ISDA

ISDA Master Agreement amendments

Back in 1999, ISDA started revising the Master Agreement and in February 2001 we commented on a previous draft. There were a number of issues that gave cause for concern and ISDA has now produced a further draft which addresses some of them.

The amendments have been structured as Annexes to the Master Agreement and ISDA has drafted an 'adherence letter' which can be entered into by users of the Master Agreement to set out clearly which Annexes the party will adhere to or not. In some cases conditional adherence is allowed for and also the possibility of adhering to certain Annexes in some jurisdictions but not others.

The technical committee will be commenting on the latest draft and the details will be reported in future Hotlines and on the ACT website. See also **www.isda.com**. ☐*CB*

FINANCIAL MARKETS

New codes of conduct

The FSA's website now has available the new codes of market conduct relating to investment products under the Financial Services and Markets Act. Go into www.fsa.gov.uk and look in FSA Handbook, Business Standards. Conduct of Business relates to intermediate and retail investors in investment products. Although many corporates will probably choose to operate as professionals in the markets, the intermediate category is the default one for corporates.

In the Market Conduct section, Inter-Professionals Conduct is the code that applies to corporates operating as professionals in the market.

NIPs, the successor to the London Code for non-investment products (wholesale deposits and spot and forward FX) can be found on the Bank of England's website www.bankofengland.co.uk/ in the financial markets section. ☐*CB*

BASEL II

Bank lending and insolvency

The Insolvency White Paper published at the end of July may change the way that banks lend to companies. The objective of the proposals is to simplify administration procedures and to remove both the Crown prerogative and the power that lending banks have had to put companies into receivership. The British Bankers Association worries that bank lending could become less flexible and more costly as a result.

Taken in conjunction with changes expected to result from Basel II, banks believe that lending to low credit borrowers will become very costly. It is likely that the traditional overdraft will become rare and that banks will increasingly seek to lend via some form of asset backed structure to gain appropriate levels of security. ☐*CB*

EUROBONDS

EU draft directive on prospectuses

As noted in last month's Marketwatch and in the technical update on our website, controversy continues to surround the EC's proposals for harmonising the rules relating to prospectuses. There is considerable concern that this legislation is being fast-tracked to come into effect at the end of 2003 so that the scope for industry consultation is very limited. There are a number of areas where the drafting needs amendment. Three bodies representing practically all of the banks and securities firms operating in the EU markets have publicly urged the EC to scrap the proposals and start again, this time consulting the industry before producing a draft directive. ☐*CB*

Simon Hills, Director of the British Bankers' Association, gives the views of the banking industry in his article on page 53.

ARGENTINA

The stakes rise

Argentina hit the headlines again during the summer slumber over its talks with the IMF over a new rescue package. Events were supposed to have rumbled along quietly, but the importance of Argentina to the emerging markets meant that this could never be true.

The Republic's portion of the EMBI+ jumped following detailed local reports of a rescue package that would amount to $15bn, enough perhaps to stall the much expected default, at least for this year. The reported package included $6bn of fresh funds from the IMF and livened up those traders not on their summer holidays sufficiently to make a difference. But the US government spoiled the party, with its rumoured opposition to any new IMF cash.

While negotiations with the IMF continued, the US dollar continued to slide, which, with its peg in place, can only benefit Argentina and its exports. US interest-rate cuts should also help Argentina's path to stability.

Strategists are divided over whether dollarisation ought to be added to Argentina's plans to restore stability. It could provide a short-term confidence boost to anchor deposits and lower interest rates – but may cripple the country by depriving it of a lender of last resort.

Reflecting the uncertainty over the future of the dollar-peso peg, implied non-deliverable forward (NDF) yields flared to around 60% in mid-August on the one-month and 70% on the three-month. Spreads between dollar and peso loans averaged 57bp in 2000, compared to a high of 1,000bp this year. ☐*IFR*

See page 55 for further analysis relating to Brazil.

For comments on Hotline or news, please contact Caroline Bradley at **cbradley@treasurers.co.uk**. Additional technical updates are available at **www.treasurers.org**.

CREDIT RATINGS

Does size matter?

Credit ratings of smaller European borrowers have not suffered from their size as such, but they do face problems not necessarily shared by larger entities, according to a report from ratings agency Standard & Poor's. The findings of the report - "*Is size reflected in European credit ratings?*" - may help reassure potential new customers that the potentially expensive rating process really does lead to lower funding costs.

