THE STATS

{ KEY FINDINGS OF THE *IFAC GLOBAL REGULATORY SURVEY* }

79% of respondents said that regulation affecting their organisation is complex or very complex

85% said that, looking ahead five years, the impact of regulation on their organisation would be more or much more significant than it is now

66% said regulation has a significant or very significant impact on their organisation's opportunity to grow

36% said the approach to regulation between the regions in which their organisation operates is not consistent or not at all consistent

48% said different regulators collaborate with each other not effectively or not at all effectively

{ AROUND THE WORLD IN 30 DAYS }

TSIPRAS RETURNS AS GREECE'S PM

The Greek leader's recent election win surprised many

GETTY/ARIS MESSINIS/STAFF

Alexis Tsipras defied local and international commentators who had widely predicted his defeat in the snap general election in Greece, returning his Syriza party to power in a reformed coalition with the Independent Greeks. The unexpected win was decisive. Syriza fell just short of an outright majority but secured 35.5% of the vote – enough to head off the challenge from the conservative New Democracy party.

Syriza pledged in its campaigning to hold Greece to the €86bn bailout agreed with the EU, although Tsipras has also promised to protect vulnerable groups from its harsher impacts. He will need to persuade Europe's leaders that Greece has taken steps to make the next payment viable.

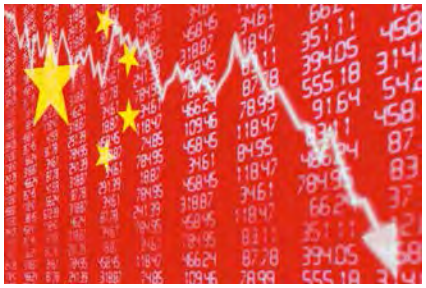
Germany to push for EU-wide trading tax

German finance minister Wolfgang Schäuble has said that Germany will support plans for a European tax on stock and bond trading, which would apply to all EU countries. Only 11 EU nations support the notion, which is strongly opposed by UK banks.

The tax was first proposed in 2011, to reflect public anger at bank bailouts in the wake of the Lehman Brothers collapse. It also addresses the fact that much banking activity is not subject to VAT and the perception therefore that banking is under-taxed.

Nobel economics laureate says US is heading for bear market

Yale University professor and Nobel economics laureate Robert Shiller says that the US faces a significant threat of a bear market, with more and more investor surveys suggesting that US stocks are overvalued to a greater extent than at any time since the dotcom bubble of 2000. Investors are increasingly losing confidence in stock valuations, according to Shiller's research. He has warned that the tripling of stock prices since 2009 looks increasingly like a market bubble and that the American market is heading towards a correction.



JMIKS/SHUTTERSTOCK.COM

{ CONTEXT OF TREASURY }

CONCERNS OVER CHINA DEBT SPARK MARKET FALL

Fears about the level of China's debt and slowing growth of the world's second-largest economy have led to bruising falls in the Beijing stock market.

Having leapt 150% in the year to mid-June, Beijing's shares have seen all their 2015 gains eradicated, sparking concern among the financial community.

In the country's domestic market, the sudden slips in Chinese shares have hit small investors hardest because many borrowed money to acquire stock, only to then discover that they had bought at the top of the market.

China's central bank lowered interest rates and devalued the renminbi in an effort to ease the crisis, while investors across the globe have sought out safe havens. The bank also cut the level of reserves that China's lenders need to hold to try to boost the amount of money available.

A key problem for China is its burgeoning debt pile. By some estimates this stands at $26 trillion, or a staggering 250% of GDP and growing.

Companies in mainland China are among the most indebted in the world, while state-owned enterprises are also saddled with huge amounts of borrowing.

Together, the cost of servicing the debts and the fact loaned money has been used to finance investments offering diminished returns means serious issues are building. Deflation only makes the debt burden heavier to bear, when allied to slowing economic growth.

There is currently an estimated $3.7 trillion in foreign reserves held in China. The market value of Chinese equities is 27 times enterprise value, compared with 12 times on average for US stocks.

