



ACT PRESS RELEASE

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Association of Corporate Treasurers response to COVID-19 regulatory announcements

In response to COVID-19, the Association of Corporate Treasurers (ACT) is today calling for a concerted effort from central banks and the banking industry to get cashflow into the real economy.

The ACT works directly with treasurers from across some of the world's biggest companies providing insight into the thinking of key decision makers within companies we bank, shop or book our holiday through.

We are hearing the following from treasurers and potential solutions:

- **Commercial paper purchase programme:**
We welcome the new direct commercial paper purchase that will allow the Bank of England to lend directly to large companies issuing new commercial paper. We would like to see this programme extended for SMEs, as we believe there's still a gap for small businesses below investment grade, and our large corporates are concerned at the impact of smaller entities on the entire ecosystem.
- **Accessibility to back-up facilities:**
Banks need to make sure back-up facilities are easily accessible to corporates. We would like to see a revolving credit facility that may allow larger corporates, in turn, to pass through liquidity more quickly to their (smaller) trade creditors.
- **Regulators need to act swiftly:**
Measures such as the Bank of England releasing countercyclical capital buffers need to flow to actual lending actions as a matter of urgency. Speed is the critical factor, so an 80/20 approach would be appreciated.
- **Supply chains:**
We welcome the extraordinary measures from government to support business. We believe the whole supply chain needs to be looked at as the risk is that smaller businesses will go under first. However, there is a lack of clarity in some businesses as to what's available and how they can get hold of it quickly.

Caroline Stockmann, Chief Executive, Association of Corporate Treasurers: "We welcome the steps taken so far by regulators, but as the situation is changing hour-by-hour, more can be done to help businesses.

"Treasurers are very much at the coal face of managing financial risk and liquidity. This is a very acute time for businesses and wider supply chains. There are now several reliefs available, but we're aware that navigating through it at all and registering can be confusing as well as time-consuming for businesses and their providers".

"Managing cash flow and liquidity is crucial. It's vital that credit lines are readily available to businesses. If we can get this right, then it effectively mitigates some immediate risks to businesses."

ENDS



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ABOUT THE ACT

The Association of Corporate Treasurers (ACT) is the only professional treasury body with a Royal Charter. We set the global benchmark for treasury excellence and lead the profession through our internationally recognised qualifications, by defining standards and by championing continuing professional development. We are the authentic voice of the treasury profession representing the interests of the real economy and educating, supporting and leading the treasurers of today and tomorrow.

www.treasurers.org

Should editors wish to commission an article or comment from the ACT, please contact Anne Hogarth, as above.