S&P says its findings firmly refute "the commonly held assumption that size is used as a discrete rating factor in European credit ratings. There is no minimum size criterion for any given rating level, as size alone does not constrain a company's rating.

"Smaller entities are only considered to be at a greater risk when their size exacerbates any weaknesses relative to competitors or where it implies a degree of vulnerability to business or financial adversity," it added.

S&P acknowledges that absolute size – measured in revenue, assets, cash flow, number of employees, or market capitalisation – has long been believed to influence credit ratings, but insists this is not the case.

It lists the key factors in assessing business risk as the industry in which a company operates, the company's competitive position within that industry, and geographical and operational diversification. Business risk in turn determines the level of financial risk appropriate for a rating category. **www.standardsandpoors.com/forum**. ☐*IFR*

CONVERTIBLES

Mixed outlook

Convertible issuance is well on course to reach record levels this year. But a thin redemption schedule in 2002, alongside macroeconomic factors, has caused concern that similar issuance levels next year could have a serious effect on both primary and secondary valuations. Figures for global convertible issuance to end July 2001 show total volume standing at more than $96bn – up 65% on the same period last year. Current volume is already within $5bn of 2000's year-end total. Despite the record-breaking volume in the primary market, secondary performance has not been so positive. UBS Warburg's global convertible index has fallen 6% this year, and other indices show the same picture.

Next year is expected to be another busy one for convertible issuance, but that could be a cause of concern. A combination of record issuance volumes, a trend towards shorter effective maturities and weak equity markets have created a convertible time-bomb, according to Martin Haycock, equity-linked analyst at UBS Warburg.

Next year, there are relatively few bonds up for redemption, leaving little flow-back to recycle into new issues. If the net inflow of funds is significantly down on this year, valuations will be significantly reduced in both the primary and secondary markets, Haycock warned.

This year's new issues have in part been mopped up by the enormous inflow of cash from convertible arbitrage funds. So far this year, the amount of money coming from that source is double that of the whole of 2000, according to ING Barings. For the rest of the year and in 2002 there is unlikely to be an increase of the same magnitude in arbitrage fund cash, putting increased strain on convertible pricing and secondary valuations.

"Last year, arbitrage funds achieved 20%–25% returns. If returns this year aren't as good – and we expect they won't be – its unlikely that as much money will be pumped in next year," said Haycock. ☐*IFR*

BONDS

Levi bears brunt of market concerns

Levi Strauss loans traded down during August on news that the company was voluntarily recalling the whole of its Glossy Finish range in Europe, which includes jeans, skirts and jackets. This was because of concerns over skin irritations and the possibility that fumes from the clothing might cause respiratory problems.

Over a few days, Levi bonds fell from the mid 90s to 88.0–89.0. Analysts believe the product recall was of relatively little importance as this range accounted for such a small percentage of its business. But it showed how fragile the market is at present, with very minor credit events able to induce a rapid sell-off. ☐*IFR*

TAX

IRS threat to US banks

US banks face the threat of higher tax bills on their multi-trillion dollar swap books. The Internal Revenue Service (IRS) is pursuing Bank One Corporation over what it service claims were underestimates of the value of swap income at First Chicago, which is now part of Bank One. Other banks worry that the case could eventually sharply increase their administrative costs – and possibly their tax bills.

The IRS alleges that the method that First Chicago used between 1991 and 1993 for valuing its swaps portfolio included inappropriate downward adjustments for credit risk and administrative costs that led the dealer to underestimate the value of its income from derivatives, and thereby reduce its taxable income base. Bank One acquired First Chicago in October 1998.

In a brief already filed with the court, Bank One claimed that the valuation method used may not have been perfect but that it reflected practice at the time. ☐*IFR*

RISK

Banks struggle with operational risk

Banks are still struggling to get a grip on their operational risk exposure. Few dealers have a head of operational risk management, there is no agreement on operational risk methodology and progress on data collection remains slow. The one-year stay of execution in implementation of the Basel II capital accord is looking like a narrow window for reform.

US banks are the furthest ahead in deciding how to tackle operational risk, though one large Swiss bank and a handful of other Continental European banks have made some progress, said Andrew Grant, head of the risk practice at TCA Consulting in London, which conducted a study into the issue.

