

McCreevy praises strong European capital markets

On the globalised financial playing field, it is important for politicians not to get “misty-eyed” over regulation, according to Charlie McCreevy, European Commissioner for Internal Market and Services.

Speaking at the ACT's annual dinner in November, which was supported by Bank of Scotland Corporate, McCreevy said the European Commission “wants to keep in active touch with industry and regulators to learn of any teething problems or of practical obstacles or difficulties that arise when you start to put the rules into practice”.

Comparing EU financial markets today with those of its main competitor, the US, McCreevy said European markets clearly led in the areas of commercial banking, foreign exchange, over-the-counter derivatives, insurance, reinsurance and foreign equity trading.

McCreevy said he was not pleading for more regulatory action but for the most “appropriate and proportionate”. He said the time was right for industry to take the initiative, citing as an example the Single Euro Payments Area (SEPA).

He also claimed that the Markets in Financial Instruments Directive (MiFID) was a good example of appropriate and proportionate action. He said the European Commission had consulted extensively and he hoped the outcome of these consultations had been “a balanced, proportionate and sensible set of measures which I hope will enhance competitiveness and protect investors without placing undue burdens on business”.

The EU discusses issues of competitiveness with its main trading partners, the US, China, Japan, Russia and India. McCreevy said that the dialogue with the US was the most



Charlie McCreevy,
European
Commissioner
for Internal Market
and Services.

developed. The EU-US Financial Markets Regulatory Dialogue – covering almost 80% of world financial markets – was kick-started in the wake of the Enron scandal in 2002 when the EU worked hard with its counterparts in the US to minimise some of the negative impact for European companies of the US Sarbanes-Oxley Act.

On accounting standards, McCreevy said that the European Parliament and the European Securities Committee (ESC) had recently approved the European Commission's proposal, which would enable US GAAP, Japanese GAAP, Canadian GAAP and other countries' accounting standards converging towards IFRS to remain in use for another two years in the EU. This brings the deadline to 2009, and thus aligns the EU and US timetables on this issue. It will also give recognition to other countries' efforts to converge towards IFRS, thereby promoting global use of the international standards.

McCreevy said that some EU member states and elsewhere abused the sensitive “national security” argument to block foreign investment.

He said: “These arguments must be constrained. Actions on these grounds must not lead to discriminatory authorisation procedures and discouragement of foreign investment in key sectors of the economy.”

“To counter this as much as possible, I have recently put forward a proposal that will tighten the procedures that member states' supervisory authorities have to follow when assessing proposed

mergers and acquisitions in the banking, insurance and securities sectors.”

The ultimate aim of the single market for financial services is to set the stage by providing the regulatory framework for



In full flow: Ruby Wax on the ACT's big night

The ACT's annual dinner raised more than £21,000 for charity Childhood First through the traditional sweepstake held on the length of European Commissioner Charlie McCreevy's speech. Thank you to everyone who took part and made a donation. The actual length of the speech, announced by after-dinner speaker comedian Ruby Wax, was 20 minutes 38 seconds.

The sweepstake winners were:

- Tom Jack of Severn Trent won a stay at the Grosvenor House Hotel, kindly donated by the Grosvenor House Hotel;
- Ben Davies of Barclays Capital won a bottle of Dom Perignon champagne; and
- K Stannard of Smith & Williamson also won a bottle of Dom Perignon champagne.

Childhood First offers intensive residential programmes of care, education and treatment, together with expert family and placement support for children aged 5 to 12 who have complex behavioural, social and emotional difficulties. The money raised will help to renovate the playground of Childhood First's special school near Ashford in Kent.
www.childhoodfirst.org.uk ■

European companies and markets to compete in the EU and on a global scale. McCreevy said: “We are beginning to see the first green shoots of a deeper, more integrated, stronger European capital market, impacting positively on the real economy.”

McCreevy added that nobody understood better than corporate treasurers how important efficiently functioning, competitive financial markets were to businesses and long-term economic growth ■

Treasurers split over TMS value

Treasurers are split down the middle on the value of their treasury management systems (TMS).

According to a global treasury management system survey carried out by Deloitte, almost half of respondents – from a cross-section of treasuries in Europe, the US, Asia Pacific and the rest of the world – were either completely satisfied with their TMS or thought that it was better than average. Of the rest a fifth were dissatisfied with their TMS, while the rest thought theirs was no better than average.

Dimos Dimitriadis, Senior Manager for Treasury Consulting at Deloitte, said: “Over 80% of respondents use an off-the-shelf system, with some having bespoke developments. A minority still use in-house developed systems including spreadsheets. While 70% of respondents don’t wish to change their TMS, more than half are planning a major upgrade in the next 12 to 18



Dimos Dimitriadis: Half of treasurers planning major upgrade in next 18 months.

months.” Despite the increasing usage of the web in day-to-day life, only a third of treasurers were using the web functionality in their TMS.

