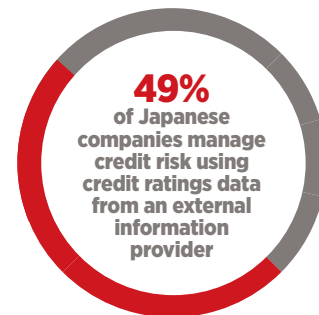


{ KEY FINDINGS OF SUNGARD STUDY OF JAPANESE TREASURY PRACTICES }

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**58%** of Japanese companies reported that they do not use payment netting



**OVER 50%** of Japanese treasurers use domestic cash pooling

**63%** of treasurers in Japan use in-house spreadsheets or databases as their primary treasury tools

**13%** of Japanese companies have plans to implement new treasury technology



**11%** use bank pooling for foreign currency

{ INSIGHT }

## CHINESE CORPORATES OFFER DISCOUNTS FOR RMB

Businesses outside mainland China that choose to settle their trade with Chinese corporates in renminbi can get discounts, new research reveals.

A survey by HSBC found that half of all mainland Chinese corporates were willing to offer better pricing or terms if their national currency was used to settle trade. Some 41% of respondents revealed they would be willing to offer discounts of up to 3%, and 9% were prepared to offer even greater savings.

Meanwhile, Chinese corporates have widespread confidence in the future of renminbi as a major global trade and investment currency.

The vast majority (77%) expect a third of all Chinese trade (around \$2 trillion) to be conducted in renminbi by 2015 (compared with 10% in the year to date) and 30% plan to use the currency for investment-related purposes in the next 12 months.

China-based corporates reported that exchange risk management and operational convenience were the main reasons for choosing renminbi for cross-border transactions. Overall, 72% of those surveyed use renminbi to help manage their FX risks, a sharp increase from 49% in 2011, and 44% stated that the currency brought operational and accounting advantages (versus 34% in 2011).

Chinese corporates also reported that their counterparties overseas are finding it increasingly convenient to use renminbi. Only 15% reported that their counterparties encountered insufficient renminbi service or support from their bank overseas, down from 23% in 2011.

Noel Quinn, HSBC regional head of commercial banking Asia Pacific, said: "International businesses looking to benefit from China's growth must explore the benefits of using the renminbi when transacting with their Chinese counterparts to take full advantage of discounts that may be available."



{ AROUND THE WORLD IN 30 DAYS }

## FATCA, FDI AND LENDING

### US citizens flee FATCA

US citizens who live overseas may renounce their citizenship because of the Foreign Account Tax Compliance Act (FATCA), which is being rolled out in January 2013. Nigel Green, chief executive of the deVere Group, says the financial advisory firm has seen a 22% increase in enquiries from American expatriates "who tell us they are considering the drastic step of switching their homeland citizenship to that of their adopted countries". Under FATCA, the US will require all of its citizens to report their worldwide assets and earnings to the Internal Revenue Service.

### African markets attract FDI

South Africa, Ghana, Tunisia and Morocco are four of the African markets that have attracted greater foreign direct investment over the past decade, according to a report by Ernst & Young. Other countries, such as Nigeria and several of the East African economies, are

also growing at consistently high rates, making steady political and social progress, and generally creating environments that are more conducive to doing business. Others, perhaps most notably Angola and the Democratic Republic of Congo, display strong growth characteristics in terms of resources, but their business environments remain more challenging.

### SMEs feel the squeeze

Lending by euro area banks to businesses underwent a net tightening in the third quarter of 2012 (15% in net terms, up from 10% in the second quarter), with SMEs bearing the brunt of the squeeze. According to the European Central Bank's lending survey, perceptions of increased risk contributed to the tightening in credit and this was reflected in a further widening of margins on riskier loans to businesses. Euro area banks continued to report a pronounced net decline in demand for loans to businesses.



{ CAREER }

## COMPANIES PAY FOR BRIGHTEST AND BEST

➤ Competent accounting and finance professionals remain in high demand despite generally stagnant growth in the job market, finds the 2013 *Robert Half Salary Guide*.

More than three-quarters of UK CFOs say it is challenging to find skilled financial professionals, and as a result organisations are paying more for the market's brightest and best candidates.

