May/June 2025

treasurytoday ASIA

research | insight | analysis

Reconfiguring supply chains

What is the right supply chain set-up to ensure resilience in the face of geopolitical and climatic uncertainty?

The Corporate View

Roopashini Maheswaran

Head of Group Treasury

X-Press Feeders

Treasury Practice

Building relationships across the organisation

Regional Focus

RTCs reveal structural shift in treasury operations

Regulations & Standards

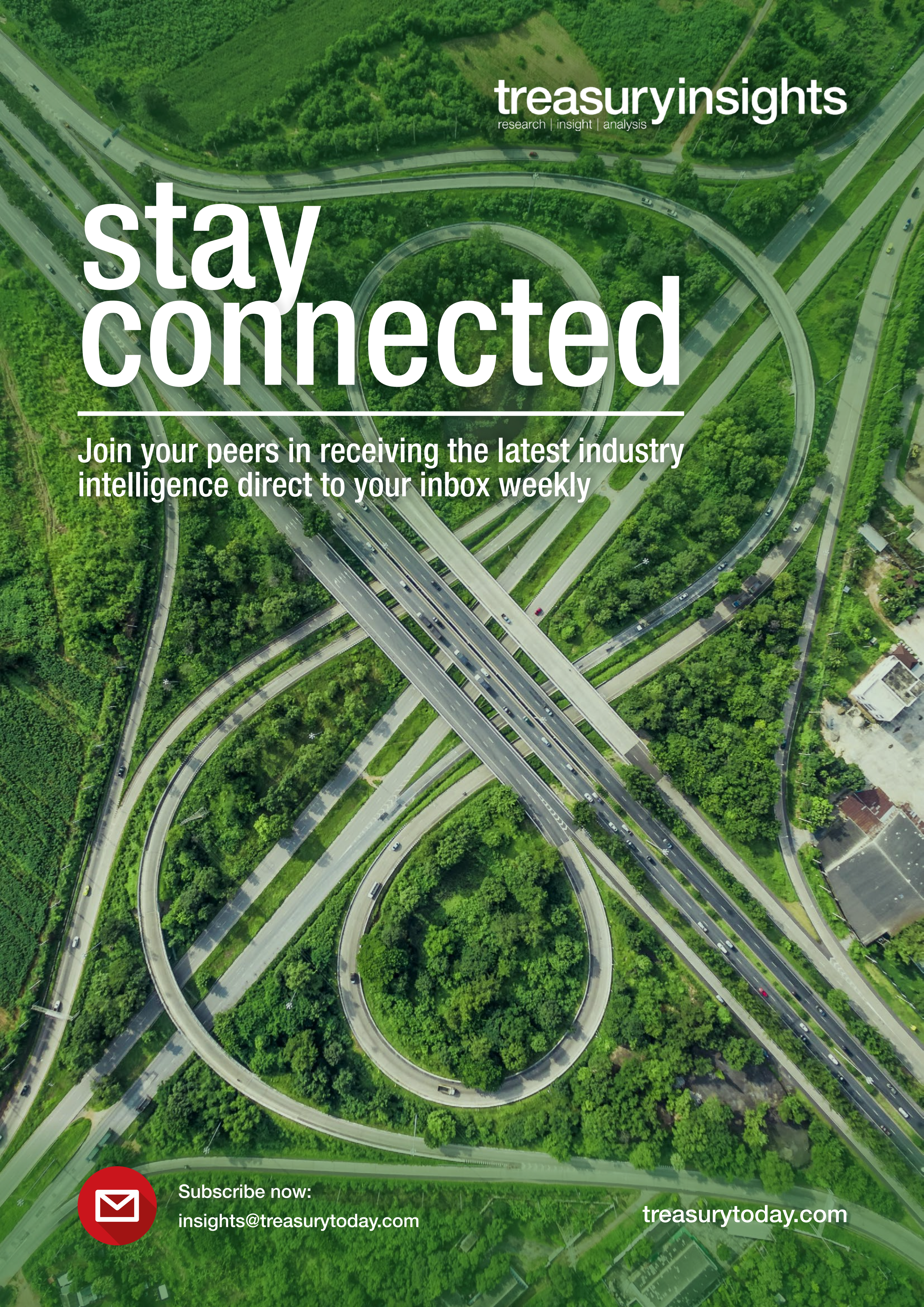
Local differences complicate compliance in Asia

Technology

Asian corporates tap benefits of PAYG TMS

Trade

Connecting with India's cost conscious consumers


treasuryinsights
research | insight | analysis
stay connected
Join your peers in receiving the latest industry intelligence direct to your inbox weekly
Subscribe now:
insights@treasurytoday.com
treasurytoday.com

treasurytoday ASIA
research | insight | analysis

treasurytoday.com
Volume 13/Issue 3
May/June 2025

Switchboard	+44 (0)13 0462 9000
Publishing	+44 (0)13 0462 9017
	+44 (0)79 3943 6343
Memberships	+44 (0)13 0462 9013
Advertising	+44 (0)13 0462 9018
Editorial	+44 (0)13 0462 9003
Production	+44 (0)13 0462 9019

Treasury Today is published bi-monthly (6 issues) by Treasury Today Limited
Courtyard Offices • Harnet Street
Sandwich • CT13 9ES • UK

Treasury Today USPS: (USPS 023-387) is published bi-monthly by Treasury Today Limited, Courtyard Offices, Harnet Street, Sandwich, CT13 9ES, UK.

Subscription records are maintained at Treasury Today Limited, Courtyard Offices, Harnet Street, Sandwich, CT13 9ES, UK.

Adaptability, sustainability and resilience

Five years on from Covid-19 pandemic-induced disruptions in global supply chains, our main feature looks at how treasurers can build resilient supply chains through enhancing visibility, flexibility, control and strengthening supplier relationships. Experts agree that regular supply chain stress-testing can help identify vulnerabilities and point out how supply chain finance programmes can strengthen supplier relationships and improve working capital.

Technology is critical for building resilient treasury operations. Many mid-sized companies in Asia have adopted cloud-based treasury management systems (TMS) which don't require substantial IT infrastructure and specialised personnel.

In our Corporate View this month, Roopashini Maheswaran, Head of Group Treasury at X-Press Feeders, talks about leading a project to implement a new TMS intended to automate and streamline treasury processes.

In-house banking (IHB) has emerged as a strategic enabler for modern treasury functions. We look at best practice when setting up an IHB, with top tips from Roche, Treasury Cube and Cobase.

Staying abreast of regulatory changes is also paramount, as the penalties for non-compliance can often be significantly higher than the cost of compliance. However, regulatory and operational fragmentation creates significant challenges. Finance leaders at Kerry Ingredients and Flavours, DFI Group and Marsh McLennan discuss their strategies to mitigate regulatory risks.

Our country coverage explores the opportunities that the Indian market presents for large global brands, particularly those that take a flexible, localised approach when operating in such a diverse market. Many believe that a local finance team is key to effectively navigate the country's complex regulatory environment, as well as respond to changing consumer expectations and payment preferences.

Many corporates are setting up regional treasury centres (RTCs) in the Middle East, as treasury functions are now decentralising to better align with business growth in frontier and emerging markets. The UAE remains the top choice in MENA for hosting RTCs due to its world-class banking infrastructure, stable and business-friendly regulatory environment.

Treasury professionals need to build strong working relationships with a host of other departments across the organisation, from procurement and IT to legal and HR. Experts from Avramar, Thomas Cook India and Wolters Kluwer share best practice.

IN THIS ISSUE

INSIGHT & ANALYSIS 4

Reconfiguring supply chains

Treasurers can work with their banks to leverage numerous working capital techniques to enable business, improve financial indicators and build more resilient and sustainable supply chains.

REGIONAL FOCUS 7

RTCs in MENA: a growing trend

MNCs are increasingly setting up regional treasury centres in the Middle East in response to differentiating between restricted and free-market treasury operations. The benefits span real-time oversight, faster decision-making and regional insights on capital controls, repatriation constraints and compliance requirements.

TREASURY PRACTICE 10

Secrets of a successful partnership

Three treasury professionals explain how developing strong relationships with procurement, legal, FX dealing and other departments across the organisation has helped them add value to their organisations.

TRADE 16

The price of success in India

Local treasury expertise is a core component of any successful Indian consumer market strategy.

REGULATIONS & STANDARDS 20

Keeping up (with) standards

Commercial success in Asia requires corporates to balance often contradictory compliance requirements.

TREASURY ESSENTIALS

Treasury Insight 15

Question Answered 22

12

The Corporate View

Roopashini Maheswaran
Head of Group Treasury

X-PRESS FEEDERS

Drawing on her own experience of joining the treasury profession with limited experience, Roopashini Maheswaran, Head of Group Treasury at X-Press Feeders, explains why guiding new talent and sharing knowledge is an essential part of the treasurer's role.

TECHNOLOGY 18

TMS integration: Asian treasurers embrace modular approach

Outside large MNCs, TMS integration amongst regional Asian corporates has been slower and trails integration in the US and Europe but that is all starting to change. Now Asian corporates are starting to tap the benefits with PAYG models.

Reconfiguring supply chains

What is the right supply chain set-up to ensure stability in the face of geopolitical and climatic uncertainty, and how can supply chain finance help build resilience?

Five years on from the severe disruptions in global supply chains caused by the Covid-19 pandemic and many companies are still rethinking their supply chain strategy. Ensuing exogenous shocks, including geopolitical instability, natural disasters and rising costs due to inflation and increasing labour expenses, have continued to expose the risks inherent in long and complex supply chains.

US President Donald Trump's punitive and wide-reaching tariffs, announced on April 2nd, has thrown yet another spanner in the works of global trade flows, as other countries respond in kind. "No one wins in a trade war" has become the mantra of those wishing to avoid the slippery slope towards deglobalisation. In light of these developments, many corporates are looking at building regional supply chains and diversifying their suppliers to improve operational and business resilience.

According to the **Trade in Transition 2025** report, businesses are split between spreading supply-chain risk across regions and staying close to home. Almost half (46%) are diversifying geographically to enter new markets and hedge against disruptions, while 42% are localising supply chains to cut transport costs and improve oversight.

Three-quarters are diversifying their supplier base, spreading risk and increasing resilience by working with more partners. However, that brings with it other challenges, such as lower quality and consistency, weaker relationships and higher administrative costs.

"The biggest risk in today's supply chains is an over-reliance on a single region, supplier or logistics route. Many businesses are still exposed to long, complex supply chains, which can make it difficult to anticipate or respond to disruptions," says Arpana Amin, Global Product Head of Supply Chain Finance (SCF) at HSBC. "From a treasury perspective, these risks can potentially translate into liquidity stress, production delays or increased working capital needs."

Closer to home

Kemi Bolarin, Head of Treasury – Europe, GXO Logistics, has seen significant change in the company's supply chain, driven by the need to bolster resilience, enhance service levels and minimise risk exposure for its blue-chip customers. She reports a notable shift towards nearshoring, especially in regions like North America, Europe and Asia Pacific (APAC).