"The lack of a clear regulatory lead is the source of the confusion," TCA Consulting concluded after surveying 32 wholesale and investment banks. Forty per cent of risk managers from banks that have not allocated capital to assessing and controlling operational risk said that this was because they are "waiting for Basel", it added. Institutions that are reluctant to invest heavily in a quantitative approach tend to be regional banks, or those that are not convinced that the methodology is right, say risk managers.

All but one or two industry officials contacted after the BIS's announcement that it would defer implementation of the accord by one year voiced support for the move, or said that the deferral meant that they could implement wider risk reduction or cost efficiency programmes, Grant said. Roughly 35% of industry officials interviewed by TCA for the study were contacted after the deferral was announced.

Among the banks that are getting their houses in order, interest has converged around development of risk and control self-assessment programmes, risk consultants say. These programmes are gathering a following in the absence of clear-cut guidelines from the Basel Committee. ☐*IFR*

RISK

Banks scale back risk spending

Bank spending on operational and market risk management technology will be flat over the next year, according to a Meridien Research report. "A lot of people have been hyping operational risk spending. We don't think that it is going to happen this year. It will be a slower uptick," said Deborah Williams, co-founder and research director at Meridien.

Meridien expects that spending on operational risk technology will be US$59m this year and will hit US$148m by 2005. In 1999, the last time that the research advisory firm surveyed the market, institutions spent US$18m.

"[Banks] are waiting for the BIS [operational risk] requirements. It has not happened, and because of that spending has not taken off," Williams said. Although a few institutions are close to figuring out how to measure and manage operational risk internally, and several are working on ways to manage the risk, most institutions are at a loss over what to do, she added.

By and large, banks' views are that the proposed Basel Accord's operational risk component is ill-defined and there is not enough relevant data to do a loss distribution assessment that would produce anything meaningful.

Insurers seem to be latching on to operational risk with a gusto last seen when investment banks aggressively pushed market risk solutions several years ago, according to Williams. Just as the investment banks viewed market risk as a revenue opportunity, so insurers are looking at operational risk's upside revenue potential, she said. "They are looking to measure it and underwrite it. The potential to make a lot of money is great enough," she added. ☐*IFR*

LIQUIDITY

Sweeping powers

Concentration and pooling structures, designed to optimise interest earned on idle funds in current accounts, have been selling like hot cakes since the introduction of the euro. And automated sweeps offer treasurers a convenient, hands-off way of achieving the benefits of such structures.

If the balances are a little larger, transferring funds to money market funds will also be attractive. JP Morgan has just introduced a two-way sweep to AAA rated offshore funds domiciled in Luxembourg which can be set up to sweep all surplus funds or leave a target balance on the account. The sweeps into and/or out of the funds can be made on a same day basis.

While most treasurers are content to manage liquidity on a regional basis, a few already move end of day balances – usually dollars - between regions. A new angle on global liquidity management comes from Bank of America's Richard Challinor, senior advisor with the bank's Global Treasury Services. He suggests that a company with, say, a pool of major currencies like Hong Kong dollars, Australian dollars, euros, sterling and US dollars might be able to negotiate with its bank to draw the equivalent in euros or another major currency, to pay down working capital debt. Corporations most interested in these types of structures are typically those with regional treasury management already running smoothly, Challinor suggests. "They are typically using ERP systems, have good visibility of their data and are most probably using a network bank for the underlying transactions as well" he says. www.bofa.com. www.jpmorgan.com/ts. ☐*AQ*

FOREIGN EXCHANGE

All go for FXall

FXall, the online portal for fx trading, has gone live in Hong Kong, following its approval as a money broker by the Hong Kong Monetary Authority, and has opened an office there. The company has also attracted new investment. Credit Agricole Indosuez has become an equity partner (one of 15), while BNP Paribas has increased its investment. ☐*AQ*

PAYMENTS

New hubs launched

Corporates that want a little more independence from their banks and a lot more control over internal payments processing can choose from a growing range of payment/settlement hubs from treasury system and other vendors. These middleware solutions reflect a trend towards rules-based software which allows for close and easy integration of systems and message routing to external parties. Alterna was a pioneer in this area - now SunGard and Trema have announced their offerings.

