{ A LANDMARK YEAR }

COLIN TYLER

What lies ahead for treasurers and their organisations in 2013?

Colin Tyler is chief executive of the ACT. Follow him on Twitter @ColinTyl

The year 2013 will be a landmark year for the ACT and, I suspect, the treasury profession generally, especially in Europe.

The ACT is now a body incorporated by Royal Charter, which is a wonderful achievement and testimony to the hard work, effort and loyalty shown by all its students, members and professional staff over its 33 years. I am proud to be its chief executive at this time.

My belated New Year's wish is for the treasury community to fully come together through our associations and promote professional treasury management throughout the business environment. Raising awareness and participation in our treasury training, education and qualifications is a major target for the ACT in 2013. I see the opportunity for the professional treasurer to consolidate their influence in their organisations – particularly in the boardroom – offering their skills, technical knowledge and professional discretion to shape and drive their organisations towards better days or, more simply, safer days. The key issue, however, is that as public confidence in the financial markets (particularly banking) has been challenged, the call for ethics and individual professional standards has increased. In my view, only professional treasury associations can carry the full weight and authenticity of the profession by working on research and interaction with public regulators and policymakers. They also have the membership credentials to support these interactions.

It also promises to be a critical year in regulatory terms. The question is whether the regulatory environment will be seamless between what is expected (even demanded by the G20) politically, what the regulators deliver and how any new rules will work in practice. My hope is that politicians and regulators recognise the burdens on the real economy and EU competitiveness.

In the UK, for example, advanced plans for banking 'ring-fencing' will be laid by the government – this process may well be mirrored across the EU – but there is still unhelpful political capital being made from revisiting the principles of reform that have been previously agreed. In a similar vein, the action date for the Single Euro Payments Area is February 2014, but corporates will need to have their planning under way in Q1 2013 to fully reap the potential benefits. OTC derivatives will also become a big deal: whether in respect of their availability or not, their reporting obligations and the likely attendant rise of collateral requirements.

There is continuing uncertainty over the future of London Interbank Offered Rate (Libor) reform; will there be new indices created or will a vacuum develop? With some regret, the ACT acknowledges the reasons for the Wheatley recommendations. But we have urged the retention of certain rates where transaction volumes may justify this.

What else do I see for treasurers? We will continue to search out reliable, consistent sources of funding, whether they come from the capital markets, releasing capital from inside our businesses or from disintermediated markets such as crowdfunding. Let's call it 'smart finance'. The ACT has, post-Breedon, been working to help develop a UK version of the US private placement market to support this endeavour. Don't discount the banks entirely, however. Companies with the right credit and the right story will find there is funding available, especially where government-backed schemes for domestic or export funding are being heavily promoted.

Finally, I expect the technology challenge to intensify, whether in the consumer field, in more sophisticated treasury systems or even in mobile treasury technologies. We'll do our best in the new-look *Treasurer* and elsewhere to keep you up to speed.

PS: Don't miss a visit to *The Treasurer*'s new microsite – www.treasurers.org/thetreasurer – where there is plenty more to come.

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What are your thoughts on the February issue of *The Treasurer*? Email me at ctyler@treasurers.org or tweet @ColinTyl