

{ BREXIT }

COLIN TYLER

The ACT has long taken an international perspective on all things treasury. Brexit is no exception



Colin Tyler is chief executive of the ACT. Follow him on Twitter @ColinTyl

At the time of writing, much of the British press was awash with endless polls, debates, arguments and social media overload about Brexit (or Bremain!).

Like everyone else, the ACT is looking to discern some clear paths whatever the outcome of the UK's referendum. There is, of course, a great deal of uncertainty currently about the outcome of the vote and the consequences that would follow, whatever the result. The ACT has published a briefing note on Brexit (see www.treasurers.org/brexit-briefing) that seeks to identify the areas where corporate treasurers may wish to start scenario planning the possible outcomes. And let's emphasise that the experience of any two companies in terms of outcomes will be very different.

It's worth pointing out that, similar to say, Canada or Japan, membership of the overarching G20 committee commits the UK to the financial regulation we have implemented since 2008. Continued access to EU markets post a Brexit would require we maintain equivalence with EU regulation. In simple terms, the UK's continued position (with approximately 40% of the EU financial services market) would require CRD, European Market Infrastructure Regulation, and Markets in Financial



Instruments Regulation and Directive, and much more to survive Brexit in a UK form.

As an international organisation, however, with members and students in more than 100 countries, the ACT has long since taken an international perspective on all things treasury. For example, the recent ACT Cash Management Conference brought together more than 200 cash and treasury professionals over two days from across the EU and

further afield to address the fast-changing environment of geopolitical shifts, regulatory change and technological innovation in cash and liquidity management wherever the real economy is doing business.

I have lamented before that we don't have a fully functioning crystal ball, which makes it rather difficult to be anywhere near precise. However, I think it reasonable to say that the direction, and in particular, the speed of evolution in business, finance and treasury is towards disintermediation of many of

the structures we have carried over from the 20th century. If I had to predict a single word that will sum up 21st-century finance, it will be transparency.

That's not a simple response towards distributed ledger technology (blockchain as it's called) – although it will play its part – rather that the principles of modern societies are demanding openness and technology is the tool that provides leverage. This isn't a political view necessarily, but an economic one. How do I find out about it? Who am I doing business with? Who am I selling to? Where is my money in the financial system? How do I manage my own savings or pension?

So what role do we, should we, as treasurers, play? In my view, we will act as the pivot for these fundamental changes by standing between the financial world and what it offers our organisations and the needs of our organisations in terms of the business strategies treasurers have helped to create and that will help to drive growth and prosperity.

I would be delighted to discuss these ideas with as many of you as I can, so I look forward to meeting as many of you as possible at the ACT events we have in our spring calendar, particularly the Annual Conference in Liverpool, in May. Otherwise, drop me a line at ctyler@treasurers.org

What are your thoughts on the April 2016 issue of *The Treasurer*? Email me at ctyler@treasurers.org or tweet @ColinTyl

There is uncertainty about the outcome of the vote