SunGard's payment hub is soon to go live with a major European corporation that processes some 5,000 commercial payments per day. When combined with treasury software, the hub receives payments instructions from the individual business units, nets payments as required, processes them ready for the bank, confirms payments back to the business unit and reconciles them against the bank accounts at a detail or bulk level. According to SunGard's managing director, treasury systems Europe, Martin Boyd, as more and more companies move to shared service centres "secure, centralised control of payments processing" as well as complete visibility of the underlying flows, is the business objective. Taking control of the company's payments processing also extends treasury's influence over the finance function.

Trema's Settlement HUB, which will be launched at this month's Sibos, is aimed primarily at banks and asset managers but might also be appropriate to corporates, according to Trema's Fatima Chaiaheloudjou, project manager. It will be packaged to link to Trema's Finance KIT and to Swift, but the rules-based enterprise application integration tool will also be easy to integrate with legacy and other systems. www.alterna.com. www.sungardtreasury.com. www.trema.com/solutions. Sibos: www.swift.com. □*AQ*

PENSIONS

Underfunding requires action

Pension scheme under-funding is becoming more evident within the UK's biggest firms, according to a study of company accounts by actuary and consultant Bacon & Woodrow. The survey of companies in the FTSE 100 reveals that 17 schemes – up from seven in 2000 – reported a funding level of less than 100 per cent. Of the remaining firms listing funding levels at or above 100 per cent, 20 reported pension funding in excess of 125 per cent – over a quarter more than is required to pay all pension benefits that their scheme members have earned. To make good any funding shortfall, pension scheme trustees face a choice between demanding an increase in the level of funding (difficult in the present economic climate), or pressurise fund managers into delivering a better performance and more competitive fees.

Pension scheme costs, expressed as a percentage of company payroll, have decreased, but falling costs have failed to encourage most firms to increase payments into under-funded schemes. Commenting on the level of under-funding, Brian Wilson, Head of Benefits Research at Bacon & Woodrow, said: "Falling interest rates and increasing longevity are hitting defined benefit pension schemes hard, and low or negative returns on pension fund assets are compounding the problem."

FRS 17 TO MAKE THINGS WORSE? FRS 17, the accounting standard which states pension scheme losses must be represented on company balance sheets, could make matters worse for under-performing funds when it is introduced over the next three years. Wilson explains: "Companies will have to show not only up-to-date figures but also figures calculated using a common method and market-based assumptions. It's likely that future years' disclosures will paint a more negative picture of pension scheme funding than we are seeing at the moment." Bacon & Woodrow found that the number of valuations conducted on a market-led basis has risen for the second year running, with firms clearly anticipating the introduction of the new standard.

Other patterns are emerging which indicate the UK's biggest companies are retrenching their pension commitments. With one eye on sliding credit ratings, and the other on rising costs, some firms have stopped new entrants to their defined benefit pension schemes, where employees are guaranteed a certain level of income at retirement. www.baconandwoodrow.co.uk. □*bfinance*

The ACT will shortly be publishing 'Pension schemes– controlling the corporate risk', in conjunction with Law Debenture Corporation, which will be available free to members of the ACT. Further details will appear in The Treasurer.

PAYMENTS

New competition regime proposals

Banks that fall foul of new rules being drawn up by the Treasury to govern use of the UK payments system could be fined by the Office of Fair Trading (OFT). The government confirmed on Friday that it intends to introduce a new competition regime for the payments industry and that the OFT has been appointed to regulate it. The rules, which are still being drawn up, are aimed at opening the payments system up to competition, improving the transparency of charges and speeding up retail and wholesale payments.

The government will introduce the legislation necessary to make the OFT the regulator "as soon as parliamentary time allows." But factoring for a transition period before the rules become obligatory, the current system is expected to remain in place for several years, according to a Treasury spokeswoman. □*bfinance*

TRADE FINANCE

Competition for auction platforms increasing

Competition amongst trade finance auction platforms is warming up with the entry of US-based LCconnect to the market. Demand for greater efficiency has driven the establishment of online trade finance exchanges on which corporates and banks can come together to conduct trade finance deals. And as LCconnect joins other auction sites bidding to persuade corporates to jettison their telephones for their keyboards, trade finance experts say there is growing recognition in the industry that electronic solutions to trade finance inefficiencies are here to stay.

Similar sites, such LTPTrade and bfinance, also host online auctions at which corporates can launch bid tenders for various trade finance instruments to banks. However, LCconnect is the first platform to become interoperable with bolero.net, the global exchange that allows international trade counterparties to exchange contractual, settlement and fulfilment data online.

