

{ US PERSPECTIVE }

# THOMAS DEAS

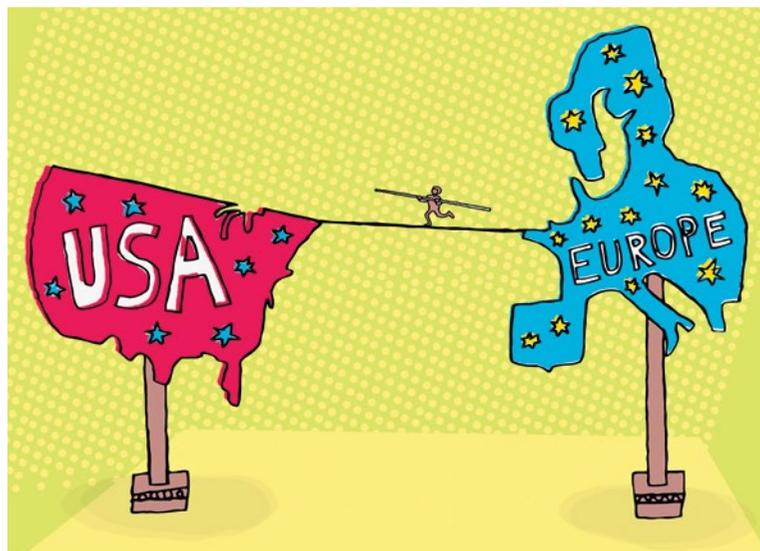
The nature of our world means that treasurers face the same problems, no matter which side of the pond they inhabit

➤ Last month, I had the great pleasure of attending the ACT's Annual Conference in Manchester, where I was able to hear about the priorities and concerns of European treasurers first-hand.

It was clear to me that European treasurers have many of the same preoccupations as my fellow treasurers in the US. In particular, they – like us – are acutely aware that a treasurer's first responsibility is to ensure continuous access to the funds that the organisation requires for its normal operations. That requirement is there every day – even on days when there may be a large disruption in the financial markets or world events that could, in some cases, close the financial markets.

If we have learned anything from 9/11 and the financial crisis, it is to make sure that we have thought ahead to ensure that liquidity sources are continuously available to us.

Another concern that US treasurers and European treasurers have in common is the threat posed by cybercrime. At the ACT Conference, I listened to some interesting discussions about cybercrime in the context of evolving payment mechanisms. In some developing economies, people are already initiating large cash payments using their mobile devices, which presents



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considerable security issues given that these payments are an attractive target for criminals.

When asked for her advice on managing risk at the conference, Baroness Manningham-Buller, the former head of UK intelligence agency MI5, talked about understanding the differences – and the linkages – among vulnerabilities, risks and threats. These are as relevant to combating cybercrime as they are to any of the financial risks that treasurers typically manage.

The growing prevalence of cybercrime was also a hot topic at the US National Treasurers Conference, which took place in New York at the end of May.

There, we heard from Jack Tomarchio, an intelligence expert and principal of strategy consultancy Agoge Group, who was able to share his insight from working as principal deputy assistant secretary of homeland security for intelligence and analysis in George W Bush's administration.

➤ Unsurprisingly, the ACT Conference touched on the possibility of Greece departing from the eurozone and the chance of the UK leaving the EU following a referendum by the end of 2017. US treasurers are naturally concerned by the prospect of potential market and currency disruption should either event come to pass, so they are following

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developments in Europe closely. At the same time, they are having to grapple with an 'alternative universe of negative interest rates' in which they have to pay to put money on deposit.

Geopolitical risk is an ongoing concern for treasurers, both in Europe and the US. What treasurers in general fear is having an inability to predict future events, and the current Russian government has taken actions that have reinforced their concerns about what future actions it might take. Overall, this creates an environment of considerable uncertainty.

While treasurers can neither predict nor control all the risks that they face today and in the future, they can work together to share best practice and to come up with practical solutions to the problems that they encounter on a daily basis. That's why the most valuable session at our own conference is the 'treasurers talking to treasurers' session, which is very similar to the ACT's *talkingtreasury* event. There is some comfort in the old adage: a problem shared is a problem halved. ♥



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