasury background, or at least having had significant exposure to treasury, would usually encourage in the CFO a degree of sympathy and understanding for the value of treasury. Making investments in its delivery of strategic value to the wider business should, in theory, be an easier 'sell'. Conversely, resistance from a CFO without a treasury background suggests the value of treasury is not being sufficiently well articulated. It is down to the treasurer to do just that.

Finding the cash

A treasurer for a small or mid-sized company, without a TMS or access to other appropriate technologies, is most probably struggling to deliver, or at best delivering in spite of a lack of senior level support, comments di Paola. With most of the time spent just keeping the lights on, finding the time to build and present a business case is appreciably difficult.

It is true also that the bulk of the treasurer's case for investment will be qualitative not quantitative; this is rarely a good indicator when most business leaders run on hard numbers.

If the task seems insurmountable, it is perhaps the reason why so many treasurers soldier on with spreadsheets and manual processes. But solid hard-number based arguments can be found. Even in a mid-sized international company, there is a question about just how 'domestic' the banking arrangements often are. These relationships have often grown up locally, sometimes as a result of M&A, without too much control from the centre.

Local bank accounts may be harbouring pools of cash that whilst not necessarily idle, would provide more value if swept centrally or regionally. Bank account structuring too could be made more efficient, using fewer banks and economies of scale to present fee-saving opportunities. If suitably re-engineered, both these quantifiable situations can be used to effectively finance the qualitative and systems side of treasury transformation.

With the right technology, certain activities become possible. Enabling daily visibility of cash, for example, can allow it to be worked harder, even in a low interest rate environment where returns are minimal. Using cash to pay down more debt has a clearly quantifiable benefit.

An additional quantifiable benefit comes on the FX side, where being able to hedge centrally and net positions will reduce spreads. "Even manual treasuries today will be using some form of electronic dealing platform – and if they are not, then they should be," comments di Paola.

Treasurers should also be examining processes, perhaps by benchmarking, to see where savings can be made on FTEs. For instance, process automation can help re-focus the labour deployed on manually allocating cash or entering accounting data, to more value-adding tasks. In fact, in a world of

Build not buy

CASE STUDY

Randy Ou
Treasury VP

With strong organic and M&A growth, diversified technology giant, Alibaba Group, has been rapidly expanding into additional channels and territories in recent years. This had naturally been increasing complexity across its treasury infrastructure, creating a diverse portfolio of banks in different geographic regions, and cash assets in multiple currencies.

The net result has been that more treasury time and focus was required to meet the needs of the business. But with a management mandate to keep headcount lean, operating in an ever more complex environment meant new technology was the only answer.

The unique demands of this vast tech-focused organisation led Alibaba's treasury team to conclude that standard systems and off-the-shelf TMSs were not suitable. Instead, it opted to use in-house talent to create an integrated web-based 'treasury management intelligence' (TMI) platform.

Driven by a unique insight into the needs of the whole business, Alibaba Group's platform delivers all the functionality it needs. This covers areas such as multi-banking, automation, real-time analytics and, in the form of a dashboard, management decision-making support.

Having built the single platform in-house also gives treasury access to a strong onsite technical support team that is well-equipped for the 'agile' development so necessary in the dynamic technological and commercial environment in which Alibaba Group operates.

"Users in different job levels can easily find or drill down into the relevant information for management decision-making or operational execution purposes," says Randy Ou, the firm's Treasury VP. He explains that the system has enhanced productivity and relieved resource constraints to the extent that treasury now has more than 95% cash visibility, and has reduced idle cash by 30%, across a vastly more complex yet leaner organisation.

With recognition for the Alibaba Group, as Overall Winner of the 2016 Adam Smith Awards Asia 'Harnessing the Power of Technology' category, treasury has demonstrated the value of the 'build not buy' approach.

increased risk, the insight and judgment of the professional treasurer will always be needed, says Taylor: "no algorithm could match that".

Telling a balanced story

The use of professionally produced industry benchmarks (considering the relationship between revenue and treasury headcount, for example), can help treasurers tell their story. Whilst sector studies of this nature need to be contextualised, by referencing such data, it can still give treasurers a real directional sense of how good a process can be.

Of course, it is incumbent upon treasurers to use such tools to help make the business case for investment. But it is vital for them to understand how the culture of their own organisation will influence what goes into their story.

Doing so will help decide to what degree the qualitative arguments – such as the risk of error or loss due to manual processing or the lack of visibility of cash or FX exposure across the business – will resonate with the CFO. From here it will be easier to calculate how much emphasis should be placed on quantifiable data such as funding costs, bank fees, spreads on FX, and FTE savings.

Raising the profile

The pressure is on for treasurers to be more efficient, particularly in smaller companies. But we know that doing more with less may remove levels of segregation, bringing about more operational risk.

The big picture needs to be understood and communicated to those applying the pressure. To do this, treasurers need to develop a strong and compelling voice. "The internal marketing of treasury, fully explaining its value, is key," advises di Paola. "If nobody understands that, with the best will in the world, it is not going to be able to make any of the necessary investments."

