{ CORPORATE FINANCIAL MGMT }

CORPORATION TAX REDUCTION

Two-thirds of companies would not shift to another country for any reduction in corporation tax.

A survey by Grant Thornton of more than 3,400 businesses in 44 economies as part of its quarterly *International Business Report* found that just a third (33%) would be tempted to move by the prospect of cutting their tax bills.

Business leaders in New Zealand are the most resistant to relocation, with 94% saying they would not move abroad for a lower corporate tax rate. They are followed by Georgia (92%), Switzerland (90%), France (88%), Germany (87%) and Ireland (86%). The economies in which the most businesses would move for a lower rate are Russia, India, Taiwan, Greece, Botswana and Norway.

Over two-thirds of business leaders would favour lowering the corporate tax rate in their country, even if it meant eliminating some current tax deductions. Support was greatest in Vietnam (94%), Lithuania (92%), Malaysia (92%), Peru (90%), Greece (88%), Mexico (82%), India (81%) and the US (81%).

But three in five business leaders surveyed did not think their government was doing enough with tax measures to help ease economic pressures. The countries with the highest dissatisfaction levels were Argentina (92%), Japan (86%), Poland (82%) and Spain (82%).

Commenting on the results, Francesca Lagerberg, incoming global leader of tax at Grant Thornton International, said: "A trade-off between tax breaks and headline rates of tax, leading to a simple low tax rate with no or few deductions, does have the advantage of bringing simplicity. The difficulty is that tax breaks are hard to remove once in place, especially in those economies that are currently struggling to find growth and that use tax breaks to stimulate certain sectors or industries."

{ GRANT THORNTON *INTERNATIONAL BUSINESS REPORT* }

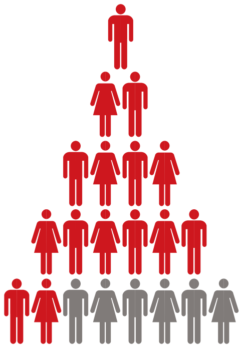
THE STATS

92% of businesses in Argentina felt their government was not doing enough to ease economic pressure using tax measures

94% of businesses in New Zealand would not move abroad for a lower tax rate

67% of global businesses would not relocate to another country for any level of reduction in their corporate tax rate

61% Three in five business leaders surveyed did not think their government was doing enough with tax measures to help ease economic pressures



68% Over two-thirds of business leaders would favour lowering the corporate tax rate in their country, even if it meant eliminating some current tax deductions

{ AROUND THE WORLD IN 30 DAYS }

DATA, DEBT AND DEVELOPMENT

Belgian Debt Agency chooses FTI STAR

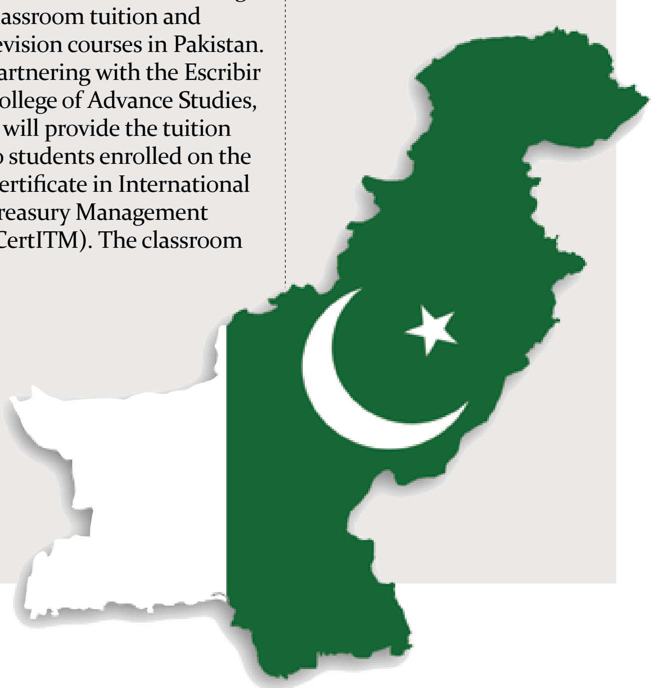
Dublin-based treasury specialist FTI Treasury has been awarded the contract to install its treasury system, FTI STAR, in the Belgian Debt Agency. A part of the Belgian Treasury, the Belgian Debt Agency is responsible for managing Belgium's public debt of over €370bn. It will use FTI STAR for straight-through processing – from deal negotiations through to payment and accounting. The Romanian Ministry of Public Finance also uses FTI STAR for the management of its central and local government debt.