Mobile bank growth accelerating, says KPMG

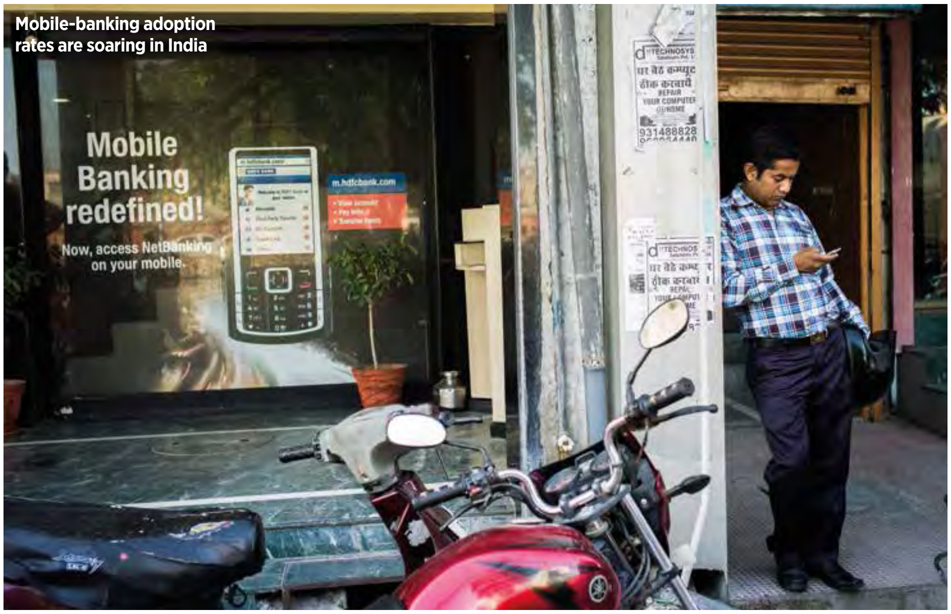
Mobile banking will grow ‘exponentially’ over the next five to 10 years, according to accountants KPMG.

Already the largest banking channel by volume of transactions for all the major banks, mobile banking is set to enter an exceptionally rapid phase, KPMG said in its July *Mobile Banking 2015* report, which drew on data from UBS Evidence Lab.

Banks are increasingly shifting to a mobile-first approach, with many designing new services that are taken up by other channels only after they have been rolled out to mobile customers.

Juniper Research says the number of mobile-banking users will grow from 0.8 billion in 2014 to 1.8 billion in 2019. Adoption rates are growing fastest in developing economies, says KPMG, reaching 60-70% in India and China. The key age demographic for uptake of mobile banking is mid- to late-30s, according to the research. India has the youngest population of mobile-banking customers (average 30 years), while Europe has a relatively higher average user age of 39 years.

Mobile capability is now a key determinant for customers choosing a new bank, and the findings showed a clear connection between a well-executed, sound mobile strategy and significant benefits for the banks that adopt them. For instance, JPMorgan, which offers image-based cheque deposits in the US, has seen lowered costs as a consequence. Depositing a cheque person-to-person in a bank branch costs $0.65 per transaction, but only $0.03 using mobile technology. In France, BNP Paribas has seen mobile banking increase by 230% between 2010 and 2013, along with improved customer satisfaction scores.



Mobile-banking adoption rates are soaring in India

BLOOMBERG/GETTY IMAGES

Conversely, given the huge growth in mobile-banking adoption, a lack of clear mobile strategy represents a threat to banks’ ability to grow profitably.

Another cautionary note the research highlights is a new willingness among customers to change banks. This is in spite of higher advocacy scores among mobile-banking users.

MAKING THE NEWS

Ditch cash to help banks, says chief economist

Bank notes and coins should be abolished, according to the Bank of England’s chief economist.

Speaking to the Chamber of Commerce and Industry in Northern Ireland, Andy Haldane argued that getting rid of cash in favour of a government-backed digital currency would give the Bank greater flexibility in the face of another downturn, as it would remove a key obstacle to introducing negative interest rates. Such rates, it is claimed, would cause people to convert their balances into cash, as they effectively represent a charge on holding money. Getting rid of cash, however, would stop this from happening.

Haldane reflected the concerns of economic policymakers that they lack tools to stimulate spending in a low-interest-rate environment, and that there might be a need to lower interest rates from their current 0.5%. Although the UK and the US could raise interest rates in the near future, it is also likely that they will need to lower them again later, Haldane argued.

Equity crowdfunding gets independent ratings agency

As of September, equity crowdfunders in the UK have their own regulated ratings agency, crowdrating.co.uk.

Equity crowdfunding grew by 420% over the course of 2014 in the UK, and its pace of growth is expected to increase.

Until now, the sector has lacked independent analyst comment, while the UK’s Financial Conduct Authority is concerned about the availability of research for early-stage investors. There are an estimated 250,000 early-stage investors in the UK with more than 200,000 registered with online platforms. Many rely largely on social media and the questions and answers posted on bulletin boards attached to the fundraising campaigns themselves.

Crowdrating uses a systematic scoring system plus input from in-house and external sector experts and analysts.

Saudi banking sector opens for business

Saudi Arabia’s banking sector is growing alongside its economy. The kingdom has seen 3.6% growth in GDP, strong state investment in infrastructure and a liberalisation of the banking industry. A study by fund house Invesco Middle East found that three-fifths of institutional investors expect net inflows of capital into Saudi Arabia – a big swing from the 17% who, a year ago, predicted outflows. Last year, the Saudi Arabia Capital Market Authority announced that Saudi Arabia would permit investments from non-Gulf Cooperation Council foreign institutional investors.

The liberalisation of the banking sector has been widely seen as part of an effort to diversify the economy. The country’s central market – the Tadawul – is one of the largest stock exchanges in the Middle East North Africa region.