The shortage of strong candidates, together with the general slowdown in new hires, means that finance departments are generally being asked to do more with less, creating what Robert Half describes as the "finance growth challenge". Candidates who are particularly in demand include finance professionals with strong process analysis, change management and project implementation skills, as well as a

commercial awareness that means they can add value by partnering business functions.

Phil Sheridan, managing director, Robert Half UK, said: "Our research shows that business confidence has improved, with most CFOs saying they are more confident in their companies' growth prospects than last year. Finance professionals are benefiting from this optimism."

For treasury jobs, see [page 64](#)

{ TECHNOLOGY }

## COMPANIES MUST PLAN FOR IT RISKS

➤ Companies are not doing enough to protect themselves from risks associated with IT, according to research by global consulting firm Protiviti. It found that a significant number of organisations do not conduct any type of IT audit risk assessment, while many that do, find critical gaps in their IT audit capabilities. Protiviti's 2012 *Audit Benchmarking Survey* found that the top three technology challenges that businesses face are information security, cloud computing and social media.

"To succeed in today's business environment, it's critical for organisations to understand and manage IT risks that emerge with the rapidly escalating use of technology, and the best way to do that is with well-planned IT audit strategies and activities," said Brian Christensen, Protiviti's executive vice president of global internal audit.

For more on technology, see [page 56](#)



### UBS cuts 10,000 jobs

Swiss bank UBS is slashing 10,000 jobs worldwide in an effort to cut costs and slim down its investment banking activities. The jobs, which represent 16% of its workforce, will go over the next three years, with 2,500 being lost in Switzerland. UBS plans to focus on its private and

investment banks in future and move away from its riskier trading activities that largely contributed to it wracking up losses of CHF 39bn during the financial crisis.

### Family businesses feel left out

The majority of family businesses across the world do not feel their governments recognise their importance to their economies. A survey by PwC found that family businesses in the UK have the fifth-worse experience, with only Russian, French, Romanian

and Greek businesses feeling less valued. But the research also found that of nearly 2,000 family businesses in 28 countries that were polled, 65% were demonstrating sales growth. Although UK family businesses are growing at a lower rate of 47% amid the economic downturn, some 12% still plan to grow "quickly and aggressively".

### Businesses suffer cash flow woes

Eight out of 10 businesses are struggling to maintain cash flow due to

the tough economic conditions and lack of bank credit. Research by alternative finance provider Platform Black found that nearly two out of five (38%) are relying on bank overdrafts to cover cash shortfalls, and a worrying 14% are spending their own savings to pay company bills. Meanwhile, two-thirds (67%) said they feel banks are less willing to lend now than a year ago. More than 84% of firms rate the banks' reluctance to offer credit as a barrier to success.

{ UPS AND DOWNS }

## GOOD MONTH: JUSTIN WELBY

The ACT's confidential adviser to members on ethical and personal issues, Justin Welby, is set to see his workload get even busier and his profile increase immeasurably. In November, he was named as the next Archbishop of Canterbury, succeeding Dr Rowan Williams, who is retiring. Welby, who became Bishop of Durham last year and prior to that served as Dean of Liverpool Cathedral and a Canon of Coventry Cathedral, will be enthroned in March 2013. Before training as an Anglican priest, the father of five was group treasurer of Enterprise Oil, an exploration and production company that was once listed on the FTSE 100, but was later acquired by Royal Dutch Shell. Welby has a particular interest in ethics and this year served on the Parliamentary Commission on Banking Standards. You can read his Christmas message to treasurers on [page 14](#).

## BAD MONTH: GREECE

Greece rarely has a good month these days. But the outlook for the Balkan nation had started to look slightly less dire after intervention by the European Central Bank in the summer suggested it might not be booted out of the euro after all. Last month, however, it returned spectacularly to form with an outbreak of popular unrest that involved nearly 100,000 protestors gathering outside the Greek parliament in Athens as politicians approved a painful €13.5bn austerity package with a razor-thin majority. Protestors chanted "fight" and hurled petrol bombs, while police responded with tear gas and water cannons. At least three people were killed. To compound the agony, Greek trade unions embarked on a debilitating 48-hour general strike. Will Greece still be in the euro this time next year? It's in the lap of the gods.