"Trade uncertainties and supply chain disruptions have prompted businesses to reassess their logistics strategies, prioritising proximity, flexibility and adaptability," says Bolarin. "As we look ahead, we foresee a global rebalancing of trade, fuelled by nearshoring and reshoring trends."

She points to third-party forecasts that estimate US$3.5trn in global trade could shift by 2027. "For every 1% of trade that is reshored, a US$1bn warehouse revenue opportunity arises, accompanied by a 3-4% increase in inventory levels to provide greater certainty," she adds, which bodes well for the global contract logistics company that manages outsourced supply chains and warehousing. The wave of nearshoring and reshoring is also driven by shifting consumer expectations and technological improvements. "The rapid expansion of e-commerce and omnichannel retail has heightened demand for faster, more efficient fulfilment, leading to increased investment in micro-fulfilment centres and urban warehousing," Bolarin says.

Arnd Weckes, Head Working Capital D/A/CH at Deutsche Bank, highlights the role that technological advancements, as well as government inducements, are playing in manufacturing, for example. "Many goods that used to be produced offshore for labour cost reasons can today increasingly be done by robots, which has led manufacturers to reshore production," he says. "Additionally, reshoring has been incentivised by governmental programmes, such as the US inflation Reduction Act under the [Joe] Biden administration, which brought a lot of new investment into the country."

Weckes reports European companies returning to Eastern Europe and US companies moving out of China and into Mexico. "Due to concerns around developments in China, many companies – especially in Germany – are looking to diversify supply chain risk by moving into other Asian countries, such as India, Vietnam and the Philippines," he adds.

Natasha Condon, Global Head of Trade and Working Capital Sales at J.P. Morgan Payments, also sees a noticeable shift towards both nearshoring and 'friendshoring', as evidenced by world trade data.

"ASEAN members and Mexico have successfully attracted local production that was once concentrated in China," she says. "However, it's important to remember that changes in trade flows take time; while a ship on the water can be diverted easily, relocating industrial manufacturing capacity requires time and significant capital investment."

Climate change and sustainability concerns are also fuelling the nearshoring trend, as carbon emissions are lower when transporting goods from nearby countries. "Climate change leading to rising physical supply chain risks has led to a greater focus on sustainable supply chain practices, including local sourcing and reducing carbon footprints," says Cynthia Tchikoltsoff, Head of Global Trade Solutions, APAC at BNP Paribas.

GXO views nearshoring as a major growth opportunity, as businesses increasingly look to localise their supply chains to improve agility, manage costs and mitigate risks, according to Bolarin.

"In the US, companies are reshoring manufacturing and distribution centres to diversify supply sources and shorten lead times," she says. "In response, we have strategically expanded our regional infrastructure to better support these evolving needs. Similarly, in Europe, we are scaling multi-client warehousing and regional distribution hubs to navigate supply chain complexities and ensure seamless cross-border operations."

Visibility and control

According to Amin, building supply chain resilience is no longer just an operational issue. "To enable truly resilient supply chains, treasurers need visibility, flexibility, control and strong relationships across their supplier base," she says. "Treasury can support this by leveraging artificial intelligence (AI) and data-driven technology to track goods throughout the manufacturing and delivery cycle enabling more accurate production planning."

In addition, by pivoting supplier relationships away from transactional to strategic, Amin believes that treasurers can build flexibility as purchase requirements evolve, ensuring financing flows smoothly through the chain. "Treasurers should be supporting suppliers at every stage throughout the supply chain, both pre- and post-shipment of goods and going deeper into the supply chain to build resilience throughout multiple tiers," she adds.

The key word when thinking about resilience is 'agility', according to Condon. "Treasurers should be thinking about whether they have built enough agility into their business so they can respond quickly and nimbly to disruption," she says. "Maybe you need a bit more of a liquidity buffer than before, or you want your cash in a different country."

She advises that all corporates should be reviewing their business to spot risks in advance and 'stress-testing' the supply chain for potential impact. "And once you have done this basic risk management work, then you have the breathing room to make thoughtful strategic decisions and can reconfigure your supply chain for the evolving landscape," she says.

As a global contract logistics provider, increasing resiliency in GXO's supply chain requires a proactive, multi-faceted approach to minimise disruptions, adapt to market fluctuations and ensure seamless operations, according to Bolarin.

"Our strategy is anchored in diversifying suppliers and carriers, reducing dependency on any single partner by cultivating relationships with multiple regional and local carriers and sourcing from diverse geographic locations to mitigate risks such as political instability or natural disasters," she says.

GXO has also strengthened technology and visibility by adopting a cloud-based warehouse management system that enhances coordination, optimises inventory management and provides real-time insights across the supply chain.

"To improve workforce agility, we implement cross-training programmes that enable employees to handle multiple roles during peak periods or disruptions, leverage flexible staffing models to scale operations as needed, and integrate robotics and automation to enhance safety and efficiency," she says.

Additionally, GXO enhances risk management and contingency planning by developing robust disaster recovery strategies for various scenarios.

"Regular stress-testing of our supply chain helps identify vulnerabilities, while collaboration with insurance providers ensures financial risk mitigation," Bolarin says, illustrating Condon's point. "By embedding these strategies into our operations, we cultivate a resilient, agile and adaptive supply chain – one that not only withstands challenges but also positions us as a competitive and forward-thinking leader in the logistics industry."

SCF and working capital

Treasurers play a critical role in enabling business momentum and fortifying supply chains. They can work with their banks to leverage numerous working capital techniques such as receivables, payables and inventory financing to enable business, derisk supply chains, improve financial indicators and build more sustainable value chains, according to Tchikoltsoff.

Given the nature of warehousing, transportation and reverse logistics, GXO employs strategic financial solutions to optimise working capital and enhance liquidity. "These financing strategies enable us to reduce the need for large amounts of upfront capital, resulting in more efficient use of our working capital," Bolarin says.

She explains that the improved payment terms with suppliers and timely receivables collection all contribute to a healthier cash flow, allowing GXO to reinvest more quickly into other areas of the business.

"This enhanced cash flow flexibility supports growth, strengthens financial stability and allows us to capitalise on new opportunities, while maintaining optimal liquidity levels," she adds. "These strategies not only improve working capital but also provide us with greater operational agility, enabling us to better respond to market shifts and customer needs."

Specifically, SCF programmes are often seen as a way to strengthen the supplier relationship, as well as help businesses improve their working capital, by extending payment terms without putting pressure on suppliers. For suppliers, SCF can offer earlier access to affordable funding based on the buyer's credit profile, supporting cash flow, reducing risk and strengthening relationships, according to Amin.

"Many suppliers may face tight margins and rising costs, so the ability to access timely liquidity can make a significant difference in managing their cash flow and working capital cycle," she explains. "This in turn bolsters supplier loyalty and customer prioritisation, as SCF programmes free up cash early for the suppliers without tying up their own credit facilities." Treasurers can also use SCF programmes to improve forecasting, standardise processes and increase visibility over outbound cash flows, she adds.

"As companies shift to focus on resilience and visibility, the emergence of pre-shipment solutions enables financing providers to extend financing to suppliers much earlier within the supply chain based on an accepted purchase orders which is then settled against the invoice proceeds," says Amin. "This further strengthens the supply chain by reducing the time taken for suppliers to receive payment and enabling them access to financing during the manufacturing stage."

SCF continues to grow as a financing mechanism. According to the **World Supply Chain Finance Report 2025**, the global SCF volume has increased by 8% to US$2.46trn and funds in use up by 5% to US$942bn. Tchikoltsoff views SCF as an opportunity for treasurers to partner with their procurement and sales teams to support business growth and resilience. For Weckes, such a partnership is often a key to the success of an SCF programme. "While treasury is an important stakeholder when it comes to building supply chain resiliency, they need to lean on procurement as the latter are ultimately in charge of purchasing and traditionally consider themselves to be the owner of the supplier relationship," says Weckes.

"I've seen many SCF mandates, which have been initiated by treasury to optimise liquidity and balance sheet ratios, end up being unsuccessfully implemented because they were lacking procurement buy-in," he continues. "No one in procurement was willing to discuss lengthening payment terms with suppliers because it's not one of their key performance indicators." As such, he believes that C-suite support for a SCF programme is often required.

The Head of Treasury in China at a multinational company based in Germany reports that its procurement department uses the SCF programme as a leverage to negotiate better pricing with suppliers. However, overall utilisation is low.

"Frankly, I am not sure why that is. It could be that our procurement department is only offering the programme to a limited number of suppliers. It could also be that our suppliers are relatively more resilient than their competitors in terms of funding and financing capability," they say.

Previously the treasury team conducted analysis on dynamic discounting, with the intention of leveraging extra liquidity the company had in China, but did not fully roll it out. "Our headquarters' view is that since the subsidiary is still with high leverage at the group level, extra liquidity should be centralised and provided to headquarters, rather than use it to support supplier financing," said the Head of Treasury.

Future-proofing

While there is no shortage of articles predicting that **AI will protect global supply chains**, Anurag Chaudhary, CEO of Pinnacle Trade Finance, advises taking a "back-to-basics" approach to resiliency and pushing SCF programmes further down the supply chain. "The key for treasurers looking to future-proof their supply chain is to explore 'one-stop' technology solutions targeting vendors not usually financed by global relationship banks, ie vendors based in emerging markets, tail-end suppliers and indirect spend, such as logistics," he says. "Also, they should leverage local and regional banks to on-board the vendors to ensure working capital finance benefits reach a wider range of suppliers." He believes that this approach will help bring capital and liquidity where it is needed within the buyer's end-to-end supply chain and optimise their cost of goods sold.

Condon's advice to treasurers is to prepare for change. "Disruption creates opportunity, and the companies that are best positioned to capture that opportunity will be the success stories. That could mean moving production to new markets, digitalising trade processes to reduce cost, or using financing tools to offer a better deal to customers than competitors," she says.

"A treasurer needs to be agile and closely follow the market given the current level of turmoil," adds Weckes. "They need to ensure that they are clear on their own cash flow, have visibility where they stand in real time, do stress tests and try to optimise liquidity at every turn. Improving working capital management is always worthwhile to explore, as much can be accomplished by transforming internally."

Amin advises treasurers to think beyond efficiency and focus on adaptability, sustainability, data-driven insights, supplier resiliency and eliminating concentration risk.

"By leveraging technology and data, treasurers can forecast more accurately, model different scenarios and respond to disruption faster. Flexibility in production and stronger supplier relationships enables companies to pivot quicker through uncertainties be it geopolitical, climate, financial or economic disruption," she says.

To future-proof its global logistics network, GXO is implementing a strategic, technology-driven approach that enhances efficiency, mitigates risks and ensures long-term resilience, according to Bolarin. The company is also strengthening resilient sourcing strategies by diversifying supplier partnerships, prioritising nearshore and friendshore sourcing to reduce exposure to high-risk regions and improve supply chain stability.