One way of raising the profile that has proven (at least anecdotally) to be effective is by delivering a regular report to the CFO and other senior stakeholders. By quantifying its own value and demonstrating what the company would lose without it, treasury brings its own value into sharp relief for the rest of the business. From here, the case for progress becomes that little bit easier.

If 'more with less' is part of your remit, industry conferences, forums, banking partners, consultants, and of course trade publications such as Treasury Today, have the power to connect professionals globally and help share ideas.

KEEPING AN **OPEN MIND**

SUCCESSFUL TREASURY OPERATIONS IN AFRICA

It's a long game for Asian corporates moving into Africa; is it worth it? Treasury Today Asia hears some real insights and country-specific textures from treasurers already operating in the region.

5 OF THE **10** FASTEST GROWING **ECONOMIES** IN THE **WORLD** ARE FROM **AFRICA**

CHINA BECOMES **SINGLE LARGEST CONTRIBUTOR** OF AFRICA'S FDI

400 COMPANIES WITH REVENUE OF MORE THAN **US$1BN**

700 WITH MORE THAN **US$500M**

African economies are picking up. Some countries exhibit the kind of growth that seem a distant memory for European corporates, if not for Asian players. But it has not been an easy path to follow. Commodity prices have been on a roller-coaster ride, debt levels have risen, currency volatility (especially the South African rand) and the increasing costs of international capital have all burdened this continent in recent years.

There is optimism though. Investment in infrastructure is increasing – notably from China, keen to develop its Belt and Road initiative into East Africa, with Kenya a major beneficiary. In fact, Kenya is a hive of activity, having gone live with KITS (Kenya Interparticipant Transaction Switch) payments platform, offering real-time transfers.

Something similar is on its way in Zambia and Nigeria has also joined the global 'immediate payments' club with its NIBSS (Nigeria Interbank Settlement System). Indeed, Nigeria is moving from recession to growth and its leaders are beginning to loosen exchange controls. Meanwhile, oil exporters in sub-Saharan Africa (including Angola, Cameroon and Gabon) have seen encouraging real GDP growth of about 4%.

For corporates looking for a continental hub, it is no longer a case of South Africa or not at all. Other options have opened up, in countries such as Senegal, Kenya and Morocco, Côte d'Ivoire and Cameroon. The creation of unifying monetary zones too is adding momentum to corporate interest. The West African Economic and Monetary Union and the Central African Economic and Monetary Community are both delivering borderless banking and single payments within their zones for corporate treasuries.

Centralisation rules

But Africa is far from unified. With the markets being so different from one country to the next, the treasury decision to centralise or de-centralise is rarely clear cut, says Foluso Ayo-Olaiya, Head of Corporate and Public-Sector Product Sales, Treasury & Trade Solutions at Citi Nigeria. Speaking at a recent EuroFinance event, she said even for a major bank operating in the region, it is necessary to consider the industry, sector and appetite for concentration of each business in detail before developing what is essentially a bespoke structure.

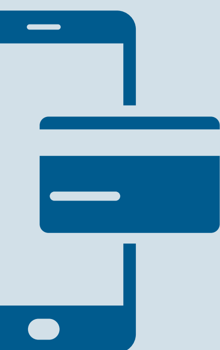
Whilst some local entities will be precisely directed on strategy and execution from a centralised position, others are granted full power to take decisions. There is no right nor wrong way, says Ayo-Olaiya. However, where decisions are made out of headquarters in other regions, sometimes escalating through multiple layers, it is possible that swift action is not possible on financial opportunities (such as the Nigerian central bank's snap decisions to offer 'bargain' FX and FX forward deals). "It is matter of deciding what aspects of the business require agile decisions, leaving them to skilled locals, then centralising key decision making and strategic thinking," she says.

If centralisation is a natural corporate inclination, Tracy Cooper, Assistant Regional Treasurer, EMEA at Cargill says "we're driven to it from a cost and scale perspective". With this comes the need to be sympathetic to the needs of the regions in which the company operates. This means putting the decisions about local activities "as close as is locally possible".

Cargill is a privately-held company operating across food and beverage, agricultural, financial risk, and industrial products in 70 countries. Its treasury is focused on centralisation, building expertise in regional hubs. It has a treasury hub in Singapore handling Asia, with another in the UK for Europe and Africa. North America has its own operations and Latin America, whilst more of a co-operation of different country operations, is effectively another treasury hub.

Cargill is currently present in seven African countries, employing around 2,000 people. Although it has a multi-business approach in most other locations, here it is usually a 'one business-one country' model. It operates with what it calls 'country tags', giving the local business in each country a direct line into centralised treasury.

