On the move...

- **Terry Bird**, FCT, previously Interim Treasurer at Orangina Group in Paris, moves to easyJet in Luton to provide assistance during staff changes.
- **Stephen Drane**, AMCT, joins nabCapital as Treasury Solutions Manager. He was formerly Treasury Settlements Manager at Legal & General Group.
- **Dominic Hart**, AMCT, formerly Treasury Accountant at NM Rothschild & Sons, moves to Kaupthing Singer & Friedlander as Head of Treasury Product Control.
- **Guy Ingram**, AMCT, moves to SABMiller as Treasury Manager from his role as Middle Office Manager at BT Group Treasury.
- **Penny Jones**, AMCT, previously Head of Finance Projects at Nationwide Building Society, joins Deloitte as a Senior Manager in the Financial Services practice.
- **Sacha Kenny**, MCT, has joined Spectris as Group Treasurer. He was previously Group Treasurer for Regus Group.
- **Kerri Maharaj**, MCT, has been appointed Director of International Banking at Scotiabank. He was previously Treasurer at RBTT Bank.
- **Carl Sharman**, AMCT, has joined PricewaterhouseCoopers as Senior Consultant in Advisory. He was formerly Group Treasury Manager at CP Ships.
- **Richard Trafford**, MCT, has been appointed Senior Lecturer in Finance at the University of Portsmouth. He was formerly at Finmetrics as a Business Valuation Consultant.
- **Paul Wilkinson**, FCT, previously Senior Vice President at Merck, has been appointed Chief Financial Officer at Maus Frères.
- **Christopher Wright**, AMCT, has been appointed Group Treasurer of SSP Group. He was previously Group Treasury Manager at Carphone Warehouse Group before joining SSP as Deputy Group Treasurer.

MEMBERS' DIRECTORY

Members' contact details are updated regularly at www.treasurers.org. Email changes to Tolu Babatola tbabatola@treasurers.org, or phone +44 (0)20 7847 2558.

CAREERS

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

No simple solutions to complex credit problems

The roots of the current credit crisis go deep, and it is unlikely that simple solutions can be found without materially reducing financial development and growth of the financial sector, according to rating agency Moody's.

The Moody's report, entitled *Archaeology of the Crisis*, identifies how the crisis arose and addresses the practical implications.

Pierre Cailleteau: Faustian pact

In Moody's view, incentive structures in the financial industry are flawed. There is a lack of "biodiversity" in the financial ecosystem and excessive risk-taking, and no reasonable likelihood that such flaws will be eliminated.

The report says that financial crises still occur, despite enlightened policymakers having some idea of their causes, because any system of financial regulation that promotes growth necessarily accepts a risk of financial meltdown.

"Although there might be ways to almost eradicate the risk of crises, policymakers have implicitly preferred the option of accepting the frequent failure and occasional crises that come with financial innovation because that course is, ultimately, growth-maximising," said Pierre Cailleteau, Moody's Chief International Economist and author of the report. "This can be viewed as a Faustian pact that policymakers have made with the financial industry."

Other contributory factors identified by the report include intellectual confusion over fundamental concepts such as liquidity, the absence of a satisfactory valuation paradigm, and the paradoxical contrast between the sheer complexity of the global financial system and the precision of financial reporting.

Cailleteau said there had been considerable soul-searching to understand what had triggered the turmoil, such as the role of disintermediation, and in particular whether banks' origination and redistribution of loans have resulted in unchecked risk-taking, liquidity risk and untenably large off-balance sheet liabilities. ■

Deals of the Year Awards winners revealed

Winners of the 2007 Deals of the Year and the Treasury Team of the Year have been revealed.

In one of the most volatile capital markets for a decade, the overall Deals of the Year winner is Rexam for its hybrid bond. Vodafone is the first winner of *The Treasurer*'s Team of The Year.

The full list of winners is revealed on page 24.

Matthew Hurn, Chairman of the judging panel, said: "Congratulations to all of the winners and all of the highly commended Deals of the Year and the Treasury Team of the Year. The competition was as fierce as the conditions."

The winners and the highly commended were recognised at a dinner in central London at the end of January attended by treasurers and bankers. Coverage of the dinner will be in the March issue of *The Treasurer*.

See Congratulations!, page 24. ■

CertITM brings new standard

The ACT has launched a Certificate in International Treasury Management (CertITM) qualification.

The latest addition to the suite of papers that count towards the AMCT Diploma in Treasury, CertITM will equip candidates with a fundamental understanding of the core elements of treasury and help them apply this knowledge in their day-to-day working environment.