Different philosophies regarding pricing governs the various auction sites. LCconnect charges both the corporate and the winning bank on a per-transaction basis. LTPTrade and bfinance, however, only charge the seller. LTPTrade also has a secondary market where banks can sell on letters of credit to other banks or interested investors. LCconnect says it intends to establish a secondary market in November and expand operations into Europe and then Asia over the next year.

The benefits of using independent auction sites are being increasingly recognised by the market: "Corporates benefit from lower costs through operational and time-savings, greater access to a broader range of financial institutions, price transparency, control over the entire process, confidentiality and security," said one trade finance expert.

The benefits are not all one-way traffic: financial institutions now have a greater opportunity than ever to highlight their competitive advantages to companies and win more export, import and standby L/C deals. In addition, they benefit from lower customer acquisition costs as well as being able to pick and choose which deals to bid on in anonymity and alter bids in response to pricing offered by competing banks. And contrary to the fears of some corporate treasurers and bankers, trade finance auction sites do not change the basic relationship between companies and banks: "Companies continue to select the banks that they want to bid on their letters of credit and can introduce any bank they choose," stated one expert. **www.bfinance.co.uk**, **www.lcconnect.com**, **www.ltptrade.com**.
□*bfinance*

SOURCES	bfinance	www.bfinance.co.uk	
	IFR	These extracts are from IFR (International Financing Review). For further details, please contact Ann Gordon: T | 020 7369 7521 F | 020 7369 7330 E | ann.gordon@tfeurope.com	
	AQ	Anne Querée is freelance journalist who contributes regularly to *The Treasurer* and monitors IT & e-commerce news.	
	CB	Caroline Bradley is Technical Officer, Association of Corporate Treasurers.	

In brief...

REPORT FROM THE EUROFINANCE CONFERENCE, MADRID

Coprocess has added new features to its browser-based netting service. Intranetting (the client apllication) now has a counterparty approval and dispute-handling module that allows participants to accept, reject or query transactions entered by a counterparty. □*AQ*

Deutsche Bank has announced the next generation of its electronic bill presentment and payment (EBPP) service, **db-eBills**. The service, which is aimed at the business-to-business market, has been developed by the bank and will be rolled out globally, starting in Asia with Cynomix later this year. **www.deutsche-bank.com/gcm**. □*AQ*

MaXware and **EC-Gate** have announced a services and technology agreement to collaborate on providing integrated electronic invoice presentment and payment (EIPP) e-marketplace solutions. **www.maxware.nl**.

Trema has launched Finance eKIT v1.3, a web-based treasury solution using Trema's core apllication, Finance KIT. v1.3 allows dealing and reporting through a web browser for almost all of the instruments available in Finance KIT. **www.trema.com**.

WM-data, supplier of the Twin treasury and asset management system, is working with **Exidio**, allowing the latter's web-based treasury communications system, Trezone, to link remote operations to the Twin system in real time. □*AQ*

OTHER NEWS

Citibank e-Business has announced a strategic alliance with e-Business Exchange for the delivery of its e-billing service in Asia and Western Europe. To be known as Citibank e-Billing, the service provides business-to-business electronic bill presentment and payment services over the internet and enables corporates to integrate their existing payment and settlement functions. The service provides access to local and multi-country payment systems, as well as integrating Citibank's core products, such as CitiDirect Netting, Wholesale Lockbox and Accounts Receivables Matching. **www.ebx.com**. □*bfinance*

Enron Europe and **Entergy-Koch** are stepping up their European weather derivatives coverage. Enron is in the midst of expanding the team at its recently-formed dedicated weather risk management trading operation in London. Entergy-Koch, through its subsidiary Axia Energy Europe, has entered into the first weather derivatives trades set at Stuttgart and Hamburg. Countries such as Germany, which are progressing towards power market deregulation, are widely viewed as hot spots for the weather market. **www.enron.com**. **www.entergykoch.com**. □*IFR*

Euro notes and coins awareness. Retailers and other cash handling businesses should benefit from a new partnership between the European Commission's Euro Info Centres (EICs) and the European Central Bank. **www.europa.eu.int/comm/enterprise/networks/**
□*www.euro.fee.be*