Understandably, centralisation is a key topic for GE too. However, adopting this structure is dependent upon whether the market permits it, says Vasu Reddy, Treasury Leader, Sub-Saharan Africa at GE. "In Angola, it is not possible to do offshore trading or hedging so companies need to have authorised local personnel," he notes. For GE, although even



MOBILE

MONEY ACCOUNTS IN **SUB-SAHARAN AFRICA** HAVE **SURPASSED** BANK ACCOUNTS

SPENDING TOTALS **US$4TRN** TODAY AND IS **EXPECTED TO GROW** TO **US$5.6TRN** BY **2025**

its bank approvals are done at a central level, Angola does not allow this.

FX complexity

GE itself is a combination of nine industrial businesses (covering power, water, oil and gas), and GE Capital, where the centralised treasury function resides. Its sub-Saharan Africa (SSA) operations are located in 25 countries, 19 of which are subject to cash restrictions requiring approvals for movement. A shared services centre (one has recently been established in Egypt) manages back office duties including accounts receivable, payments, bank account opening, trade execution and reporting.

In terms of its FX trading, below a certain trade-size this is standardised and automated for most GE entities. It uses an in-house platform connected to its banks through which entities request deals. However, with Angolan participation not possible, treasury must be flexible in order to discover the best possible solution that sits astride both global policy and local regulation, says Reddy.

In meeting its own FX needs, Cargill prefers multi-bank FX portals, says Cooper. Indeed, the scale and volumes of trade undertaken by the company means this technology is essential to facilitate straight through processing, from the point where the local business requests the trade, right through to execution.

"We can't do this for many African currencies, but by streamlining and centralising the other geographies, it helps us to use our time and effort where it's more complex," she explains. That said, she adds that Cargill's "technology driver" will still see the company rolling out the platform in Africa as far as it can.

Technology the saviour

The adoption of such technologies will be a key means of supporting centralisation, says Ayo-Olaiya. With banks and other financial institutions and service providers distributing real-time information, and the use of multi-banking solutions, treasurers are able to take informed decisions despite the diversity of the African trading environment, she notes.

However, unless it is mandated, the real discussion for her is always whether centralisation adds value or not. For Cooper, technology and the information exchange it allows, offers the centralised treasury the agility it needs "without feeling too far away", so the benefits are clear.

Locally aware

Within this structure, the message is that streamlining and consistency of processes is advisable, even if the final execution with the local banks has to be manual. Not that centralising is without issue. Moving functions to a different region draws concerns, for example about local job security, lower volumes of trade and less local visibility, warns Reddy.

But then these issues have to be looked at in the context of a global business. "It's nothing personal," he says, "but when changes are made it's all about cost-containment for us, operating in a much more streamlined environment in challenging times." As such, he feels technology is going to play an increasingly important role in African treasury.

For Cooper, there is concern for local reaction too. Certain business managers in-country like to meet and talk directly with their banks, she notes. This allows them to feel in control of the relationship. Centralised intervention can, she admits, be seen as "controlling".

But often the outcome of central intervention is that the local operation is steered in the direction of the right tools and even the right banking partner, she explains. "I think we allow them to focus on the business and take that workload off them; eventually they see the benefit." As Reddy has said, ultimately it is about getting the best pricing and the best terms that local entities could not achieve on their own because they don't necessarily have that insight and oversight. To a degree then an education process is necessary, Cooper describing this as an "ongoing partnership discussion".

This constant communication and exchange of knowledge is important around a key topic such as FX because agility in responding to regulation and in accessing FX requires in-country expertise, even if the actual execution and internal processing is centralised.

AFRICA IS THE **WORLD'S 'YOUNGEST' CONTINENT** AND IS **EXPECTED** TO HAVE **A WORKFORCE LARGER THAN CHINA OR INDIA BY 2034**

MANUFACTURING OUTPUT COULD ALMOST **DOUBLE** FROM **US$500BN TODAY** TO **US$930BN** BY 2025

Top tips for establishing an African treasury

- Standard solutions for Africa are rare; a case-by-case approach will usually be required.
- Centralisation seems to be the preferred model.
- Before entering a new market, always involve treasury in planning.
- Accept and plan for trapped cash.
- Seek the advice of partners in banking, legal and tax to ensure full familiarisation with local rules and expectations, especially around repatriation of funds.
- Build a strong relationship with the most appropriate banks to cover both current and future needs, especially for accessing FX liquidity and keeping up regulatory changes.
- Adhere closely to central bank regulations; build trust from the start.
- Leverage technology to gain visibility.
- Talk to those who are already there.

Funding options

The nature of funding in Africa can prove challenging too. This has led GE to undertake occasional capital injections. For Cargill this means promoting inter-company lending as far as possible. But if a local business needs local currency, Cooper says that treasury's ability to inter-company fund can be more limited. If there is no access to currency, treasury may not be able to execute in a way that gives the local business its funding tool other than as an FX trade. "We will try to bring in as much capital as inter-company debt as we can, versus local bank debt, and then manage that relationship," she says. In the majority of countries in Africa, it has been possible to manage inter-company loans although in some, such as Mozambique, other methods are required.