Delivered through an online study programme comprising a learning resource database, study guide and online communications facility, CertITM represents a new standard in treasury, risk and corporate finance and is endorsed by international treasury associations.

The first six-month CertITM course starts in April. It is a positive step towards ensuring all candidates share the common language of treasury in which they can develop their specialist knowledge.

See A Global Standard, page 48. ■

Retail bond investors get online access

A website providing retail investors and their advisers with access to pricing and liquidity information has been launched by the International Capital Market Association (ICMA).

The website, BondMarketPrices.com, was developed by ICMA to comply with the European Financial Services Industry standard of good practice on bond market transparency for retail investors.

The online resource gives retail investors direct access to an extensive range of pricing information on bonds.

The site will assist them and their advisers in judging the liquidity of bonds, and is designed to improve their overall awareness of market pricing.

BondMarketPrices.com publishes end-of-day bond data derived from dealers' closing quotes and TRAX2, ICMA's post-trade, pre-settlement, trade-matching and regulatory confirmation system for the over-the-counter market.

The service is the product of extensive consultation with members of ICMA, TRAX2 subscribers and other participants in European markets.

Robert Gray, Chairman for Debt Financing and Advisory at HSBC and Chairman of ICMA's Regulatory Policy Committee, said: "The successful delivery of this valuable new service for retail investors in the bond market will give this community a better understanding of the range and liquidity of highly rated bonds and a greater confidence as to the current level of prices."

UK targets Islamic financial products

The Financial Services Authority (FSA) has published a paper setting out its role in the development of the UK as the major European financial centre for Islamic financial products and services.

It is believed that Islamic finance is worth about £250bn globally and a conservative estimate puts growth at 10-15% a year.

The FSA paper outlines the social and economic reasons for the growth of Islamic financial products and services in the UK, and identifies some of the challenges and opportunities specific to Islamic finance, for regulators and practitioners in particular.

The FSA said it had encouraged growth by providing an open and flexible regulatory environment, which accommodates both Islamic and non-Islamic financial institutions.

It is the first European regulator to authorise a wholly Islamic bank. Other Islamic financial institutions have since been authorised.

The paper also sets out how the FSA deals with particular issues related to Islamic finance within its existing regulatory framework.

For example, retail consumers taking out ijara mortgages (a type of Islamic home purchase plan) have been given the same protection as conventional mortgage customers since new regulations in April 2007. ■

UK companies run risk of falling foul of anti-corruption legislation

A lack of awareness of UK and US anti-bribery and corruption laws, allied to a failure to communicate the rules to employees, is exposing British companies to increased risk.

Under the UK's 2001 Anti-Terrorism, Crime and Security Act, UK-based companies can be prosecuted for bribery and corruption committed abroad by their employees.

But nearly a third of company secretaries and heads of legal departments at FTSE 350 companies admitted that they had taken no steps to communicate the significance and implications of the Act to their employees, while nearly one in five were not aware of the provision in the Act at all.

The most frequently given reason for not communicating the significance of the UK Act to employees was that it was "not relevant" to the company's business – even though 90% of companies said they did business overseas.

Alex Plavsic, Partner in KPMG Forensic, said: "Companies appear to be exposing themselves to increased risk of prosecution through a lack of awareness of the anti-bribery rules and a lack of engagement even when they are aware.

"In the UK, the Serious Fraud Office is known to be actively investigating a number of cases. Some UK companies may well suddenly sit up with a jolt and take notice as and when prosecutions are announced." ■

Retirement age rises but pensioner longevity bites

As national governments move to reduce their social security costs in response to increased longevity, retirement ages are rising. Data released by Mercer shows changes in normal retirement age across 47 countries.

Giles Archibald, Mercer's Global Head of International Retirement Services, said: "The twin pressures of increasing social security costs and lower mortality rates are driving changes in retirement provision.

"In the private sector, companies are moving away from defined benefit towards defined contribution and hybrid plans to control costs and risks. This is in parallel with changes to plan governance and funding requirements."

Archibald: company schemes a recruitment tool

Mercer said governments were increasingly looking to the private sector to supplement social security, putting pressure on employer resources.

Archibald added: "However, as social security is eroded, so innovative company-sponsored retirement plans are becoming a more attractive tool for companies to recruit the best talent and remain competitive."

Yvonne Sonsino, Head of Mercer's international retirement business in the UK, said: "Western Europe is in a particularly difficult position, with an ageing workforce and a history of generous social security provision.

"Passing pension legislation faces the enormous challenge of politicians seeking to retain the support of their voters. Recent strikes in France highlight the sensitivities involved but also underline the seriousness of the issue." ■