"By integrating these future-focused initiatives, we are building a supply chain that is not only agile and adaptive but also equipped to withstand evolving market dynamics and technological disruptions," she says.

RTCs in MENA: a growing trend

Global companies are increasingly setting up regional treasury centres in the Middle East. The trend reflects a growing need by MNCs to differentiate between restricted and free-market treasury operations and is being driven by structural shifts in treasury operating models. The benefits span real-time oversight, faster decision-making and regional insights on capital controls, repatriation constrains and compliance requirements.

A growing number of regional and multinational firms from Europe, America and increasingly China are setting up regional treasury centres (RTCs) in the Middle East. Treasury Today interviewees say firms in sectors including logistics, energy and consumer goods want to manage their footprint across the wider Middle East and African region out of new organisations based in the region.

Much of the corporate treasury expansion is coming off the back of the region's multibillion-dollar mega projects which have created a burgeoning demand for goods and services. As businesses grow in the region, the need to manage treasury aspects becomes more important. At the same time, the financial hubs Dubai International Financial Centre (DIFC) and Abu Dhabi Global Market (ADGM) have helped draw large corporates to set up RTCs.

In some cases, for companies from East Asia – especially China – the strategy is part of a dual treasury setup characterised by one leg in MENA and another in Singapore or Hong Kong to manage global operations. In another trend, the shift from single to dual (or even multiple) RTC models reflects the growing need amongst companies to differentiate between restricted and free-market operations, and to segment treasury accordingly as the region continues to attract global investment and act as a bridge to Africa and Asia. "The rise of RTCs is also being driven by structural shifts in treasury operating models. Traditionally centralised in global HQs, treasury functions are now decentralising to better align with business growth in frontier and emerging markets," explains Marion Reuter, Head of Transaction Banking UK & Europe and Head of Transaction Banking Corporate Sales UK & Europe at Standard Chartered.

She says a key driver is the need for real-time oversight and faster decision-making in regions where regulatory conditions can change quickly. Having treasury teams in the region offers not just time zone alignment, but also sharper regional insights, which are critical for navigating capital controls, repatriation constrains and compliance requirements.

The key role of a RTC is to serve as the central hub for managing a company's regional liquidity, funding, cash flow and financial risk, she continues.

> By opening a regional treasury centre in the UAE, we are reinforcing our internal resources on the ground, enabling us to react more swiftly to regional requirements.
>
> Ulrich Schiessl, Managing Director, Siemens Capital Middle East

Beyond operational support, RTCs play a strategic role by driving standardisation, improving visibility across entities and enhancing financial decision-making. They enable better control of working capital, facilitate intercompany lending and FX management as well as interest rate exposures and often act as Centres of Excellence for broader advisory functions such as capital planning, M&A treasury support and yield enhancement.

Selecting the right location

Selecting the right location for a RTC is critical. Key requirements include a stable regulatory and legal environment, favourable tax regime, liberal capital movement policies and access to a well-developed banking system that offers sophisticated treasury products like cross-border cash sweeping, liquidity management, notional pooling and payments-on-behalf-of (POBO)/receivables-on-behalf-of (ROBO) capabilities.

The location should also provide a strong talent pool with treasury expertise, be digitally connected to support ERP/TMS integration and be well-aligned with the business's operating time zones to support agility in decision-making.

Reuter says the UAE remains the top choice in MENA for hosting RTCs due to its world-class banking infrastructure, stable and business-friendly regulatory environment in DIFC and ADGM and the unparalleled ease of doing business and liberal foreign exchange regime with no capital controls.

"The UAE offers access to a deep pool on multilingual treasury and finance talent, fully convertible currency and comprehensive liquidity management solutions including domestic and cross-border sweeping and notional pooling. The UAE also benefits from economic and political stability, strong global connectivity and is a considered gateway to Middle East and Africa, making it ideal for regional cash and risk centralisation," she says.

"For companies operating across restricted markets such as Egypt or parts of Africa, a RTC in Dubai can offer the ability to act swiftly when regulatory environments shift. A company with a RTC in the region can react quickly – mobilising regional knowledge and engaging banking partners – while their headquarters (HQs) may not yet be open due to time zone differences. In such scenarios, a RTC moves from being an operational hub to a strategic enabler," says Reuter.

Siemens opened a RTC in Abu Dhabi in 2019 in a bid to deliver funding faster to the company's businesses. The centre in ADGM serves Siemens subsidiaries in Libya, Egypt, the Gulf States, Iraq, Afghanistan, Pakistan and Yemen, and was the fifth treasury centre that Siemens operates globally, joining other regional units in Hong Kong, Beijing, Mumbai and Iselin (New Jersey).

"By opening a regional treasury centre in the UAE, we are reinforcing our internal resources on the ground, enabling us to react more swiftly to regional requirements," said Ulrich Schiessl, Managing Director of Siemens Capital Middle East.

Saudi Arabia is also an increasingly viable alternative, driven by ongoing economic liberalisation under Vision 2030. It offers strong domestic payment infrastructure (including SARIE and Instant Payments), full availability of both local currency (LCY) and foreign currency (FCY) accounts and domestic sweeping capabilities (cross-border sweeping requires manual intervention).

However, Reuter notes that account opening for non-resident non-Gulf Cooperation Council (GCC) individuals is subject to approval, and while FCY can generally be converted, practical hurdles and policy shifts may occasionally limit flexibility.

Moreover, if a company doesn't have a regional headquarters in Saudi Arabia, it isn't eligible to bid for government contracts or those issued by state-owned companies like oil giant Aramco. In the recent past, most businesses selling their wares into Saudi haven't operated out of Saudi Arabia. In a hub and spoke structure, many tend to register in countries like the UAE or Bahrain and fly executives into Saudi when needed. Now new rules that foreign entities must register, pay tax and employ Saudi nationals in a quid pro quo for accessing the market are changing this approach.

The strategy is already bringing results explains Stuart D'Souza, Founder and Director of Arabian Enterprise Incubators (AEI Saudi) which supports foreign companies doing business in Saudi. "There is nowhere else like Saudi on the planet. The market is characterised by optimism and confidence underscored by the government's flagship Vision 2030 policies."

Qatar, Bahrain and Oman each offer stable and modern financial systems, with full currency convertibility (Qatar has restrictions of converting LCY to USD) and domestic sweeping options, continues Reuter. Bahrain in particular is known for its liberal regulatory approach, absence of capital controls and relatively streamlined banking operations.

Oman and Qatar support modern payment systems and banking digitisation but offer more limited liquidity structuring capabilities. Egypt provides a large labour force and deep local banking presence, but foreign exchange (FX) availability, currency transferability and administrative hurdles can pose operational challenges for treasury centralisation.

"Each city has specific areas they are focusing on, including legal and regulatory aspects required for the efficient functioning of a treasury centre. As these setups mature, we would expect each of them to attract different clients, based on each corporate's requirements," predicts Sameer Shah, Head of Cash Management Sales for Middle East and Africa at Deutsche Bank.

The process

In the process of setting up a RTC, there are several do's and don'ts to consider. On the "do" side, companies should clearly define the RTC's role within the overall treasury model and ensure alignment between headquarters and regional functions. Investing in technology and automation is essential – connecting the RTC to global ERP and TMS platforms improves efficiency, transparency and control.

Standardising treasury policies, processes and controls across all entities and locations will also help reduce complexity and operational risk. Partnering with banks present in the market is another important enabler for smooth liquidity and cash management.

Companies should avoid over-centralising decision-making without clarity of responsibilities, as this can lead to confusion or control issues, says Reuter.

It's also important not to overlook local regulatory requirements, especially around FX controls, tax rules and intercompany transactions. A fragmented technology setup or inconsistent processes between HQ and RTC locations can lead to inefficiencies and data quality issues. Lack of local talent or weak governance structures may also pose risks.

The biggest risks to consider include sudden regulatory changes, restrictions on fund repatriation or FX convertibility challenges – especially in emerging markets. Technology integration issues, operational silos or inadequate risk oversight can also impact the success of the RTC. A well-structured RTC can deliver significant value, but success depends on selecting the right location, aligning stakeholders, choosing the right banking partner and building a robust future-ready operating model, she adds.

"Letting subsidiaries manage treasury aspects and not setting proper governance with policies and procedures can create risks for the organisation. Aspects like currency risk, tax subjects like transfer pricing, withholding taxes, etc, and subsidiary capital structures are complex and require specialised knowledge to manage closely and effectively," concludes Shah.

Case study

Mohamad Kortam

Regional Treasurer, Africa and Middle East, Lesaffre

Lesaffre is the world's global key player in fermentation and has operations and markets in 70 countries across MEA from Turkey to South Africa and Morocco. Our regional treasury function is based out of Dubai because it is the best location from which to manage our bank relationships. As the Regional Treasurer, reporting to the Regional CFO, I collaborate closely with Regional Directors and Finance Managers to optimise cash flow, secure funding for working capital, expansion projects and M&A, while strategically managing exposures related to foreign exchange, interest rates and commodity risks.

However, we don't have a shared service centre dedicated to treasury in Dubai to carry out treasury functions or transactions because all this goes through our parent entity in France. The company decided to locate a regional treasurer in Dubai because of the number of representative bank offices based in Dubai. For example, African banks may not have operations in the GCC or fully fledged branches, but they all have representative offices here – so if I need to speak to our local bank in Kenya I can contact the representative in Dubai.

Dubai has also become an important centre of financial events which are a wonderful platform to network with other treasury professionals in the region. These events give treasury professionals access to financial service providers to find out what they are offering and how we can enhance the way we do things. There is at least one event a month, which would be costly and time consuming to attend if I am based outside of Dubai.

Dubai attracts more talent, and people are drawn to the Emirates by the absence of a salary tax. But it's more costly for a company to hire people in Dubai, and relocation costs are also high. I was Group Treasury Manager at Mantrac Group, the Africa distributor for Caterpillar, before I joined Lesaffre, and even though Mantrac had its group treasury in Dubai for banks' relations and facilities management, they set up a treasury shared service centre to manage the operations and transactions processing for the region in Egypt as it is cheaper. I believe it's quite a sensible approach for companies to locate their treasury front office operations in Dubai and their back office and treasury management system operations in Egypt.

Dubai also offers cash pooling benefits. It's possible to carry out regional sweeps within the GCC and cash pool into one account in the UAE in dirhams. This is beneficial for companies with subsidiaries in the GCC countries. More and more companies are setting up in Dubai as well as banks and crypto groups. Flexible regulation makes it relatively easy to set up a company but it's definitely getting more crowded – the traffic is crazy.

Secrets of a successful partnership

From tackling supplier payments with procurement to bridging the knowledge gap with the legal team, three treasury professionals explain how developing strong relationships with other departments has helped them add value to their organisations.