The survey revealed that the introduction of IAS39 had pushed the treasury and accounting departments closer together, and that IFRS 7 would further consummate the relationship as risk reporting took centre stage. 40% of respondents used risk management methods as part of their compliance with regulations, although not all treasury management systems provided functionality in this area.

Almost all respondents felt they did not receive enough after-sales support and communication from suppliers, although suppliers claimed it was a priority for them.

The explanation for the conflicting views may lie with the fact that most treasuries lack dedicated in-house treasury systems expertise and so cannot best use and manage their suppliers. ■

On the move...

■ **Simon Bowles**, FCT, previously Deputy Finance Director at the Royal Automobile Club, has been appointed Chief Financial Officer at Fiberweb, which is due to list on the London Stock Exchange on 17 November after its demerger from BBA.

■ **Fintan Coyle**, AMCT, has been appointed Assistant Manager of the Front Office at De Lage Landen Ireland. Previously, he was Treasury Manager at ABN Amro Bank.

■ **Andrew Green**, MCT, previously Group Treasury Manager at Uniq, has joined Foster Wheeler Energy Limited as Deputy Treasurer.

■ **Euan Haggerty**, AMCT, has been appointed UK Financial Controller at Miller Developments. Previously he was Financial Controller, Consumer Finance at Royal Bank of Scotland Group.

■ **Seamus Leahy**, MCT, previously Treasury Manager at Kellmorr Investments, has joined Musgrave Group as Treasury Manager.

■ **Gavin Lewis**, AMCT, previously Treasurer and UK Group Controller at Multiplex Developments (UK), has joined Stanhope as Finance Director.

■ **Brian Marks**, MCT, has been appointed Director at Aircraft Lease Securitisation. Previously,

he was Executive Vice President, Corporate Finance and Treasury at AerCap.

■ **Nikolai Naylor**, AMCT, has been appointed Product Control Manager at CMC Markets UK. Previously he worked for Shell International as Business Analyst.

■ **Niall O’Shea**, AMCT, formerly Group Chief Accountant at RTE, has joined Ernst & Young as Director in its Financial Services Risk Advisory Services Group.

■ **Emily Plummer**, AMCT, previously Vice President at Dresdner Kleinwort Wasserstein, has joined Investec Bank (UK) as Credit Analyst, Treasury and Specialised Finance.

■ **Stephen Wood**, AMCT, previously Business Leader for Retirement Income at GE Capital, has been appointed Group Financial Controller at Willis Group.

MEMBERS’ DIRECTORY

Members’ contact details are updated regularly at www.treasurers.org. Email changes to Anna Corr: acorr@treasurers.org

CAREERS

For up-to-date treasury vacancies and careers articles, log onto: www.treasurers.org/careers/index.cfm

ACT unveils new logo

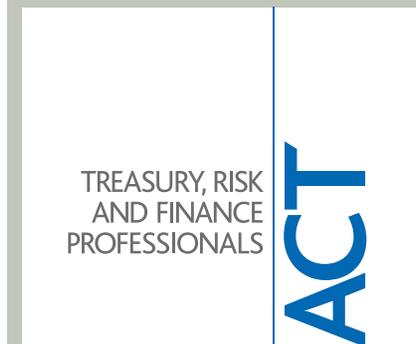
The ACT logo and design has been in existence for 10 years. Much has happened in that time both for the ACT and the profession and the ACT’s new look is designed to reflect this change.

As well as providing a modern outlook, the new design reflects the growing responsibilities of treasurers and the widening appeal of the ACT across the finance profession.

The logo therefore focuses on the ACT’s unique position as a central service provider for a broad spectrum of financial disciplines.

Richard Raeburn, ACT Chief Executive, said: “The role of treasury has changed significantly over the last few years, and our new branding reflects our commitment to develop and support the wide range of financial disciplines reflected in our membership. Going forward, we will be emphasising our ability to serve as a conduit for all our members, sharing innovation and best practice.”

The new image has been introduced to coincide with the ACT office relocation and will be in use from 11 December. ■



ACT moves home

After 10 years at Ocean House, the ACT is moving to new offices in the City. From Monday 11 December, the address and contact details will be:

51 Moorgate
London EC2R 6BH
Telephone: +44 (0) 20 7847 2540
Fax: +44 (0) 20 7374 8744

The move will represent a significant improvement in the office environment for the ACT team and provide more professional surroundings for our members and other visitors. We very much look forward to meeting you in Moorgate. ■