

{ VIEW FROM EUROPE }

JEAN-MARC SERVAT

The EACT's new chairman outlines the challenges facing today's treasurers

➤ In July, I had the great privilege of taking over from Richard Raeburn as chairman of the European Association of Corporate Treasurers (EACT). I was attracted to the role because of my passion for the treasury profession, my long-standing involvement with the EACT and the considerable diversity that exists within the association.

The EACT represents 21 European treasury associations from 20 different countries, 18 of which are member states of the EU. Some of these national treasury associations are large and well organised, with their own permanent staff – for example, the ACT and the Association Française des Trésoriers d'Entreprise – while others are smaller and organised on a more informal basis.

Invariably, these different associations represent a wide diversity of views – which can be difficult to manage at times, but are enormously valuable nevertheless. It is this diversity that enables the EACT to respond with confidence and authority to the many challenges that face the European treasury profession today.

Regulation is, of course, one of our most pressing challenges. The EU and the European Commission are



trying to draw up regulation as quickly as possible, but we need to ensure that we get better regulation, rather than just more regulation, and that is what our lobbying work is focused on.

We must also react to the rapidly changing financial landscape – for example, the rise of the fintech businesses that are increasingly taking transaction infrastructure management away from the banks, and the growing popularity of Bitcoin and other cryptocurrencies. Meanwhile, the banks have a lower appetite for risk as a result of regulation and they are facing greater competition from alternative lenders.

Then there is the question of trade protectionism. Theoretically, we live in an era of globalisation, yet, ironically, we are not actually as global as we were at the start of the

20th century. When it comes to the financial markets, I am a great believer in Darwinism – in other words, if we just try to protect ourselves, we will not evolve and improve. Yet today, there is a growing risk that people are not being sufficiently open to the rest of the world – the possibility of the UK leaving the EU is an example of this.

➤ As an association of associations, the EACT should focus its resources on doing things that it can do better than its individual members – for instance, lobbying at European level. There are certain things that we do not need to do, however, because these are already done well by our members. For example, although we have a role to play in helping the professional development of treasurers and being the professional voice of treasurers, we acknowledge that this is also very much the domain of the national associations.

Our priority at the EACT is to bring together the diverse range of opinions that our members have through working groups where we can openly exchange views and expertise. Also, when we respond to a consultation at European level, we liaise with the national treasury associations and the treasury functions of individual organisations in order to learn their opinions. We ensure that this is a democratic process and we value the process because it means that we understand our members' concerns at grass-roots level.

The ACT is one of the largest members of the EACT, and also one of the most active. Over the years, the partnership between the EACT and the ACT has worked very well and benefited from the fact that my predecessor was chief executive of the ACT before becoming chairman of the EACT. I am delighted to succeed him and I hope to continue all the good work that he has done by working closely with the ACT and all the other national treasury associations. ♥



Jean-Marc Servat is chairman of the EACT

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