Gone are the days when treasury was regarded as an ivory tower, somewhat detached from the rest of the organisation. More than ever, today's treasury professionals need to build strong working relationships with a host of other departments across the organisation, from procurement and IT to legal and HR. This may involve overcoming historical siloes, addressing competing goals and addressing knowledge gaps – all of which may require a proactive effort. In **a recent Corporate View profile** in Treasury Today Asia, Yvonne Teo, APAC Treasury Director at chemical distribution company Brenntag, explains how in a previous role she "single-handedly organised treasury workshops and training sessions for non-finance folks" in order to boost awareness of topics such as working capital and liquidity management.

As well as helping to improve the performance of the treasury as a whole, effective relationships can play an important role in individual career development. In The Business of Treasury 2024 report, published by the Association of Corporate Treasurers, 28% of respondents cited communication and relationship-building skills as a barrier to career progression for treasurers. So how should treasurers approach the task of building closer links with other departments, and what should effective relationships look like? Three treasury professionals share their views.

Treasury and procurement: finessing supplier payments

In many companies, procurement and treasury operate on a somewhat siloed basis. But for Greek aquaculture company AVRAMAR, the two teams have historically been adjacent. And when Marianna Polykrati joined the company as Group Treasurer in 2023, one of her most pressing tasks was to work with procurement to redesign the supplier payments process.

"AVRAMAR works with a large number of fish farms around Greece, and a lot of these processes were decentralised," she explains. "When I joined two years ago, we identified opportunities to enhance the efficiency and transparency of our payment processes. There were occasional timing and communication challenges that influenced supplier engagement, so we collaborated closely with accounts payable and procurement to map out policies and procedures, gaining a full understanding of the end-to-end workflow."

By working together, the treasury and procurement teams were able to redesign the entire payments process, from the issuance of purchase orders, approvals flow and invoice handling. This, in turn, has enabled treasury to optimise liquidity across the organisation.

"Part of the initiative was to restore trust and consistency with our suppliers by re-establishing clear credit terms and ensuring timely payments," says Polykrati. "This supported stronger supplier relationships and helped reduce ad-hoc requests, creating a more predictable and collaborative environment. We're also working on a supply chain finance programme to further support our supplier base, particularly smaller partners, an initiative treasury is leading in close collaboration with procurement."

She explains that while procurement and treasury have a good understanding of each other's goals, treasury tends to take the lead when it comes to driving technological advancement. "When I go out and see treasury solutions, there are a lot of platforms such as supply chain finance or trade finance tools, which we can then introduce to procurement. So, treasury acts as something of a connector there as well."

Building connections

As well as working closely with procurement, Polykrati says a sizeable portion of her time is spent liaising with the company's legal team on topics such as KYC procedures and loan agreements. "I also collaborate frequently with accounting, especially accounts payable, as well as with finance and HR on initiatives such as optimising payroll and further automating the personnel and travel expenses processes. And let's not forget sustainability and ESG. Treasury works as a focal point for the banks and collects data from different departments that is needed to complete ESG reporting for the banks."

Likewise, the cash flow forecasting process is another activity that requires treasury to collaborate closely with other departments. As Polykrati explains, "You have to improve all your relationships in order to have all the data that comes into the forecast – it's important to be proactive and understand the pain points.

"We're aiming to support all departments and identify opportunities for further automation. At the end of the day, it's about making the best use of people's time, by minimising manual, repetitive tasks, teams can spend more time on more meaningful and value-added projects."

Treasury and legal: winning as a team

At Wolters Kluwer, a global leader in professional information, software solutions and services, treasury and legal have a long history of working together effectively – not least because of the positive relationship built by George Dessing, Executive Vice President, Treasury & Risk, and Joost Spiertz, Director Corporate Legal Affairs, who have been working together successfully for about ten years.

While a treasurer and a lawyer may have different perspectives, Dessing and Spiertz explain that it is possible to bring those perspectives together in pursuit of a common goal, in order to deliver a deep impact when it matters most. Key to achieving this is investing in the relationship and keeping both parties updated on developments in the business, as well as the market in which the company operates.

What's needed for treasury and legal to work together in a positive way?

GD and JS: In order for us to work smoothly, a high level of trust and respect is required, whereby we stimulate an open, engaged and proactive mindset. This can be achieved through transparency, reliability and recognising each other's contributions.

A good dose of fun and passion is also greatly appreciated, as we need a best-in-class mentality to deliver the value-add, and to 'aim high and deliver'. The running gag between our teams is as follows: if a CFO asks the treasurer what the solution to 'one plus one' is, the treasurer would answer, 'What would you like to see?' If a CFO asks the same question to a lawyer, they will say, 'Let me quickly check this with my external legal counsel.'

How important is teamwork as part of this relationship?

GD and JS: Having strong company values and cultivating them is important. One of our core values at Wolters Kluwer is teamwork, under which we aim to win as a team.

Although we have a lean-and-mean mentality, and have to be mindful of each other's time, teamwork is all about people. Therefore we dedicate time on a regular basis to come together as teams to discuss the external and internal capital structure of our operating entities. If this is done effectively and efficiently, we strongly believe this will save you time down the line and will engage our teams more closely together.

How do you bridge the knowledge gap between treasury and legal?

GD and JS: Another core value at Wolters Kluwer is that we strive to make things better. Under this shared value we have mutually educated each other on our respective professions. The treasurers can read contracts, and the lawyers have a good sense of the underlying business impact of the financial projects. This helps make collaboration far smoother, and the extra perspective results in an overall better result.

Treasury and FX dealing: strength in numbers

The Thomas Cook India group has a set-up that is both novel and complex. The group's flagship company, Thomas Cook India Ltd, is listed on the Indian stock exchange and is the country's largest non-bank foreign exchange (FX) player, as well as being one of its oldest. It functions like a bank, and is also the country's largest integrated travel company, working alongside its subsidiaries across 28 countries as a conglomerate.

With the company effectively acting as both a bank and a corporate, internal functions such as treasury are able to experience the best of both worlds. The group treasury team handles end-to-end treasury for the companies in India, as well as for the Mauritian holding company called TCIM, which is a holding company to several overseas entities of the group. The team also acts as a treasury support function for entities across the remaining 27 countries.

Meanwhile, the FX dealing room is akin to the forex dealing room of a bank. As such, it undertakes activities such as forex cover (hedging), currency swaps (funds management) and remittances, as well as a variety of FX business activities. "People mistakenly think of the treasury and the dealing room as a team, whereas we are more like a family – a closely knit unit which works together shoulder to shoulder, and has fun together," explains Vice President & Head – Treasury Amit Baraskar. "There are times where we forget that we belong to two distinct teams, with different lines of reporting." That said, he emphasises that the dealing room remains fully independent from a control and compliance point of view.

According to Baraskar, this union of teams has achieved much through its synergies, leading the company and individual team members to gain multiple awards and achieve industry recognition across Asia. Some of the most significant results of this collaboration include the following:

- **Improved financial efficiency through co-ordinated cash management.** Different members of both teams are responsible for handling different 'kitties' in multiple currencies, with bank accounts spread across more than 12 geographies.
- **Reduced cost of borrowing through strategic funding initiatives.** By using currency swaps effectively, the two teams have been able to open new doors and give the company access to funding and investing options which might not be available to a more traditional treasury. If large and sudden funding requirements arise in one unit, they can be met by the other.
- **Risk management and hedging.** Enhanced risk management leads to better financial stability, while the company's profit margins are protected from adverse currency movements. Where hedging is concerned, the treasury team is able to consult the dealing room and tap into the team's expertise when undertaking hedging activities.
- **Optimised investments.** By tapping into arbitrage opportunities across different geographies, the treasury is able to devise optimum investment strategies for making better returns.
- **Navigating Covid-19.** During the challenging Covid-19 period, both teams ensured prudent financial management and the availability of funds at optimum rates.

Members of both teams are temporarily aligned whenever the need arises. Likewise, any staff shortages that might arise in the dealing room can be met by treasury team members, and vice versa. As Baraskar observes, "This collaboration sets a beautiful example of 1+1 being 11, and not just 2."

This year, the team is working to align the mid offices of both the treasury and the FX dealing room into an integrated middle office which can work in a coordinated and synchronised way, ensuring that learnings and best practices are learnt together and harnessed effectively.

Showing the ropes to new talent

Roopashini Maheswaran

Head of Group Treasury

Founded in 1972, X-Press Feeders has since grown into the world's largest independent feeder carrier, with the mission to provide the best feeder solutions and be the feeder carrier of choice.

Starting out with operations in South-East Asia, the company has since expanded and is now operating in eight countries, throughout Asia, Middle East, Africa, Caribbean, Latin Americas, Mediterranean and Europe. X-Press Feeders has over 400 dedicated staff stationed across the globe, as well as a network of committed agents worldwide.

X-Press Feeders does not own, lease or operate any containers. It provides only transportation services to container operators and not for proprietary cargo interests or for the general shipping public.

Drawing on her own experience of joining the treasury profession with limited experience, Roopashini Maheswaran, Head of Group Treasury at X-Press Feeders, explains why guiding new talent and sharing knowledge is an essential part of the treasurer's role.

From managing liquidity and mitigating risk to managing funding and investments, the responsibilities of a modern treasurer are nothing if not wide-ranging.

But alongside the technical demands of the job, Roopashini Maheswaran views one characteristic as more vital than all others: the ability to inspire and guide others effectively. This, she explains, is particularly key when recruiting team members at a more junior level, since many candidates lack direct experience of the treasury profession.

While Roopa is now in a position to guide others through the early stages of their treasury careers, she was once on the other side of the equation. After graduating with a degree in accounting, she initially started her career in that field, gaining four years' experience in an accounting role before making her first move into treasury.

"A recruiter approached me about a role at a very prominent oil and gas company, and asked if I would be interested," she recalls. "I didn't have any experience in treasury, but I decided to go to the interview. It turned out that they were willing to provide full training, so I decided to make the jump." This move motivated her to pursue her MBA, majoring in finance, which she completed successfully while juggling a full-time job.

Learning curve

From the outset, Roopa was appointed as team lead, overseeing five team members across different areas of treasury, including bank reconciliation, cash management and FX.

"After that, I moved to another well-known oil and gas company, at a time when the company was selling its retail business in Malaysia," she says. "So it was an interesting journey, which involved going to the banks to secure a US$1.2bn syndicated loan facility. That was the first time I was exposed to the financing side of treasury."

Following the acquisition, much work needed to be done to adapt the business to the new parent company's requirements, such as changing the bank relationships and processes.

"I was also introduced to FX hedging and commodity hedging, which involved looking into ISDA (International Swaps and Derivatives Association) agreements, as well as actively trading FX, which was quite a journey," she comments. "I found that enjoyable, because every month when the realised FX profit and loss report was prepared, it was satisfying to see the result of FX risk has been positively mitigated.

"That role also included setting up good processes and cash flow reporting – while it was a well-established company, you do have to align processes and policies after an acquisition."

After a few years in this role, Roopa subsequently moved to the largest oil and gas company in Malaysia, where she focused on a treasury advisory and project role.

