



TWO ASSOCIATIONS FORGING ONE POSITIVE UNION

We all live – reluctantly or otherwise – with acronyms and the world of treasury associations is no exception. When I took over as Chief Executive of the ACT I was keen to focus attention on just that – ‘the ACT’ rather than ‘the Association’, which old hands will remember well as the way we usually referred to ourselves. ‘Association’ always seemed to me to be an unhelpfully obscure term; ‘ACT’ on the other hand is a badge that should be much more recognisable.

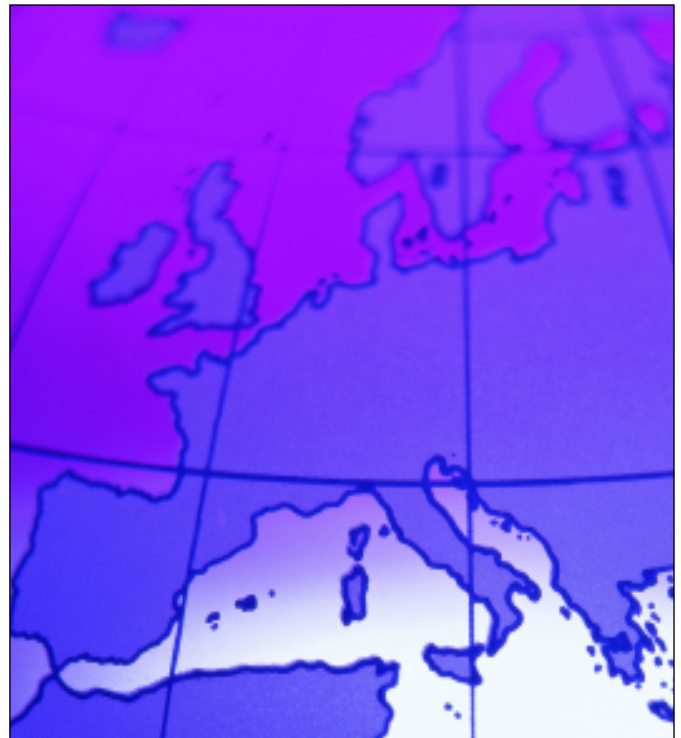
The ACT is also the brand (and no apologies for using this language) under which all our activities should be identified and the strength of that brand is as important to us, a not-for-profit body, as it is for commercial organisations. Of course, the truly old hands amongst us may still worry about the confusion between our name and the long-defunct advance corporation tax (ACT) – or indeed between us and a well known brand of financial software (ACT) – but we live with that.

This is all a preamble to letting readers know about the Euro-Associations of Corporate Treasurers (EACT). As is very clear from its name, the EACT is based on the euro zone rather than the wider EU. So although members of the EACT are the treasury associations of key European countries, we as the ACT are not a member. From the outset this seemed to me to be a lost opportunity as many, if not quite all, of the issues facing euro zone participants are of concern to us in the UK.

I have therefore committed a fair amount of time to building the ACT’s relationship with the EACT, so that whilst not yet a member we can at least participate as fully as possible in their work. This commitment has been reflected in a variety of actions, such as:

- We have arranged for distribution of *The Treasurer’s Handbook* to individual members of the treasury associations in the EACT – and we have done the same with the European theme edition of *The Treasurer*.
- We collaborated extensively with key EACT members to lobby and promote our concerns on the shortcomings of IAS 39. In the end our positions on IAS 39 have diverged: we felt more strongly than the EACT did that whilst we must continue to flag the flaws in the standard, we should do so in a way that did not risk contributing to jeopardising the overall initiative for international accounting standards.
- The draft code of practice for participants in the credit rating industry was prepared with very close collaboration between us, the French and the Americans. Through the French, the draft received the endorsement of the EACT and its publication has undoubtedly helped to emphasise how constructively we can work together.
- Senior representatives from key EACT member associations worked with us in developing *The Treasurer’s Conference* this year and have agreed to be part of the process for next year’s event.

During May the EACT held a weekend meeting and were kind



enough to invite me to attend and take part in a number of their sessions. I talked about the potential for us to build on our track record of collaboration, stressing what I see as some major benefits for the treasury community and its associations.

Although this was well received, it is important for us in the ACT to recognise how our very maturity and resources can – if we are foolhardy in our approach and manner – be threatening to the individual members of the EACT. My view is that we should be doing our utmost to ensure that the strength of the ACT is seen as something that can only deliver benefits to all.

One extremely positive outcome from my discussions with the EACT is that when the organisation holds its next meeting, it will formally debate whether to change the basis for membership and invite non-euro zone participants from within the EU to join. If so, the ACT will embrace this enthusiastically, thereby ending once and for all my rather tedious routine of explaining the differentiation between our two acronyms. From the UK’s perspective, the ACT’s membership of the EACT must be beneficial to us all, regardless of the imminence or not of UK entry into the euro zone.

Our membership will certainly be appreciated by HM Treasury and the Bank of England, both of whom sponsor consultative groups (of which we are members) that consider matters related to ‘euro preparedness’. I will ensure that members and other readers are kept fully up-to-date with developments in our relationship with the EACT.

RICHARD RAEBURN