ISDA is rolling out the prototype of a new tool for negotiating, storing and archiving ISDA master agreements at its membership update meetings in New York and London. Using the tool, ISDA members will be able to create documents and negotiate online with counterparties on a secure website. Subscribers can store the documents in XML for archiving. Counterparties to a trade would not be able to view one another's terms and conditions for the agreement until they release the document to one another. **www.isda.org**. ☐*IFR*

A new electronic invoice service from **Open Business Exchange** (OBE) is expected to enable UK and US corporates to save over 80% in back office payment processing costs. The new platform - called OB10 - allows both suppliers and buyers to send electronic invoices automatically. HM Customs & Excise (HMCE) has approved the system, which, as a result, will eliminate the need for corporates to keep paper invoices for tax purposes. Launches in other European countries are planned in late 2001.
☐*bfinance*

Reuters is launching premium versions of its existing internet and intranet-delivered information services during the fourth quarter. These new services will enable users to receive streaming data as well as providing new personalisation and 'drag and drop' features. A free 30 day trial of the classic version is available via **www.reuters.com**. ☐*AQ*

SimCorp has upgraded its IT/2 treasury management system. Version 4.1 offers improved data segregation, internet integration and user interfaces as well as a new deal type which supports operating and finance leases. The new release also boasts an enhanced deals facility, data analysis reporting, cash management, static data and risk management. **www.simcorp.com**. ☐*bfinance*

During the Summer, **SuperDerivatives** launched the latest version of its vanilla and exotic currency options pricing system. The system, has been upgraded to price and provide risk management tools for many hundreds of options as quickly on the internet as on traditional systems. **www.superderivatives.com**. ☐

Swapnote, the new swap features contract which was launched on 20 March by LIFFE, recently traded its two millionth contract. Swapnote is a cash settled futures contract with the price sensitivity of a swap and offers the swap market a regularly accessible hedging medium. ☐

The **UK Register of Expert Witnesses** is always pleased to hear from suitably qualified specialists in any field who wish to promote their availability as expert witnesses. **www.jspubs.com**. ☐

Percentages...

A **Professional Pensions/ Watson Wyatt** survey conducted among 195 UK pension schemes produced some surprising results in revealing that outsourcing pension administration could be up to 40% more expensive than administering in-house. **www.watsonwyatt.co.uk**. **www.interpens.com/profpens/**. ☐

LETTERS

Illogical response

Dear Editor,
In the Association's response to the JWG10 Accounting Standard Setters' paper on Accounting for Financial Instruments (www.treasurers.org/know/services/tech.html), the comment was made that "financial risks managed by treasurers are cash flow risks not fair value risks".

There is an inherent illogicality here. In a perfect market, market values should be equal to the net present value of future cash flows. Perhaps more accurately, the market value includes not only the cash flow NPV of an instrument but also the value of any real options associated with the management of those cash flows.

Nevertheless, unless treasurers are willing to say its market value is, in some fundamental way, disengaged from the NPV of a financial instrument's cash flow (a view which I think treasurers would be hard put to support), there would seem to be a core of irrationality in the Association's response to the JWG10. I will be interested in other readers' views of this dichotomy. ☐

Name and address witheld

Get on board

Dear Editor,
The National Housing Federation is the trade body for around 1,400 non-profit organisations that build and manage social housing across England. All rely on boards comprising committed volunteers to govern and direct their activities.

There are over 1.6 million homes in this sector and numbers are increasing. There is a growing need for board members to provide skills and experience, as well as reflecting the needs of the communities they serve. To meet this need, the Federation has established 'Get on Board'. We aim to find volunteers and refer them to our members across the country.

By signing up to 'Get on Board' organisations that need your skills, knowledge and expertise will benefit. In return, you will have:

- the satisfaction of making a real difference to peoples' lives;
- the opportunity to develop your own potential in ways you may not have previously considered, adding to your portfolio of transferable skills; and
- opportunities to participate in national and local networks and conferences.

If you are interested, please do get in touch with us by contacting Miriam Lambert at the National Housing Federation on 020 7843 2204 (direct line with answerphone) or email **miriaml@housing.org.uk** or visit our website at **www.housing.org.uk**. ☐

Bev Platt, National Housing Federation, 175 Gray's Inn Road, London WC1X 8UP

The editor welcomes letters on any aspect of treasury. Please email **mhenigan@treasurers.co.uk**. Confidentiality is assured.
The views expressed in these lettes are those of the individual and do not necessarily reflect company policy, or the views of *The Treasurer or* the Council of the Association of Corporate Treasurers.