"In this role, I successfully implemented a cash pooling project for an entity that had 26 subsidiaries," she says. "It was a huge project, which involved centralising treasury activities and concentrating cash across seven or eight countries in Europe. This was quite an achievement, because until then the project had failed to get off the ground for a few years."

Other responsibilities in this role included advising related entities to synchronise and standardise treasury-related tasks, as well as rolling out risk policies and ensuring timely reporting. "I also spent a lot of time travelling between offices and meeting bankers from different countries in order to understand how banking practice and central bank rules differ in each region," she adds. "So that was a great learning curve."

From oil and gas to shipping

After gaining significant experience in oil and gas, in 2024 Roopa decided she was ready to branch out into a different sector. Late last year, she was appointed to her current role as Head of Group Treasury at independent feeder carrier X-Press Feeders, which provides transportation services to container owners. In this role, she heads up a team responsible for everything from managing liquidity, investments and payments to FX and financing.

"We provide transportation services to container owners – we ship containers, and we have big shipping clients as our customers," she explains. "From a family-owned business, the company has expanded to become the largest independent feeder carrier, owning close to 100 vessels, so it's an extremely busy role. While shipping is a little bit different from oil and gas, I would say I fit in very well, because the fundamentals and concepts of treasury tasks are the same."

As the company is on rapid expansion mode, the need for a robust treasury strategy is essential. As such, Roopa is currently focusing on introducing best practices across the board, including cash and liquidity management as well as working with investment bankers to achieve the best investment strategy for the company.

Implementing a treasury management system

At the same time, the company has embarked on an ambitious initiative to adopt a new treasury management system. The upcoming implementation of the chosen system, Kyriba, is primarily intended to streamline treasury processes and practices across a number of areas.

"Typically, in shipping we have high volumes of payments with many different vendors, and a lot of different payment types," Roopa explains. "Kyriba will be able to manage all these payments for us by integrating with our existing ERP system – SAP – in a seamless way using API integration. This will support faster reconciliation and will give us a strong advantage in terms of managing our liquidity, visibility to our cash balances on a real-time basis, and making investment decisions."

Currently, the company's cash flow forecasting activities are carried out using spreadsheets, which makes it difficult to view the company's daily cash position across different businesses. As such, cash forecasting is a significant challenge that Roopa plans to address through the adoption of the new system.

"It's 2025, and we need to take advantage of the technology available," says Roopa. "A great outcome will be the team no longer needing to spend extensive time working through manual processes to prepare reports or perform reconciliation. The Kyriba system supports another crucial module for our business, which provides essential information related to debt management, investment and exchange rates."

Roopa has been given a full mandate to run the project from her CFO and is looking forward to rising to the challenge and driving improvements. "It is indeed inspiring that I report to a CFO who is a strategic thinker, motivating leader, and always fostering a culture of innovation and growth for the organisation," she says.

Roopa remarks that the Kyriba implementation is a big project that will take around eight months to complete. The company has engaged Deloitte as a technical implementation partner to assist in ensuring the successful implementation of the system.

Alongside the technical implementation, Roopa's team will be taking the opportunity to review and optimise existing processes wherever the opportunity arises. "We're not looking at this as a separate task, but as an opportunity to look at the processes we have and implement best practices," she adds.

Understanding the bigger picture

While Roopa's responsibilities encompass many different activities, she views liquidity management as one of the most interesting aspects of a treasury role.

"It gives you the upper hand in terms of knowing the company's financial health, and it makes you look at the company with an entrepreneur's mindset," she reflects. "When you're managing the company's liquidity you need to think about the sustainability of the business, and the company's future plans regarding operating expenditure (OpEx) and capital expenditure (CapEx)."

Roopa explains that in shipping, building or buying new vessels is a significant expenditure, so it's important to plan for short-term cash requirements. Key to this is allocating the source of funds, and planning how any shortfall is going to be met – either by drawing upon an existing financing facility, or by securing a new financing facility to support business growth.

"As treasurer, you can't say 'No, I don't have a source of funds right away.' You need to make sure you have a backup cash plan for CapEx and new investment purposes."

At the same time, the shipping industry does present several challenges. "The main challenge I'm currently facing in my organisation is volatility of FX, because every business is exposed to foreign currency movements one way or another," she says. "FX rates and interest rates are very correlated, and we need to understand how changes in interest rates are going to affect us – but in the current environment, it's hard to know what's going to happen tomorrow."

While her past experiences in the oil and gas industry are helpful, Roopa says the shipping industry is somewhat more dynamic than other sectors. "Some payments have shorter credit periods, and some payments need to be paid on an urgent basis. Cash for CapEx needs to be made available within a short tenure, and investments need to be planned realistically to align with company expansion. Hence a robust cash planning is crucial since cash may be required on ad-hoc basis at times.

"All of this was emphasised to me when I joined the industry, because that's how the shipping industry works – it's a bit of an adrenaline rush! I'm enjoying as I am learning to navigate the challenges that come with this industry."

Supporting the next generation of treasury talent

Turning to the qualities needed by a successful treasurer, Roopa underscores that effective leadership as a treasurer requires unwavering dedication, strategic foresight and the agility to navigate an ever-changing financial landscape. "A successful treasurer is someone who has the patience to guide and share knowledge," she notes.

Returning to her own experience of moving into a treasury role with limited skills, Roopa reflects that newly hired Treasury Analysts are often in a similar position – not least because candidates are unlikely to have learned much about treasury at university. "I've heard about people going into universities to give a one-hour presentation on what we do, but how many people are going to absorb it?" she muses.

As such, it's common for new entrants to treasury to be daunted by the volume of knowledge needed to perform well. "Everyone struggles in a new role, particularly when it's a topic you haven't previously learned about," says Roopa. "Of course, I have a lot of experience now, as well as attending a lot of treasury seminars, but when I hire a Treasury Analyst it can be quite difficult to find someone with fully-fledged treasury experience."

As such, she tends to focus more on a candidate's attitude, character and education background, rather than their level of experience. "So, it's particularly important to have the patience to guide them through developing the skills they need."

Beyond this, Roopa is interested in addressing the shortfall in treasury knowledge by finding ways to prepare university leavers for treasury roles. As such, she is currently involved in sharing her knowledge and skills needed in treasury to develop an AI-assisted treasury module, which is designed to help interns prepare for corporate treasury roles.

"I was approached by a technology consultant who is developing AI modules to help young people enter the workplace after graduating," she explains. The treasury module includes activities such as cash flow simulation, making treasury payments or carrying out simple FX hedging via a virtual system, thereby enabling interns to gain an understanding of treasury tasks.

"The technology also prepares users for soft skills, such as how to interact and how to draft emails in a professional way, which are things that you don't tend to learn at university," Roopa adds. "I think it's an interesting initiative, because it's a way of sharing knowledge and helping young people secure a job.

Outside the office

Finally, while her role has much to keep her busy, outside of the office, Roopa loves travelling and makes time for plenty of short trips which includes a yearly visit to a spiritual place in India.

A dedicated fitness enthusiast, she makes time for regular strength training at the gym and practices yoga to maintain a calm mind. She muses that running can be meditative and aims to complete two marathons per year.

"I deeply value the importance of family and meaningful connections with like-minded individuals and close friends," she concludes. "Sharing a hearty meal with my loved ones is one of the simple joys I cherish whenever time allows."

SUSTAINABLE SUPPLY CHAIN FINANCE

Despite the backlash against environmental, social and governance (ESG) – predominantly coming out of the US – sustainability remains firmly on the agenda for many corporates and their treasury departments.

In a **recent survey** of Nordic treasurers and chief financial officers by Nordea, more than half (54%) of the respondents indicated they thought the focus and priority for sustainability in treasury will continue to increase.

According to Treasury Today's **Global Sustainability Study 2024**, 56% of respondents have written ESG policies, four in ten have committed to net-zero and 42% have green, social and/or sustainable finance frameworks in place. Close to 30% of respondents have issued sustainability-linked loans (SLLs) and green bonds. Importantly, the treasury team works closely with ESG/sustainability team(s) in 58% of organisations.

According to Kemi Bolarin, Head of Treasury – Europe, GXO Logistics, treasury can play a crucial role in embedding sustainability by leveraging financial strategies that align with ESG goals. "Key initiatives include facilitating green financing, such as issuing green bonds or SLLs, to fund environmentally sustainable projects like renewable energy transitions and eco-friendly technologies," she says. "Treasury can also implement sustainable supply chain financing (SCF) solutions, like green reverse factoring, to encourage suppliers to adopt sustainable practices by offering early payment terms for meeting ESG criteria."

In addition, treasury can integrate sustainability metrics into financial planning and decision-making, ensuring sustainability targets, such as reducing carbon footprint or waste, align with financial models, according to Bolarin.

"By promoting carbon offset investments and supporting circular economy principles, treasury can help mitigate environmental impacts while optimising working capital," she adds. "Treasury can also work with procurement teams to incentivise suppliers who meet sustainability benchmarks and incorporate other risk factors into supply chain risk management strategies to reduce exposure to risks."

Arpana Amin, Global Product Head of SCF at HSBC, agrees treasury departments have an important role to play in promoting sustainability within supply chains. "By integrating ESG standards into working capital practices, treasurers can help to ensure the financial decisions that are undertaken align with a business's sustainability goals," he says.

Cynthia Tchikoltsoff, Head of Global Trade Solutions, Asia-Pacific, BNP Paribas, observes that supplier engagement around relevant sustainability objectives is a growing priority within corporates, and the treasury team can play an active role in enabling these strategies, alongside the procurement and sustainability teams. "With the increasing amounts of data available, key performance indicator (KPI)-linked solutions are increasingly deployed in the upstream value chain to incentivise suppliers to aid with disclosing their ESG metrics and improving them over time," says Tchikoltsoff.

She believes these techniques can be powerful to incubate or accelerate responsible sourcing strategies, as the suppliers are given concrete ESG targets and concrete financial incentives, such as accelerated cash flows and preferential rates, to embark on creating responsible value chains, in alignment with their buyers' ESG strategies. "Sustainable sourcing can also be encouraged via use-of-proceed transactions, which focus on the specific underlying of the financing and incentive green or sustainability-certified goods or equipment," she says.

Tchikoltsoff reports that sustainability-linked and use-of-proceed financing are on the rise to help corporates achieve their net zero ambitions. "[These financing tools] also help corporates to tackle not only Scope 1 and 2 but equally important Scope 3 carbon emissions," she adds.

Not everyone agrees that ESG continues to be a top priority for treasurers. Arnd Weckes, Head of Working Capital D/A/CH, Deutsche Bank, for example, believes interest in ESG is on the wane. "Climate change has fallen a bit behind on the priority list of many treasurers," he says. "When it was a hot topic a few years ago, many companies explored quick wins, such as linking ESG KPIs to financing. For example, we have a few SCF mandates which we made ESG compliant. But, at the moment, treasurers have other priorities they're focusing on." He points to optimising working capital, liquidity management and risk mitigation.

