

{ TECHNOLOGY }

CYBERTHREATS ARE A SYSTEMIC RISK TO EXCHANGES

Cyberthreats present a potential systemic risk to the securities markets, according to a new report by the International Organization of Securities Commissions (IOSCO). The research revealed that 53% of world exchanges had suffered a cyberattack in the past year. These attacks tend to be “disruptive in nature, rather than motivated by financial gain”, the report said, which distinguishes them from traditional crimes in the financial sector, such as fraud and theft.

So far, cyberattacks on stock exchanges have focused on non-trading, related online services and websites, and have not come close to knocking out critical systems or trading platforms.

Fortunately, exchanges are well aware of cyberthreats and are prepared to prevent and respond to them. Some 93% of respondents have disaster recovery protocols or measures in place to deal with the fallout of a cyberattack. All organisations are able to identify a cyberattack within 48 hours of it occurring and 93% report that cyberthreats are discussed and understood by senior management.

But as it is impossible to achieve complete security in the face of a widely unknown and rapidly evolving threat, the vast majority (89%) of stock exchanges agree that cybercrime in securities markets should be considered a systemic risk.

Commenting on the report, Mike Small, a member of the not-for-profit IT security association ISACA, said: “The key takeout for me is that almost half of the exchanges surveyed in the report said the weapon that would help them tackle the problem of cybercrime is more effective regulation.”

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

{ KEY FINDINGS OF IOSCO REPORT ON CYBERTHREATS }



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{ AROUND THE WORLD IN 30 DAYS }

CAPEX, CHINESE DISCOUNTS AND CONFIDENT CFOs

Capex expenditure slows
Companies are holding off from investing in capital expenditure (capex) this year in a worrying sign for the global economy.

According to Standard & Poor's *Global Corporate Capital Expenditure Survey 2013*, the global capex cycle is stalling. The research found that capex growth for a sample of non-financial companies slowed to 6% in real terms in 2012, down from 8% in 2011. Meanwhile, capex growth is set to fall by 2% in 2013 and by 5% in 2014. “The capex recovery appears to be ending before it has really begun,” the report said.

Chinese discount for renminbi
More than half (53%) of Chinese businesses would offer discounts of up to 5% for transactions settled in renminbi, a survey by HSBC

has revealed. The research also found that 50% of international companies in Hong Kong and almost a third in mainland China (30%) are now using

the Chinese currency, with that figure falling to 9% in Germany and the US, and 7% in Australia.

CFOs confident in Asia-Pacific
The majority of Asia-Pacific-based CFOs expect their companies to enjoy revenue and profit growth in 2013. Nearly three-quarters (71%) are forecasting a year-on-year rise in revenues in 2013, while 62% anticipate that their 2013 net profits will be greater than in 2012, according to the Bank of America Merrill Lynch 2013 *CFO Outlook Asia* report, which surveyed 600 CFOs and senior finance executives in the region. The research also found that CFOs in Asia-Pacific favour organic growth, with 63% not planning to undertake any M&A activity in 2013.



renminbi to conduct cross-border business. But payments in renminbi outside Hong Kong and mainland China are limited. Just 11% of businesses in Singapore and the UK use



Lloyds Bank is proud to continue its support of *The Treasurer's Deals of the Year Awards*

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{ DEALS OF THE YEAR AWARDS 2013 }

THE RETURN OF DEALS OF THE YEAR

> They're back and this year they're bigger than ever. OK, it's a cliché, but it's true. *The Treasurer* is delighted to announce that nominations for its 16th annual Deals of the Year Awards are open and there are now 10 awards up for grabs, up from nine last year. It's our goal to celebrate the greatest treasury talent in Europe in 2013. So if you have some remarkable feats to boast about – perhaps you've issued a bond with an impressively low coupon, or undertaken a pioneering supply chain finance scheme, or maybe even financed a major acquisition – we want to hear what you did.

We will make awards in the following categories:

- ◆ **Bonds with a currency value above £500m or equivalent (including all high-yield bonds, private placements and multi-currency tranches);**
- ◆ **Bonds with a currency value below £500m or equivalent (including all high-yield bonds, private placements and multi-currency tranches);**
- ◆ **Corporate finance – strategic (hybrids, initial public offerings, convertibles and M&A-related transactions);**
- ◆ **Corporate finance – business finance (trade financing and supply chain finance);**
- ◆ **Loans above £750m (or equivalent currency value);**
- ◆ **Loans below £750m (or equivalent currency value);**
- ◆ **Overall deals winner (selected from the winners of the above categories);**
- ◆ **UK treasury team of the year (for companies with a market capitalisation above £2bn);**
- ◆ **UK medium-sized business (MSB) treasury team of the year (for companies with a market capitalisation below £2bn); and**
- ◆ **EU treasury team of the year (no market capitalisation limit).**

In previous years, we have reviewed deals from countries including Finland, France, Germany, Ireland, Italy, Poland, Spain and the UK, with deal sizes varying from \$25m to \$45bn. In each category, we consider all types of deal, whatever their size or complexity, and judge them according to our criteria of sound treasury management, efficient pricing, optimal and innovative structures and relative success in the prevailing market conditions. The team awards recognise treasury teams' considerable and enduring contribution to their companies.

Nominations for the Deals of the Year will be open from 10 September and close on 1 November. Visit www.treasurers.org/awards to find out further information and to enter. Treasurers, as well as their banks and advisers, are encouraged to nominate as many deals as they wish and ensure they get their nominations in before the deadline. If you read this magazine, then you're a potential winner.

Winners will be announced at the Deals of the Year Awards dinner in February 2014 and their feats will be written up in the February 2014 issue of *The Treasurer*. You will also be able to find out about the award winners online at www.treasurers.org/awards

Good luck!

2012 champions

Here's a reminder of treasurers' deals in 2012:

Overall winner and winner of bonds category:

SCHAEFFLER

German engineering company Schaeffler launched a €1bn four-tranche bond as part of an €8bn refinancing package that increased the number of its banks to eight, and later to 11.

Corporate finance:

GKN

High-tech automotive group GKN bought Volvo Aero for £633m, with the help of a £140m share placing and a £450m bond.

UK loans above £750m:

MELROSE

Melrose, which makes its money by buying and selling manufacturing businesses, secured £1.5bn in new five-year credit facilities in sterling, dollars and euros.

European loans above £750m:

IBERDROLA

Spanish energy group Iberdrola arranged a €1bn syndicated facility with an innovative deal structure.

UK or European loans below £750m:

TOM TAILOR

German fashion retailer Tom Tailor raised €475m through multi-faceted financing arrangements.

UK treasury team of the year (market capitalisation above £2bn):

SABMILLER

The brewer started 2012 with a large bond issue, then it proceeded to roll out regional treasury centres.

UK treasury team of the year (market capitalisation below £2bn):

MOTABILITY OPERATIONS

The small treasury team of not-for-profit organisation Motability delivered transformational change and refinancing.

European treasury team of the year:

LINDE

The treasury team of German industrial gases producer Linde played an instrumental role in its acquisition of US listed healthcare company Lincare.