As a means of assisting its access to currency, treasury will often extend a corporate (parental) guarantee to its banks in-country covering the local subsidiary. Success here is of course contingent upon picking the right banking partner: "one that can respect and value the guarantee" which, Cooper adds, "is not always the case with local banks".

GE's method, depending on the cash structure and the jurisdiction in question, is to establish centralised offshore cash pools. It will also seek to issue commercial paper in the US. As such, much of what it does around funding is centralised. If the funded entity can pay back, then an inter-company loan will be made, otherwise it will be by capital injection. "We don't take any debt from the local banks," states Reddy.

Banking partners

Seeing a combination of both funding models in the field, Ayo-Olaiya promotes the case for working with the right partner. "Having a bank that understands the culture of the corporate headquarters, and then knowing local personnel who can understand the dynamics and grasp the importance of flexibility, helps ensure success with the chosen structure," she says.

Indeed, says Cooper, Cargill chooses to approach its banks on a 'pari-passu' basis. "With the banks knowing how we operate, it means we are able to get things done a lot quicker; we can be more agile when entering into a country." Going to a new country and choosing a banking partner outside of the regular panel would, she notes, extend the lead time considerably.

With around 15 banking partners across Africa, and cash within those banks, GE has developed a robust risk team, says Reddy. Taking on a new partner requires extensive risk analysis on a global and country basis (considering credit ratings, balance sheets and so on). At times, banking group diversifications have necessarily been undertaken (in Angola, for example), on-boarding other banks to try to diminish risk.

The assessment of counterparty risk is a key part of GE's global policy, this being reflected by its in-country activity. For Cooper, most of the countries Cargill operates in allows it to go with regional or global bank relationships, this making the assessment of the counterparty risk "a lot easier".

Banking partners with muscle are closely bound with the corporate's maintenance of relationships with local authorities too, especially with the central banks of Africa. Cargill's team has met the authorities directly; in Zimbabwe, for example, the need for direct talk stems from the company's status as a major exporter with deep historical roots. However, says Cooper, "normally our first port of call would be to our banks, to ask for their advice and support in going to the central banks".

"We have a close relationship, but we don't sleep in the same bed," says Reddy of GE's connection with the central banks of Africa. It too normally goes through its main banks, as a matter of policy. Indeed, he says, it is important to maintain a strong relationship with its banks, partnering with them to work with the central banks, not cutting them out of the loop in any way.

Open mind

Whatever the corporate undertaking in Africa, its sheer diversity, for Reddy, means "there is no 'one-size fits-all' solution". Indeed, the only constant for GE is change, he states. "We try to be flexible, we try to gain scale, and try to maximise local resources, and we always look to our banks as partners."

It is the same for all companies entering Africa: no matter where they are from, there will be a steep learning curve. "But only when you go through it can you figure out if what you want to do works or not," says Reddy. "Then you can look back and know that next time you can be better prepared."

But, he warns, even what has been learnt can quickly become obsolete. "Structures and economies change so you have to keep abreast it. This is where local expertise can help."

For Cargill, Cooper says it is vital to keep listening to what is happening in the markets. "I think we will move towards a more service-based approach to Africa, but it really depends on what countries we will be in, and what business lines we are going to be in." The answers to such questions, she is certain, will in every case change the dynamics of the company's approach. Indeed, Cooper is clear that treasurers should resist holding a set view of Africa.

PLAY FAIR

the art of bank fee negotiation

If you feel your bank fees are not what they should be, how can you get a better deal?

Everyone likes to think they are getting a good deal. But when it comes to bank fees, how easy is it for treasurers to know if what they are paying is the best possible price? And what exactly is the best price, because in corporate banking it all depends on the relationship?

How banks price cash management services is often not based on the strength of the treasurer's negotiation, or even how well they know the bank, but on how hungry their bank is for the client's business, says Bridget Meyer, Senior Director at Redbridge Analytics.

It is hardly a secret too that in this Basel III world, where certain deposits cost more to take than they yield, some clients are just not worth having. Furthermore, where some banks focus on certain sectors or industries, it will be to the exclusion of others.

There may even be a fee impact at a personal level. In some cases, if a bank relationship manager (RM) has not yet met their sales target for the year, they will be looking to extract maximum value from new business. But RMs may be targeted on the total wallet they bring in from each client, or on the amount of new product they sell and this too will affect their appetite for negotiation.

Consider all angles

For a treasurer seeking to negotiate bank fees, all this points to a number of 'behind-the-scenes' variables potentially impacting the outcome. For this reason, it is essential for the treasurer to try to understand the bank's perspective.

It helps knowing what "levers" to push and when, says Meyer. Typically, this is a skill that comes either from extensive experience or from inside knowledge; having a former banker on the team, for example, should provide valuable insight into how certain banks operate in this respect.

If this sounds rather too much like a lottery then she believes that "those who get the best prices are often those who ask and who are persistent". And when an RM offers a discount, the degree of latitude they often have on price is such that taking the first offer is perhaps rash; push a little harder and the true extent of that latitude may be revealed.