The price of success in India

India has much to offer the biggest global brands, particularly those that take a holistic view of what it takes to succeed in this unique market.

The appetite of international consumer brands for expansion into India remains strong, buoyed by the success of household names such as Starbucks, which recently announced that its joint venture with Tata Consumer Products recorded an 8% year-on-year sales increase in the final three months of last year. Tata Starbucks now has more than 470 outlets across 70 cities and aims to reach four figures by 2028 despite intense competition from local and international rivals and an increasingly crowded market.

Multinational pharmaceutical and healthcare company Sanofi also recorded an 8% uplift in net sales in Q424, while during the same period Mothercare and Reliance Brands Holding UK announced a joint venture that will operate the Mothercare franchise in India as well as Nepal, Sri Lanka, Bhutan and Bangladesh. Reliance Brands first acquired the rights to the Mothercare brand for the Indian market in 2018 and currently operates 87 stores across 25 cities.

PepsiCo has been perhaps the most active international consumer brand in the world's most populous country during the first quarter of 2025. In January it was revealed that it had formed a strategic partnership with Tata Consumer Products to co-develop and market packaged snacks in India.

In the same month it was widely reported that the soft drink company was interested in acquiring a minority stake in Haldiram Snacks Food, which describes itself as the world's leading manufacturer and exporter of Indian sweets and snacks.

In an investor call to discuss the company's second quarter 2024 results, PepsiCo Chairman and CEO, Ramon Laguarta, described India as a 'big growth space' for the company. "It is an investment area for sure," he said. "The opportunity is massive. You take a decade perspective and we are putting infrastructure on the ground and a lot of investing in the brands to make sure that we build the scale to capture what is going to be I think a high demand market for many, many years."

As a favoured location companies seeking to diversify their operations and investments beyond China to reduce reliance on a single market or supply chain, India is becoming a reliable trading partner as well as a global consumer hub suggests Amit Baraskar, Vice President & Head of Treasury at Thomas Cook India.

"There are several important considerations for consumer brands looking to enter the Indian market, including lower dependence on external trade leaving the country less exposed to rising tariffs and varying tax impacts with respect to special economic zones such as GIFT City in Gujarat, which offer a plethora of tax and other incentives that are relatively unexplored," he says.

India also offers lower exposure to geopolitical conflict than many other Asian countries, although regulatory restrictions and penalties can lead to difficulties in doing business or in repatriating profits.

To succeed in India, consumer brands need to have a flexible, localised approach that takes into account opportunities and challenges that come with operating in such a diverse and complex market. A deep understanding of consumer preferences, a focus on digital transformation and a local presence are key to success, suggests Manoj Dugar, Head of Global Payments Solutions, Asia ex Greater China at HSBC.

"Indian consumers are known for being price sensitive," he says. "Brands need to strike a balance between offering quality products while ensuring affordability. There is a need to serve different segments with different product solutions according to what they can afford."

Given the proliferation of smartphones, a digital-first strategy is essential for consumer brands entering India – which includes optimising website apps and improving ecommerce experiences. "In addition, although urban areas drive much of the country's consumption, the rural market also presents significant growth opportunities," says Dugar. "Brands need to have a clear strategy for tapping into this segment, which represents a large portion of India's population. Given that India has a complex regulatory landscape with varying rules across states and sectors brands must also navigate policies related to product standards, labelling, taxes, foreign direct investment norms and labour laws."

Rajiv Arya, National Head for Accounting and Business Support at New Dehli-based advisory firm ASA suggests product pricing is probably the single most important financial consideration that drives the consumer market with Indian consumers being more sensitive to pricing than quality. "Brands need to understand and comply with India's foreign direct investment policies, which can vary depending on the sector," he explains. "They also need knowledge of tax implications including tariffs, consumer taxes, corporate income taxes and other applicable regulatory requirements that impact product pricing."

As a price and value sensitive market, It is imperative that extensive research is conducted into local pricing standards.

Then there are legal and compliance requirements, including labour laws, environmental laws (in the case of manufacturing) and intellectual property rights. For example, India has regulations prohibiting single use plastics that fast-food brands have had to work with when setting up in the country.

"Selecting an appropriate entry structure and clearly estimating operating costs and investment requirements is crucial," adds Arya. "There are other costs such as currency fluctuations, cost of funding and securing funding at reasonable rates, establishing an efficient supply chain and after sales service network (keeping in mind local challenges) and forming strategic partnerships with local entities to help gauge market changes, manage distribution networks and navigate regulations."

He notes that many successful companies in India owe their success to localising their product. "This has also helped them create new products that they export from their Indian facilities across the world, which is what McDonalds and Coca-Cola have done very successfully."

Anuj Chande, Head of the South Asia group at Grant Thornton UK observes that Indian consumers are increasingly aware of international brands through travel and social media and find these attractive if they are available on their doorstep. "India is an extremely price sensitive market and consumer brands need to be aware of this," he says. "Whilst pricing may seem on the low side by international standards, the sheer volumes make up for this. Brands also need to be conscious of looking to reduce costs by local sourcing or manufacturing and to be aware that India is a vast country with different cultures."

This final point is taken up by Arya, who agrees that navigating the Indian market requires careful consideration of cultural diversity as well as the level of competition from foreign and domestic players and logistical and other issues brought about by the sheer size of the country. "India remains a highly attractive market for international consumer brands for a number of reasons, including that Indian consumers are becoming more discerning and open to global trends and lifestyles with growing demand for quality, convenience and personalised experiences," he says.

Market heterogeneity is also a theme for ANZ Economist Dhiraj Nim. "Indian consumers are diverse in their approach to consumption, so success for consumer brands relies on targeting the right market. Burgeoning consumption among major cities has typically meant a large consumer base for luxury products, for example, but discovering an ideal price point has been a challenge for global firms. Furthermore, they often encounter logistical and supply chain challenges."

Arya also refers to rapid growth of e-commerce and digital platforms – including the simplification and wide usage of digital payment systems – creating new avenues for brands to reach consumers. Internet and smartphone penetration as well as data connectivity across the country has transformed consumer behaviour and continues to rise. "Last but not the least, the colonial mindset legacy (the belief that the west are trendsetters) is deeply engrained and foreign expensive brands still define personalities," adds Arya.

There is general acknowledgement of the importance of having a local finance team that understands the nuances of the market in terms of payment preferences and banking options.

"Having a local finance team is a must due to a comparatively stringent regulatory framework, for example overseas direct investment regulations around remitting monies out of India and restrictions on making India a part of cash pools," says Baraskar. "Functioning of banks, fintechs and payments systems is rather different and the real pros and cons can be understood and brought out only by deep diving, which requires a strong local presence," he adds. "This cannot be achieved with remote handling of the finance function."

Arya notes that India has not followed the development path of other markets. For example, it has a diverse range of payment preferences ranging from cash to credit cards to UPI, while the tax and regulatory landscape is complex and constantly evolving.

"A local finance team and an experienced consultant will have in-depth knowledge and experience of local and federal laws and other regulations and will ensure that the company complies with all applicable regulations," he says. "This helps avoid penalties and legal issues that can be expensive and drawn out."

A local finance team in India is critical to effectively navigating the country's complex regulatory environment as well as staying up to date on consumer preferences, whether that is what they want to buy or how they want to pay.

That is the view of Dugar, who notes that the Indian financial sector is governed by regulations from the Reserve Bank of India and number of other financial bodies. "A thorough understanding of the lie of the land and deep knowledge in local rules and regulations in taxation, foreign exchange and data security are necessary," he says. "The Indian payments landscape has been significantly transformed by technological advancements and changing consumer behaviour. Once largely dependent on cash and checks, the focus has now shifted towards digital payment methods such as UPI, mobile wallets, net banking and debit/credit cards. This evolution has transformed the way businesses and consumers engage financially, creating a more connected and accessible payments ecosystem."

Understanding and integrating local payment methods is essential to aligning with changing customer preferences, especially in highly consumer-oriented industries. Consumers demand and expect intuitive, seamless and personalised experiences.

By providing such an experience, merchants can drive positive brand perception and build consumer loyalty. Offering frictionless payments is a big enabler for merchants – online or offline – to simplify and improve the shopping experience for their customers. "India's fintech landscape is rapidly changing, with new payment technologies and platforms emerging frequently," adds Dugar. "An intimate knowledge allows companies to curate the right mix of financial solutions for themselves and their customers."

On the consumer side, the payments landscape in India has dramatically changed in the last few years with the rise of digital payments, concludes Nim. "The banking sector has many large players with competitive but often differentiated reach and offerings. Foreign brands may also have to engage finance experts with knowledge of local regulations to bring in or take out foreign currency."

TMS integration: Asian treasurers embrace modular approach

Outside large MNCs, TMS integration amongst regional Asian corporates has been slower and trails integration in the US and Europe but that is all starting to change.

Outside large MNCs, TMS integration amongst regional Asian corporates has been slower and trails integration in the US and Europe. For companies in Europe and the US, treasury is increasingly knowledge-based and has a strategic role that now spans strategies like optimising cash pooling and the corporate structure. But for many Asian companies where hiring treasury personnel is cheaper and they don't face the same pressure to reduce headcounts, treasury is still activity-based, focused on reconciling bank accounts or processing payments using Excel.

However, the landscape in Asia is starting to evolve. Asian companies seeking to scale in the region must step outside their home country and medium sized, regional companies have adopted cloud-based systems offering smaller versions of TMS. They don't require substantial IT infrastructure, specialised personnel or come with high operational costs. They also allow treasury to tap financial data and functionality from anywhere ensuring that decision-making is both agile and informed.

Integrating a TMS has also got cheaper in other ways. Asian treasurers that have struggled to access the budget for a large infrastructure spend have been reluctant to commit to long-term contracts that lock in prices.

"Now pay-and-you-go payment models per module allow companies to scale up and down, making systems more affordable and easier to sign off from the CFO," says Michael Sack, Treasury Director at Aspire in Singapore, one of the cohort of consultants to emerge on the treasury landscape able to help deliver solutions and that has also created a tailwind in implementation in the region.

The adoption of a modular approach is a new trend. Asian corporates have long-tended to have a one-size-fits-all technology strategy in contrast to other regions like the US where corporates seek a more tailored approach and are more comfortable integrating the right tools for specific needs around, say, data management or reporting.

The idea of treasury having one tech system applicable across the business that does everything and solves all problems is highly appealing but because companies evolve over time and become more complex, new technology comes into play that makes the concept of one system meeting every need challenging.

"As businesses grow and become more complex, treasury in Asia is increasingly aware that different tools fit different purposes and modularity is a developing theme," says Amol Dhargalkar, Managing Partner and Chairman for Chatham Financial.

One area the modular approach has manifested is the payment factory feature of a TMS. APIs have given treasury the opportunity to use and leverage payment factories in new processes that have centralised payments internalising the process and making it cheaper. "API connectivity means smaller companies with less skilled treasury teams can take advantage of trends and tap into more affordable solutions," says Sack.

