

{ ENGAGEMENT }

PETER MATZA

Banks, regulation, access – the concerns of treasurers in Asia look very much like those in other markets



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I have recently come back from a trip to Singapore and Hong Kong to talk to potential sponsors, supporters and institutions about our events in Asia during 2016, specifically the Asia Treasury Leaders' Forum on 21 September in Hong Kong. A number of different issues crossed my path, which I think will resonate.

Firstly, it's worth pointing out that treasurers in Asia are just as concerned with regulation as their global counterparts. Bearing in mind that Asia encompasses economies in varying states of economic development, a wide variety of FX and capital regimes, a huge mix of legacy and modern technology banking systems (especially in consumer and retail sectors) and an 800-pound gorilla economy in China, one can easily understand their concerns.

More specifically, compared with treasurers in the EU (yes, still including the UK at time of writing) and the US, Asian financial regulators haven't yet set about derivatives markets in ways that directly affect their local treasurers. Of course, Basel III, the G20 initiatives and IASB rules are dragging on the real economy, but in many respects, Asian economies and financial markets have yet to feel the



Hong Kong's Soho district in Central

full impact of the regulatory wave. There is some sense that there's a little time left, but, fortunately, there doesn't seem to be a corporate derivatives party, which will leave a bad hangover!

Secondly, Asian treasurers have a much wider banking community to draw on domestically, but also cross-regionally. Does that make life easier? In these days of KYC/KYB and Basel III, it would seem not. Treasurers are challenged to understand which banks are well structured and capitalised, which have the right product ranges, which have the right international networks and who they can deal with safely and securely.

My third issue is that capital markets in Asia for corporates are not (yet) developed, liquid or even functioning in many regional economies. This is clearly a worry when bank capital will certainly dry up in the next few years and access to international markets will require regional corporates to become more transparent, as well as ratings agency- and investor-friendly. There are some suggestions of positive developments (see www.treasurers.org/node/318485), and many regional corporates have been to the US private markets successfully in recent years, but there is much work to be done.

All in all, these are exciting times to be a corporate treasurer in Asia and the ACT is stepping up its efforts to assist in the development of the profession. To mix metaphors, 'from tiny acorns grow huge bamboo'!

IMAGESOURCE

For those treasurers whose organisations are working in China or Hong Kong, why not plan your 2016 business trip to coincide with the Asia Treasury Leaders' Forum 2016, 21 September, HKCEC, Hong Kong? (see www.treasurers.org/asia2016) It's free to non-financial corporates.

I would be delighted to discuss these views with as many of you as I can, so I look forward to meeting you at one of the ACT events we have in our spring calendar, particularly the Middle East Annual Dinner and Treasury Awards in Dubai on 11 May (see www.treasurers.org/middleeastannualdinner) or the ACT Annual Conference in Liverpool, 18-20 May (see www.treasurers.org/annualconference). ♥

Don't hesitate to drop me a line at pmatza@treasurers.org

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