European banks in data overload

European banks are drowning in data that they don't know how to use, a new report by KPMG suggests. According to the Big Four firm, banks are in the middle of a 'multi-year transition' as they wrestle with strategic, operational and change challenges. Greater reporting requirements have made data overload a problem for banks because they aren't making effective use of the information that they have. The other three key problems facing them are regulatory complexity and uncertainty; diminished returns; and changing cultural behaviours.

ACT tuition in Pakistan

The ACT will be delivering classroom tuition and revision courses in Pakistan. Partnering with the Escribir College of Advance Studies, it will provide the tuition to students enrolled on the Certificate in International Treasury Management (CertITM). The classroom teaching will complement the ACT's online learning programme and allow students to interact with tutors and other students. James Lockyer, ACT development director, said the ACT was proud to be able to assist in the "personal and professional development" of finance professionals in Pakistan.



READER LETTER

TIME TO PRICK MEN'S CONSCIENCES

I read Rebecca Brace's article in The Treasurer, *March 2013 (page 18) with dismay. It appeared to be aimed at the female readership, which is a shame, and missed a few critical facts and an opportunity to do something about under-representation of women in top treasury positions.*

Some years ago, there was a similar article that pointed out that the female qualified membership is proportionately greater than male qualified membership and that women excel at winning top marks in various modules of the exams. I wonder if that still holds? What are the current statistics regarding that? Unfortunately, Rebecca missed that – I think it might have led to a more interesting article. Perhaps those statistics are inconvenient?

Which leads me to my second point – that the ACT and your magazine could use that information to do something about it. The format of the article did not indicate any measures to redress the balance or any support that the association has provided in doing so. It was depressingly formulaic and unoriginal. It needed to target men and prick their consciences.

Having got that off my chest, I thought the article about Janice Watson at Visa Europe (March 2013, page 26) provided great insight into what 'real treasury women' do.

Linda Kemp
ACIB AMCT

MAKING THE NEWS

Audit market

The lack of competition in the large audit market is detrimental to shareholders, according to the UK Competition Commission. Publishing the provisional findings of its 16-month probe into the domination of the Big Four firms at the end of February, the commission criticised auditors for being more focused on keeping management happy than meeting shareholders' needs. It also concluded that there was a lack of competition in the market, which was "likely to lead to higher prices, lower quality and less innovation for companies".

{ UPS AND DOWNS }

GOOD MONTH: UK BUSINESS

UK businesses are more confident about their prospects for 2013 than they were at the end of last year, a major survey of marketing professionals has found. The Marketing Confidence Monitor, run by the Chartered Institute of Marketing and supported by Deloitte, found that while consumer spending is forecast to fall in the next three months, and concerns over wider economic issues persist, overall 38% of respondents are more confident in their business's ability to meet its financial and growth targets this year compared with last year.

BAD MONTH: CYPRUS

Russian money launderers were among those expected to foot the bill for Cyprus being bailed out by the EU and the International Monetary Fund in March. A condition of the €10bn bailout was a 6.75% tax on Cypriot bank deposits of up to €100,000 and 9.9% above that level. The news sparked uproar in Cyprus where cash points were emptied and banks had to close to prevent a run on funds. One enterprising individual even threatened to bulldoze his way into his local branch.