Always remember that there is a partnership at stake here warns Meyer. "It's not just about taking from the bank. Treasurers need to be able to figure out what 'carrots' they can offer in return for a price reduction," she says.

Before going into negotiation, consider what ancillary business you might be able to offer them. If, for example, there is another bank relationship treasury is not happy with, or a bank where there is very little in the way of committed business, perhaps this business could be offered as a means to raising the total wallet share.

If the bank with whom treasury is negotiating is proffering new services or products, whilst full treasury commitment may not yet be possible, listening with an open mind to these new solutions may help ease the negotiation. "At least hear them out," advises Meyer.

Commitment

Striking a deal is one thing but sustaining the relationship is important too. "The number one requirement is to get the bank to demonstrate commitment," notes Meyer.

Offering a short-term contract of say 12 months' duration may seem ideal in that the bank has the perfect opportunity for early price rises. But commitment is a two-way process and the longer the arrangement, the stronger the bond between parties.

In taking the longer-term view, the bank knows its client is less likely to run an RFP in that period. This saves time and money and guarantees revenue for the bank for that period, she explains. "Banks would also rather take on a longer commitment so clients don't bother them every year for a price reduction."

Out of common decency, the commitment period offered by the bank should be respected by the corporate who should not go out to RFP until the agreement is coming to an end. However, it is not unheard of for banks to insert terms and conditions in their pricing proposals that allow fee increases on a sliding scale if volumes of business fail to hit a certain level, so the level of commitment is managed by the bank.

Keep watching

Perhaps it sounds too much like the balance of power is stacked in favour of the banks. This is not necessarily the case, says Meyer, but for the treasurer, to keep the banks sharp, "it is important to let them know that you are watching them," she advises.

Bank fees can appear to rise inexplicably, even for large companies that are sharing a sizeable portion of their wallet, so it is clearly incumbent upon treasurers to keep their eyes wide open.

Treasurers should periodically benchmark their fees against the wider market using an RFP (bearing in mind the commitment to the partnership referred to earlier). The process has the advantage of testing the appetite for the treasurer's specific business in a competitive environment.

By discussing results with the RMs, it sends the message that the client is very much aware of and tracking its bank fees. "The more treasurers pay attention and let their banks know that they are watching, the more the banks will know to keep their pricing in check," says Meyer.

Failure to benchmark at all is a mistake. It can lead to corporates keeping certain banks on their panel purely out of habit. Inertia is never a good thing in business. Similarly, although the attitude that 'if it's not broken don't fix it' is common, it suggests to Meyer that "some companies don't want to know if its broken".

This is a curious notion but she explains that there can also sometimes be "an apprehension of rocking the boat". This fear is misplaced. "No bank ever pulled out of a partnership because the client asked for a discount on cash management."

When it comes to broaching the subject of fees, let no more than five years elapse before going through an RFP, says Meyer. Requesting a discussion on fees with the current providers every two or three years is "not unreasonable". Of course, some public bodies (such as municipalities) may even be obliged by law to run regular RFPs.

Review time

If an organisation is monitoring and paying attention to results, the treasurer will know when the right time comes to have that conversation. However, so many corporates don't do

What are you paying for? A banker's perspective

"The fees that banks charge ought to be in direct proportion to the value they bring to the client," says Paul Taylor, Global Head of Corporate Sales, GTS and Head of Sales for GTS EMEA, Bank of America Merrill Lynch.

It's clear that the value a bank can bring to corporate clients has evolved over time. It used to be a very physical business, he says, with the transportation, clearing and settlement of funds being performed as part of a banking community which was not accessible to the client. Banking was a very distinct function and it was clear what was being paid for.

Today, far more of what a bank does is about data. This is data drawn from many sources including the client, obtained as per the usual transaction banking agreement. The ability of the bank to add value to the company through the use of that data is a vital part of today's offering.

Because data has its own measurable value, its safekeeping and carriage has become a number one priority for banks today, with cyber-security a major necessity for all companies, says Taylor. "We invest very heavily in cyber-security and the integrity of our systems."

In practical terms too, banks today manage data, producing more meaningful reporting for clients. This reporting allows clients to make more informed judgements about managing their cash. These are judgements which require banks to take actions which the companies typically cannot take themselves.

In terms of the innovation necessary to keep adding value, few companies want to be a first adopter in a world of proliferating solutions. This is simply because there is no certainty around which will become the de facto solutions, says Taylor. Banks have therefore become "an important litmus test" for new technologies, some of which pass into common usage, many of which do not.

The role of the bank has a value, from the expectation of the safe carriage of data, right through to the investment in and testing of new technologies to solve new problems. These are activities that no company could or should do on its own, says Taylor. "In that sense, banks today verge on being community providers."

Are the fees in direct proportion to the value these services bring to the client? Try living without them for a while.

anything, notes Meyer. If a treasurer waits for the banks to comes in to do their quarterly reviews, it invites a glossy and somewhat passively received explanation of what the bank is doing for the corporate, with maybe a few service issues raised on the side.