Although a payment factory alone is not enough to merit integrating a TMS, Slack notices some corporates using a TMS for the payment factory functionality but then also tapping into risk management solutions in an increasingly fragmented world.

Take a company with a manufacturing operation in Thailand selling into other countries in the region. It can use a TMS for all payment entries from different sources. The in-house bank feature of a TMS allows treasury to net and clear payables and receivables without touching bank accounts, reducing bank transactions costs and increasing working capital.

"They can release working capital because they don't have to leave money in country and can cut friction and costs by reducing bank transactions," he says.

Other trends are underscoring the benefits of a TMS for larger corporates in the region too. Treasury Today Group interviewees believe at TMS can help sophisticated treasury teams navigate growing de-globalisation and de-centralisation trends that are beginning to impact cash management and FX strategies, triggering intense currency swings across their operations in Asia.

For example, the technology gives treasury confidence on exposure levels and where the cash sits and can help companies integrate more qualitative and flexible FX and risk management strategies that are increasingly reassuring for senior executives and boards in today's world.

The shifting policy direction in Asia is visible in countries like India and the Philippines which are both incentivising in-country manufacturing in a change which could impact companies' forecasts and exposure and treasury's role in holding and managing FX risk. "In treasury, these kinds of trends matter in important ways," says Dhargalkar. "Companies are increasingly having to respond to deglobalisation with more advanced strategies that could include M&A or divestment. Having treasury ready is really helpful."

Fragmentation

Despite these trends, experts flag enduring challenges (and deterrents) to integrating a TMS in Asia. None more so than the region's small markets and multiple currencies creating regulatory complexity. Plugging in Singapore or Hong Kong is relatively straightforward, but adding in additional markets like China, India, Japan or South Korea is complex because of different regulations in each country.

"At General Mills we staggered TMS integration beginning in the US and then adding on Europe and finally 13 different markets across Asia. It was difficult in Asia because sometimes pieces of the jigsaw were missing, and we came across barriers," says Christopher Emslie, President Treasury Association of Singapore and Asian Regional Treasury Director at General Mills between 2017 and 2024 where he integrated a TMS.

Different markets have different rules on moving money in and out: it's relatively easy to move money into India but difficult to move it out so a cash pool that draws money from India isn't possible; Asian banks have varying levels of foreign market expertise, and different tax regulations effect different countries meaning TMS integration often requires different approvals from multiple government agencies.

"Straight through processing in Asia is undeveloped and the ERP and banking and regulatory landscape is very fragmented. It makes plug and play or any quick set up difficult," says Sack.

Training and how to get the build right

Any decision to integrate a TMS will come from head office and timing the roll out is a skill in itself – it's expensive, can drain resources and involves detailed work in the background ensuring information going into the TMS is correct.

Getting the build and functionality of a TMS right from the beginning is crucial. Cross border functionality involves a thoughtful process of the right output at the right time. For example, trying to incorporate a certain type of report late in the build may require a whole new functionality drawing on time and resources. "It's impossible to go back to the old way of doing things, so don't get stuck between what you have and what you want to have," says Emslie. On the other hand, getting the build wrong might lead to functionality that has added a layer of cost but doesn't actually add much benefit.

Automating treasury with a TMS requires companies having a firm grasp on their processes, adds Dhargalkar. All companies have different processes to produce a report or conduct a specific activity, often driven by technology that sits outside a TMS. They might have multiple ERP systems for example, or an additional level of complexity associated with M&A activity; treasury might be decentralised or FX gains (or losses) held at the parent.

"These different choices will have an impact on the processes that are followed," he explains. "It can lead to two different approaches to the same problem and a platform that doesn't fully deliver what is needed."

The preparation and planning stage will also inform decision-making around a staggered roll out. Once companies have compiled their requirements and understood the needs of the organisation, they might decide to break the journey or use two different solutions that they pin together, he continues.

Training and testing are as important as the initial blueprint. Ongoing training is important during the build because teams, project managers and bosses, can change through the course of an implementation impacting seamless integration. Individuals involved in TMS integration also have day jobs in treasury from payments and reconciliations to managing FX and the capital structure. "The smaller the team the longer it takes and treasury is not a place companies particularly like spending money," says Dhargalkar.

After the build, treasury should build in layers of testing and training to ensure the team are getting the information out of the TMS they targeted at the beginning of the project. It's not unheard of for treasury to only use 15-20% of a TMS' functionality. "The team that have selected and implemented the TMS might not be the ones using it on a day-to-day basis," continues Dhargalkar. "If we are trying to put something in place that will last a decade we have to think of staff turnover. It's hard to hire treasury with experience of a particularly TMS."

"It's all very well to implement it but if it has no benefit because staff don't understand it and don't get the output, it will sit on shelf and not get the benefit," adds Emslie.

The complexity of integrating TMS in Asian markets makes going into the process with the right partners and a clear plan all the more important. It ensures the different pieces of the puzzle fit together and avoids shocks that come with suddenly finding out something isn't possible.

It's also costly. Estimates extend into the millions of dollars. Companies need to think about the benefit and long-term return on investment versus having the money earn interest in a bank account. "Work through it on a transactional basis and come up with the numbers," says Emslie.

But get it right, and the reporting transformation is the biggest win. Treasury is able to push buttons to find reports; it's possible to slice and dice and work smarter and quicker rather than manually plough through Excel and Word to track down information.

Keeping up (with) standards

Companies operating across multiple Asian markets need to adopt a variety of strategies to ensure they don't fall foul of regional or national regulatory variations.

The negative impact of diverse business regulations and standards is well understood across Asia. More than 30 years ago, the Asia-Pacific Economic Cooperation or APEC – a forum of 21 member economies that promotes free trade and economic cooperation in the region – formed a sub-committee on standards and conformance to help reduce the effects of differing standards and conformance arrangements on trade and investment flows.

The organisation recognised that standards and conformance procedures that are harmonised across economies improve the efficiency of production and facilitate the conduct of international trade, resulting in more rapid trade flows, reduced costs and a greater integration of production networks.

To ensure compliance with financial regulations across all the jurisdictions it operates in, Kerry maintain close relationships with partner banks to receive updates on changes to regulatory frameworks through regular calls, banking economic and regulatory portals and other communication channels, explains APMEA Treasury Manager, Arijit Deshmukh.

"When regulatory changes are identified as having a potential impact on our business model, we establish a dedicated project team responsible for implementing the necessary modifications to our ERP systems and business processes if required to ensure compliance," he says. "Additionally, we partner with stakeholders such as auditors and – in certain countries – the central bank and government regulatory bodies to stay informed about updates to financial regulations."

The company has internal teams across various departments that continuously monitor changes in financial regulations. According to Deshmukh, this structured approach enables Kerry to adapt to evolving regulations and maintain alignment with financial regulations globally. He concedes that regulatory compliance can be both time-consuming and expensive, depending on the scope of the requirements involved.

For example, some needs can be addressed through ERP system implementations or business process changes, which may involve a one-time investment. However, others demand constant tracking of transactions, necessitating ongoing efforts and additional headcount. "Despite these challenges, it is critical to prioritise compliance and stay updated on regulatory changes as the fines and penalties for non-compliance can often be significantly higher than the costs of ensuring adherence to regulations," observes Deshmukh, who reiterates that banking partners play a key role in navigating regulations across multiple jurisdictions.

"They have a strong understanding of our company's processes and transactions, leaving them best placed to advise on the impact of regulatory changes. Additionally, banking partners act as a bridge to the central bank in some countries, assisting with any queries we may have related to regulatory changes. They also provide valuable support by offering insights into the activities and approaches that peers are adopting to navigate regulations effectively."

James Liu, Finance Director IKEA at Hong Kong-based DFI Group says his company conducts regular reviews of compliance in various forms from checklists to reviews of the control environment (adequacy of controls, spread and weighting of preventive and detective measures, efficiency of controls) and governance structure.

"That said, the complexities lie with the varying requirements in the different jurisdictions so it is often challenging to have all the local expertise in-house and at times we have to rely on external experts to ensure that we are compliant," he says. "Another challenge is to manage a standardised approach while allowing flexibility to ensure local compliance, which is often easier said than done."

He agrees that ensuring regulatory compliance is time-consuming and labour intensive, which translates into costs that could be better utilised elsewhere to the benefit of customers, employees or shareholders. "We have started to adopt AI to tackle this challenge in our compliance processes and it is currently being used on two fronts: automation of processes and review of our controls and compliance," he explains.

One way in which AI is being used is to load in regulatory requirements as well as the company's standard operating procedures and have AI review the adequacy of its controls and the weighting of preventive versus detection measures and adjust in accordance with risk appetite as well as (if necessary) producing revised procedures and the computer script to automate the processes. "We are still at the beginning of the journey but we are making some good progress," says Liu, who also refers to the role banking partners play in helping to navigate regulations across multiple jurisdictions as subject experts. "We value compliance highly and I think we have a good partnership on this very important topic," he adds.

Marsh McLennan conducts a vigorous review process on transactions and structural solutions by legal, tax, financial control and treasury prior to execution or implementation, explains Asia Pacific Treasury Director, Nicholas Hardy. "Asia can be considered a complex region from a regulatory perspective and thus it is important to partner with a bank that has the local expertise and experience in supporting clients," he says.

Regulatory and operational fragmentation creates significant challenges for companies, which means corporate treasurers and CFOs must stay vigilant and adaptable observes Anand Jadhav, Head of Cash Management Product and Implementation APAC at BNP Paribas. "Each country has its own regulatory bodies, requiring treasury to navigate compliance requirements with increasing administrative burden and cost," he says. "In addition, in some countries the policy/guidelines are issued in local languages, which requires accurate interpretation and implementation."

The process of moving funds across borders is subject to varying levels of restrictions, from jurisdictions with no constraints (such as Singapore and Hong Kong) to those with high levels of restrictions, for example India and Vietnam. FX regulations differ from country to country with some requiring central bank reporting, supporting documents and declarations.

"In-country pooling and cross border pooling possibilities for local and foreign currency vary due to tax considerations involving different withholding tax requirements and restrictions on foreign currency movement," adds Jadhav.

Treasury centralisation can be challenging, with payments-on-behalf-of and collections-on-behalf-of structures not always available. Some countries allow in-house bank entities from another country with resident or non-resident accounts to perform settlements, whereas in other countries only local entities with resident accounts may be allowed to perform such settlements in local currency.

"Then you have ununified local payment rails," says Jadhav. "Unlike SEPA payments in Europe, each Asian market has a distinct local payment rail with variable amount limits and settlement times, requiring corporates to adapt and develop payment capabilities for each country."