But these reviews are an ideal opportunity for the treasurer to really find out where the relationship is going and improve their treasury services. Do some homework before the review, advises Meyer. Perform an account and service rationalisation and come to these meetings with questions based on your analysis. Why do we have this service on this account and not the others? Timing discussions and negotiations with one of those meetings makes it a "relationship review on steroids", she says and produces real results.

There is no point negotiating on superfluous services; if paper billing is going to be dropped soon don't bother getting a reduction on it.

Send the findings to the bank, asking it to come prepared with a response at the next quarterly. The bank should be given enough notice to prepare and not feel like it is being pressured; this should be seen as a friendly reminder that treasury is taking fees seriously.

With RMs servicing many clients, "it's the squeaky wheel that gets the grease", says Meyer. If the corporate and bank have been on autopilot for a number of years, a sudden focus on fees may reveal areas where they have risen beyond acceptable levels. The relationship may be quite satisfactory in all other respects but if the treasurer knows they are paying above market rates, the bank now has the opportunity to address the issues and create a win-win situation.

Legal bind

This is not just a tale of prices incrementally increasing over time because they were not kept in check. There are cultural differences that can influence pricing changes too. In the US, fraud protection services are lucrative because businesses are scared of doing the wrong thing; few will ever turn these off. However, banks in Europe know they cannot charge directly because corporates have always seen banks as duty-bound to protect their clients' interests.

Anecdotal evidence further suggests that banks can and do amend their menu of chargeable items, and they are entitled to do so. Some banks may even use the complexity of their contracts to impose a range of price increases more or less at will.

These contracts are subject to negotiation, and treasurers have been known to challenge and win. But the process is far from easy because banks have vastly experienced legal teams; they have to because they are undertaking huge liabilities and risks.

A large corporate may have the legal resources to return red-lined copies of such documents and enter into negotiation. Even in such organisations the legal expertise will not be in banking per se. However, many more businesses do not have the capacity to do this and will have to accept the contract as is.

Although a smaller banking institution may be more compliant if it wants the business, the likelihood of getting a large bank to sign a service level agreement is minimal. For the treasurer, an appendix of agreed pricing may be about the extent of acceptable amendments in many cases.

Top tips for fee negotiation

- Don't be afraid to ask for a fee reduction.
- Try to understand pricing from the bank's perspective.
- Enter a negotiation with something to offer such as ancillary business.
- Try to work for the long-term relationship and see the arrangement as a partnership.
- Don't take the first offer – push a little harder.
- Keep monitoring fees and let the bank know you are doing so.
- Never go more than five years without a review.

True partnership

When seeking to negotiate, it requires more than just a database of industry best prices to make headway. These figures cannot possibly take into account the full and unique client relationship, which often encompasses a broad suite of products and services across multiple regions.

In any case, attempting to browbeat the bank with a list of the lowest rates on every product and service is likely to prove unsuccessful in negotiation. On the other hand, the ability to think from the bank's perspective about the depth and desirability of the relationship, and from here set a reasonable pricing target on only the services needed, will be more fruitful.

The treasurer should only use those lowest prices as the starting point, considering each, line by line, only in the context of the entire package. Obviously, the target prices should not be revealed to the bank as sometimes the final offer can improve on these.

Allowing the bank time to think about the deal and come back with what it considers to be a better price is therefore a much healthier approach. It gives the bank the fairest opportunity to demonstrate what it believes is the true worth of the unique relationship it has with the client. If the offer has not met expectations, the client should review it as a good first try, using this as the starting point for the next round of negotiations.

Whether engaging in an RFP or bilateral negotiation, being forearmed with the information, taking a big picture view that encompasses a degree of flexibility and, importantly, being able to understand the bankers' perspective, will give the treasurer the tools needed to seek and achieve rates that serve both parties well.

Treasurers who are prepared to ask their banks to revisit fees can save between 20% and 30% on pricing alone, says Meyer. Whilst no one benefits from driving too hard a deal, she believes many more in the profession should be thinking about "getting their best game face on".

Big Data, machine learning, and the challenge of scale

After decades in the doldrums, AI has graduated from Hollywood to the headlines. It has even entered our daily lives and may be poised to threaten our jobs. But before we get too excited about early retirement, it is probably worth looking in more detail at the substance and the hype.

The initial premise of AI was that we can programme computers to process information in the same way that humans do. Sounds reasonable. But this premise ignores two critical realities. Firstly, we have almost no clue how humans function from a cognitive, psychological, and even physical perspective. Even today, with lots of fancy kits like fMRI scanners and decades of research, we are only just beginning to map some basic brain processes like vision (which very quickly turns out to be very complicated).

Secondly, wetware (neurons in living brains) is very different from hardware (silicon transistors in chips). Neural nets were originally designed to mimic wetware but turned out to be more useful for flexibly crunching lots of statistics. There is some promise of computing with DNA. Quantum computing is essentially many more binary computations at once. Impressive as it is, silicon remains good at doing massive numbers of simple calculations, and there is little likelihood that increasing scale will make silicon more like wetware.

Artificial intelligence

Whereas the pioneers apparently thought that artificial intelligence might somehow imitate human intelligence, the understanding of AI has changed now. It is no longer about mimicking human intelligence but rather about creating a new kind of intelligence.

Last century AI was about imbuing a machine with life skills, which we now call broad AI. Current projects focus on specific skill sets such as recognising cats in images or winning a game of go, which is called narrow AI. Each individual narrow AI is excellent at a small task, and when specific narrow AIs are combined the result could seem to approach human intelligence. Combine vision with language processing and some empathy algorithms and AI is ready to pass the Turing test.

Broad artificial intelligence

Having established that AI is artificial, namely that AI is a different kind of intelligence than human intelligence, the next issue is to determine if AI is likely to achieve broad intelligence. Current AI, remarkable as it is, is very focussed on narrow data sets and specific outcomes.

There are lots of case studies describing how some form of AI discovered new patterns in big data that help companies to improve and sell more products. Careful reading shows that this kind of pattern discovery is guided by and mediated through data scientists and data analysts. In other words, AI can be very good at answering (some) questions, but we still need humans to figure out what questions to ask.

Also, correlation does not imply causation. Some data patterns are just coincidences and/or do not make clear the real actionable pattern of causation needed to make business decisions. Again, human judgement is required to make sense of the answers generated by AI.

In other words, to be useful in the wonderful wide-open world, AI needs human hand holding. This may sound reassuringly like needing a database administrator (DBA) to manage your Structured Query Language (SQL) database, but even if AI is not self-sufficient it represents a major shift in the kind of handholding required. AI can produce surprising results, and humans must be intellectually prepared and emotionally ready to deal with the surprises.

Intelligence

From the forgoing, it is clear that AI is different from human intelligence and that it can be superior in narrow domains. Looking at the dictionary definition of intelligence – "the ability to acquire and apply knowledge and skills" – it seems that if we simply add a narrowing rider such as "in a specific domain", the term AI may not be misleading. The tech industry, presumably mindful of the doldrums of AI last century, prefer less dramatic terms such as "machine learning", "neural nets", and "predictive algorithms", even though AI seems a reasonable description according to the dictionary.

The purpose of this article is not definitional, but rather to describe how this cluster of new technologies around AI might impact treasurers in their day to day lives. If machine learning and predictive algorithms appear intelligent, it is because they feed on huge quantities of data to learn. In practical terms, the AI that is likely to impact treasurers in the foreseeable future is a nexus of massive quantities of data and sophisticated statistical techniques ranging from Bayesian math to neural nets.

Big Data

AI feeds off data and happily for AI we are generating exponentially increasing amounts of data. These can be aggregated and meaningfully trawled by big data technologies. And better still, we are increasingly able to dump in any old unstructured data into the AI nexus and get curious and maybe even meaningful insights.

Because AI feeds off data, scale matters. This has implications for corporations in an increasingly competitive world. First, corporations must start mining their data as soon as possible.

Second, some corporations simply have more data than others – companies like Google, Alibaba, and Tencent have data volumes that few can match, and this gives them a competitive advantage in the intelligence race.

To choose a domain adjacent to treasury, Alibaba uses its huge trove of goods and settlement data to offer competitive financing to merchants on its platform. Because their trade goes across its platform, Alibaba sees sales, collections and customer satisfaction with a breadth and depth that allow it to know its customers with an intimacy that banks can only dream of. Better customer intimacy allows Alibaba to fund its merchants more cheaply and more profitably than banks. The outlook for banks, who even if willing will not be able to replicate Alibaba's platform and scale, is bleak.

The same applies, or will apply, in other domains. The largest players with the most data will be have the best trained neural nets – they will be the most (machine) intelligent players – and they will have a substantial competitive advantage. And whilst some collaboration around data may provide a way forward, a more likely scenario may be that smaller businesses are forced onto market leaders' platforms to get access to clients and pertinent machine intelligence.

RPA

Robotic process automation (RPA) is not AI though some implementations are AI augmented. RPA refers to software "robots" that basically screen scrape data from one system, possibly process the data in some way, and then input the data to another system. It brings hope of linking disparate systems – such as Excel and ERP – without multiyear IT projects to figure out and implement APIs.

RPA can also use AI to process the data it has scraped from one system before it enters it into another. In some cases, this can mean significant decision making such as approve or reject decisions. RPA can also be the interface from AI platforms to legacy systems in many instances.

Talent

The plausible way forward is human machine collaboration. No doubt we will see meta AIs managing some early generation AIs, but for the foreseeable future AIs will not be formulating meta goals of their own. Treasuries that have already implemented RPAs, or who have modern API based systems that obviate RPAs, know that the days of cutting and pasting and reconciliation drudgery are numbered.

Other areas that are ripe for AI disruption may include:

- Credit analysis.
- FX hedge optimisation.
- Cash management optimisation.