Vishal Lohia, Associate Partner at Mumbai-based regulatory consultancy Dhruva Advisors also refers to the absence of a single regulatory body and notes that frequent regulatory updates and reforms – particularly in areas like anti-money laundering, data privacy and ESG disclosures – make it difficult for companies to stay compliant. "In fact, due to changes in anti-money laundering rules there is an embargo on foreign direct investments in some countries," he says. "Changes in global rules, particularly those driven by the Financial Action Task Force, can impact foreign investment in India by increasing scrutiny and potentially hindering transactions, especially for companies operating in high risk sectors or with complex ownership structures."

The implementation of the BEPS multilateral instrument has added further complexity as jurisdictions adopt different provisions, leading to uncertainty in treaty benefits. Additionally, increasing emphasis on substance requirements means businesses must demonstrate genuine economic activities in a jurisdiction to qualify for tax treaties and incentives. "Many APAC countries have strengthened anti-avoidance rules, including permanent establishment risks and transfer pricing regulations," says Lohia.

Regulatory challenges facing treasurers in Asia make cash management more difficult, requiring additional focus on compliance and impacting treasury effectiveness. In some markets, such challenges can be compounded by regulatory uncertainty, with amendments or new rules introduced with little advance notice, requiring businesses to quickly adapt to stay compliant. That is the view of Harish Kumar, Head of Liquidity & Investment Products Asia, Global Payments Solutions at HSBC, who notes that geopolitics introduce an additional layer of complexity as escalating trade tensions create new trade corridors and alter supply chain networks, introducing new markets and counterparties. "Rather than harmonisation, we have been observing a deregulation trend, which has made it easier for treasurers to centralise treasury functions across jurisdictions, for example, the cross-border cash pooling schemes in China," he says.

"A few jurisdictions have also been looking to attract more businesses by launching schemes and introducing incentives, such as GIFT City in India and the International Business Centre regime in Thailand, which bring opportunities for treasurers to create efficiencies in their payments and cash management."

Jadhav explains that simplification of requirements and procedures is being undertaken by countries or clusters of countries working together to improve processes and reduce the regulatory burden. "Such initiatives include the regional payment connectivity (RPC) initiative to make inter-country payments more convenient and affordable, upgrading domestic payments formats to the ISO 20022 standard, offering direct connectivity with tax authorities – allowing corporates to make statutory payments via online banking with quick payment status, thereby removing the need for a separate account – and digitisation of supporting documents for cross border payments."

Despite efforts to align financial frameworks with international standards, significant variances persist across jurisdictions due to regional complexities and differing regulatory priorities explains Jeroen Van Doorsselaere, Vice President of Global Product & Platform Management at Wolters Kluwer Finance, Risk & Regulatory Reporting. "Multi-jurisdictional banks often confront the challenge of complying with diverse interpretations of global and regional regulations, resulting in inefficiencies and the necessity for localised compliance teams," he says. "Additionally, institutions must navigate legal and structural barriers such as obtaining separate licenses and adhering to specific reporting obligations for each country."

The requirement to align with multiple regulatory regimes necessitates considerable investment in compliance infrastructure and expertise. Financial institutions face the strain of allocating substantial resources to monitor regulatory changes, train personnel and implement necessary controls.

"On the other hand, there are initiatives among technology providers to establish a common centralised vocabulary to facilitate multi-jurisdiction compliance," adds Van Doorsselaere. "Ultimately, every regulator will require a balance sheet report, a capital report and a liquidity report, all of which have specific nuances but often rely on the same input data. Regulators communicate with one another and share ideas but they frequently prioritise their own agendas, resulting in deviations in the level of granularity concerning country-specific issues."

While full regulatory harmonisation remains challenging due to country-specific legal and economic priorities, Nithi Genesan, Country Head – Singapore at institutional governance, administration, risk and compliance services provider Waystone observes that there are a number of initiatives in place to promote consistency. "For instance, some markets have established mutual recognition agreements or licensing passport schemes to enable financial institutions to operate more seamlessly across borders," she says, adding that banks have a key role to play in helping companies navigate regulations across multiple jurisdictions.

"They assist businesses in adhering to foreign exchange controls, sanctions screening and tax-related requirements and as the first point of contact for most businesses, also conduct due diligence on customers, helping companies mitigate regulatory risks."

How to set up an in-house bank

What is the best practice when setting up an in-house bank?

Integrating an in-house bank is a complex process. Treasury Today interviewees counsel on the importance of striking a balance between automation with human expertise, and a phased approach. Support from all levels of the organisation and a dedicated IT team are also key to getting to grips with the most challenging elements of the process like regulatory compliance and the required technology infrastructure.

Stefan Windisch
Global Head, IHB
Roche

Roche integrated an in-house bank (IHB) more than two decades ago to establish a centralised treasury function, optimising cash and liquidity management across the group.

By implementing the IHB as the sole communicator with banks for the Roche Group, treasury was able to generate efficiencies through automation and transparency in intercompany payments because they are now settled internally rather than via commercial banks, reducing transaction costs and processing times.

The IHB consolidates FX exposures and allows for centralised hedging, reducing volatility and optimising risk management and we reduced counterparty risk by optimising the number of bank relationships and bank accounts. This also helped streamline cash management activities including treasury payments, overall bank communication and product selection and boosted our ability to negotiate with our banks.

Some of the key lessons we learnt include the need to balance automation with human expertise. While technology plays a crucial role in treasury transformation, skilled professionals remain essential for interpreting data, making strategic decisions and managing stakeholders and their exceptions.

A phased approach to transformation is also important. The IHB was gradually expanded in its early phase rather than implemented all at once, allowing for testing, learning and refinement. A dedicated Treasury IT team was one of many key success factors too. We established an eye-to-eye partnership with IT, Shared Services, banking partners, and internal finance teams, which contributed to the successful output of the IHB implementation. IT played a key role in integrating systems, while bank partners provided strategic insights and operational support.

A new implementation must either replace something existing to something better or truly add value in order to be justified. An IHB not only replaces decentralised banking structures with a more streamlined, efficient treasury model but also creates a positive impact by improving cash visibility, enhancing FX risk management and optimising banking relationships.

If a company operates in multiple markets, with multiple bank relationships, accounts and decentralised treasury management, an IHB can be a game-changer. However, organisations must ensure they have the right infrastructure, expertise and regulatory framework in place before implementation. Indicators or processes to look for the value add could be multiple international subsidiaries, where intercompany transactions are frequent or significant foreign exchange exposure, requiring centralised risk management. Multiple bank relationships in the same region or even country and trapped cash are also driving factors.

The centralisation of processes with an IHB and a dedicated team enable faster responses to changing environments, generate value for the business, and ensure alignment with global corporate guidelines while enhancing overall efficiency. Companies can take their IHB to the next level by expanding treasury solutions, automating processes for greater efficiency, and ensuring agility in response to geopolitical changes, regulations and economic uncertainty.

Faisal Masood
Director Sales
Treasury Cube

In-house banking has emerged as a strategic enabler for modern treasury functions. By centralising cash management, corporates can achieve improved visibility, cost savings and tighter control over liquidity. While setting up an IHB can be complex, particularly from a regulatory and technological standpoint, starting with foundational elements like a centralised payment hub and real-time cash visibility lays the groundwork for broader treasury transformation.

But there must be rational considerations behind taking the decision to implement in-house banking. It is not a fit for most organisations, especially the ones that lack group structures.

Elements of in-house banking that are relatively straightforward include cash pooling and centralised payment processing.

Many treasury software solutions offer well-established tools for pooling cash and automating payments. This centralisation quickly reduces transaction fees and improves cash visibility. When properly documented, intercompany loans lead to immediate cost savings by reducing external borrowing. Basic FX management is also straightforward.

More challenging elements to the process include regulatory compliance. For example, operating across multiple jurisdictions can be intricate. Each country may have distinct rules on intercompany lending, cash pooling and currency controls. Staying compliant requires constant monitoring of international regulations.

Setting up the technology infrastructure – integrating enterprise resource planning (ERP) systems, TMS, and bank portals – can be demanding, as can navigating tax and transfer pricing. Intercompany transactions must align with local tax rules. IHBs also need robust transfer pricing policies and documentation to avoid regulatory pitfalls.

A practical starting point is cash visibility. By consolidating daily bank statements and balances into one centralised view, treasury can accurately gauge the company's overall liquidity. The process involves standardising payment processes, implementing a cash pooling structure and automating intercompany settlements. Once payment processes and cash pooling are in place, move on to more sophisticated intercompany financing arrangements, such as internal loans and netting.

It's possible to navigate regulatory hurdles by appointing a dedicated compliance resource or external advisor to stay on top of evolving regulations. Each intercompany agreement must be carefully documented to satisfy local authorities. It's also possible to overcome technological complexity by investing in a treasury management system (TMS) that integrates with your existing ERP and global bank accounts. Ensure it can scale as the company adds new subsidiaries or market regions. The best way to manage organisational change is to communicate the benefits – lower financing costs, improved liquidity, better FX rates – and involve local finance teams early.

Daan Kurvers

Partnership Manager
Cobase

Building an IHB is not just a technology rollout. Success depends on aligning stakeholders, managing change and embedding the function into day-to-day operations. Based on industry experience and real-world implementations, the following ten best practices can help organisations structure a successful in-house banking journey:

1. Implementing an IHB introduces new ways of working across group entities. It requires commitment from top leadership, a clear budget and defined responsibilities.
2. Start with what delivers the most value fast: cash visibility, internal payments and centralised control. More advanced components like FX netting or working capital optimisation can follow once the foundation is in place. A phased approach enables quick wins and keeps the project manageable.
3. Bring in the right expertise. Whether internal or external, domain-specific expertise in treasury, intercompany financing, legal structuring and system integration is critical.
4. Prioritise legal, tax and compliance early. Ensure intercompany arrangements are properly documented, tax-compliant and at arm's length. Standardised templates and policies reduce complexity while supporting audit readiness.
5. Invest in project management. A successful IHB implementation requires coordination across business units, banks and functions. Dedicated project management ensures timelines stay on track, local teams stay engaged and expectations are aligned across the board.
6. Define a blueprint and operating model. Before selecting a solution, clarify the end-to-end processes you want to support. Will the IHB act as a full internal bank or a payment hub? Define how you want to manage loans, interest calculations and reconciliations.
7. Operate through a centralised hub. Whether using a hub-and-spoke or hybrid model, central coordination is essential. A central hub allows treasury to maintain control while enabling local flexibility.
8. Choose scalable, treasury-ready technology. Opt for platforms that are modular, easy to implement, and proven to support both current and future treasury needs. Some organisations initially focus on bank connectivity and payments, then scale to include intercompany loans, cash pooling and forecasting, without needing external consultants or reconfigurations.
9. Embed the IHB operationally. Treat the IHB not just as a system but as a service. Define clear service levels, assign responsibility, and ensure subsidiaries know where to go for support.
10. Continuously evaluate, learn and improve. Once live, regularly review the IHB's performance. Use feedback from local entities to enhance usability, reduce friction and ensure the platform continues to meet evolving business needs. Celebrate successes and share them internally to maintain momentum.

Next question:

"How have tariffs impacted demand for trade finance?"

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