Not all of the examples are strictly speaking AI but as we have seen there is a blurry line between advanced statistics and AI in practice, so at least they show the direction in which the profession is headed.

Treasurers do not necessarily need to become data scientists but they need to be comfortable enough to feed and interpret AI systems, just as treasurers do not necessarily need to be ace programmers today but they need to be able to use and interpret Excel spreadsheets and key financial formulae.

This learning journey is complicated by the fluidity of the field, which brings risks of learning the wrong tool and difficulty finding guides along the way. Just as VisiCalc and Lotus expertise was not wasted when Excel came along, any experience even with AI platforms that eventually lose out commercially, will still help treasurers to understand what the technology can and cannot do.

Specialisation

Specialisation has been a good career move. Treasury itself would be seen by many to be a specialisation. Some specialisations such as compliance and data science remain attractive – although one has to wonder for how long.

Given that the mechanics of treasury – copy/paste, reconciliation, credit analysis, FX hedging, et al – will increasingly slip into the domain of AI, treasurers will be increasingly required to use human and AI interfacing skills.

Human skills will remain hard for AI to master – though AI may help train and support human skills – and it is unlikely that AI will build local entity buy in for new banking arrangements (assuming that local entities still exist).

And as stated above, AI hand holding – the ability to feed and interpret AI – will become a key skill for treasurers. In this context, treasurers will need to be competent generalists rather than specialists. Even specialisations that are currently in demand like compliance will eventually become heavily data focussed – no human will be able to remember all the rules to which corporations must adhere, so knowing how to get the right answers from extensive data will become more important than knowing all the rules.

David Blair, Managing Director

Twenty five years of management and treasury experience in global companies. David Blair has extensive experience managing global and diverse treasury teams, as well as playing a leading role in eCommerce standard development and in professional associations. He has counselled corporations and banks as well as governments. He trains treasury teams around the world and serves as a preferred tutor to the EuroFinance treasury and risk management training curriculum.

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INSIGHT & ANALYSIS

Understanding China's belt and road

China's belt and road initiative is well underway and has the potential to transform global economy over the next decade. Indeed, the multi-billion dollar project is already having an impact on the 65-plus countries it covers and this will only increase in the coming years. To make sure you are in the know, Treasury Today Asia analyses the impact belt and road might have on the global economy, the companies that might be affected and what it all means for business leaders and corporate treasury.

TECHNOLOGY

Fintech: hot or not?

Fintech is the trend in financial services right now. Around the world fintech firms are emerging to solve niche problems in the financial ecosystem and every banks and technology provider is rebranding themselves a fintech. Is this hype justified and are treasury departments benefiting from the fintech phenomenon? Treasury Today Asia finds out.

TREASURY PRACTICE

The role of treasury in M&A

In 2017 the global M&A boom continued with over US$3trn of deals finalised. Notable deals include CVS Health's US$69bn purchase of healthcare insurer Aetna and the US$66bn sale of 21st Century Fox to Disney. In all of these deals, the corporate treasury department has a role to play. So, with M&A activity expected to increase over the coming years we speak to several treasurers involved in M&A deals to find out what role they played and the value they added.

We always speak to a number of industry figures for background research on our articles. Among them this issue:

Foluso Ayo-Olaiya, Head of Corporate and Public-Sector Product Sales, Treasury & Trade Solutions, Citi Nigeria; Cale Bennett, Advisory Board Member, CurrencyVue; Tracy Cooper, Assistant Regional Treasurer, EMEA, Cargill; Kirsty Dent, Treasury Analyst, Brisbane Airport Corporation; Sebastian di Paola, Global Leader of Corporate Treasury, PwC; Christopher Emslie, Asia Regional Treasurer, General Mills; Scott Engle, Group Treasurer, AIA; Gabriela Guibourg, Head of Division for Analysis and Policy, Riksbank; Namita Lal, Managing Director, Global Head Payments, Collections, Mobile Money, eCommerce, Standard Chartered; Andrew Marshall, Managing Partner, Covarius; Bridget Meyer, Senior Director at Redbridge Analytics; E-May Neoh, Asia Head of Liquidity and Balance Sheet, Global Transaction Services, Bank of America Merrill Lynch; Randy Ou, Treasury VP, Alibaba; Sandip Patil, Region Head, Global Liquidity and Investments, Asia Pacific, Citi; Vasu Reddy, Treasury Leader, Sub-Saharan Africa, GE; Gordon Rodrigues, Fund Manager, Australia Liquidity Fund, HSBC; Aidan Shevlin, Head of Asian Liquidity Fund Management, J.P. Morgan Asset Management; Bob Stark, VP of Strategy, Kyriba; Philip Stewart, Global Head of Cash & Banking, British American Tobacco; Rohit Talwar, CEO, Fast Future; Paul Taylor, Global Head of Corporate Sales, GTS, Bank of America Merrill Lynch; Andrew Wray, Vice President, Yoyo Wallet.

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