



ACCOUNTING AND FINANCE

Advanced International Cash & Treasury

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Advanced International Cash & Treasury

Introduction:

This course is designed for finance, treasury and banking professionals who have at least five years practical experience in various roles in treasury management and who need to gain a deeper practical knowledge of advanced treasury management techniques. This course builds on the tools and techniques covered during the International Cash and Treasury Management Intermediate level course. Participants are expected to be familiar with the concepts and practical application of risk mitigation, liquidity management and money movement.

Who Should Attend?

Finance Professionals, Finance Managers, Chief Accountants, Senior Accountants, Accountants, Corporate Accountants, Accounting & Budgeting Personnel, Corporate Controllers, Financial Controllers, Financial Analysts, Treasury Professionals, Accounting Managers, Accounting Professionals, Budgeting Personnel, Financial Executives, Financial Managers, Financial Controllers, Treasury Officers, Auditors, Joint Venture Accountants, Bankers, Investment Bankers, Banking Professionals, Corporate Business Professionals, Professionals in the field of finance and accounting, managers, supervisors, and finance professionals who desire to understand, apply and implement practical tools to enable them to run the finance and accounting departments more efficiently, Financial Planners and Cost Analysts, External, Financial and Internal Auditors, Government Regulators and Auditors, Financial and Investment Analysts, Finance Professionals responsible for financial accounting, treasury, budget preparation and management reporting, Process and Non-technical Professionals who require a more in-depth understanding of financial accounting reporting, project management and forecasting techniques, Finance Staff in General Accounting, Payables, Receivables, Inventory, Fixed Assets, etc., Line/Unit Heads with direct planning and budgeting responsibility, Key Personnel in the oil and gas industry,

Managers involved in making CAPEX decisions, Bankers and Professionals who work in Energy Lending

Course Objectives:

By the end of this course, delegates will be able to:

- Explore the techniques being deployed by the leading global treasury organizations
- Understand how treasury can deliver improved bottom-line performance for your business through tax-efficient account structures, effective hedging strategies and optimizing working capital
- Discuss alternative account structure for optimizing liquidity and payments
- Gain a comprehensive insight into the current and future challenges facing the treasury managers and CFOs
- Develop practical skills and knowledge that can be immediately applied upon your return to the office

Course Outline:

Introduction:

Corporate Treasury Today

The evolution of treasury and cash management as critical functions in the company

- Risk Management in treasury
- Funding the operating cycle
- The importance of cash and liquidity management
- Organization and structure of treasury in MNCs

- Managing treasury as a global process
- Centralizing treasury functions
- Treasury in an ERP world
- Passive or active treasury models

Risk, Funding & Exposures

Risk management strategies in treasury

- The right treasury policy
- Identifying exposures and strategies to manage them
- Defining an appropriate Hedging strategy
- Risk models VAR
- Managing to the yield curve
- Matching duration of funding to cash flow

Optimizing Global Liquidity Management

Creating visibility and mobilizing liquidity globally

- Summary of Notional pooling vs. Target Balancing
- Documentation for notional pooling

- Understanding cross-border rules and impact in cash concentration
- New developments in cross-border pooling
- Multi-bank concentration structures
- Hybrid structures combining cash concentration with notional pooling
- Leveraging trapped liquidity
- Cross-currency pooling structures Interest Optimization
- Interest Enhancement Opportunities

Tax and Legal Implications for Liquidity Management

The accounting, documentation, intercompany and legal challenges in getting to the right pooling structure

- Tax and legal issues in documentation
- Generating active or passive income
- Treasury Re accounts
- Balance sheet impact for banks & corporates
- Impact of IAS 39 and Basel II
- Choice of treasury vehicle

Advanced Treasury Processes

What are the key techniques used by treasury?

- In-house bank
- Re-invoicing & Factoring
- In-house cash management
- Netting inter-company flows
- On-lending
- Inter-Co FX
- Intermediating cross border flows
- Benchmarking Investment Performance

Treasury Centralization and structures

How centralized should a treasury be today?

- Levels of treasury responsibility
- Decentralized, distributed or centralized treasury
- In-house banking what are the advantages and disadvantages?
- Full centralization regional or global?

- Typical treasury structures
- What fits your size of organization?
- Passive or active treasury processes
- Centralizing exposure management intercompany FX
- Outsourcing treasury functions

Tax Efficient Structures

Intermediating flows and exposures in a tax optimized way

- Reasons for establishing treasury centers vehicles
- Which locations are right?
- Tax implications of a treasury vehicle
- Tax neutral or tax advantaged
- Impact on European Union rules on treasury centers

The Evolving Regulatory and Governance/Risk Frameworks

Treasury policy challenges from IAS39, Basel III & IFRS

- Framework of policies and procedures
- Sarbanes Oxley, Dodd Frank

- IAS 39 and IFRS
- AML and KYC procedures for banks
- Regulatory implications for systems integration
- Managing treasury with a global process
- Organization structure and segregation of duties

Trends in Treasury Management

- Availability of credit
- Managing volatility and risk
- Minimizing counterparty risks
- How Basel III impacts banks and their products
- Regulatory impact of financial crisis

Intermediating Commercial Flows, Payments Factories and Shared Services

Shared service centers and payment factories – tools to optimize treasury and take control

- The business case for shared services
- Benchmarking SSC processes

- Centralizing vs. Outsourcing
- Benefits of centralizing administrative processes
- Creating efficient accounts payable processes
- Role of ERP systems in commercial flows
- Efficient reconciliation
- Challenges with domestic instruments and paper
- Achieving optimization without ERP systems
- Case study Treasury ERP

Techniques for Commercial Flows

New challenges when regionalizing commercial flows

- 'On behalf of' collections and payments (POBO/COBO)
- In-house cash banking
- What can be achieved in ERP
- Regulatory environment & central bank reporting
- Reconciling cash and accounting

Domestic Payments

How money moves and settles domestically

- Domestic Clearing Infrastructure
- Changing payments infrastructure
- Eurozone payment and clearing options TARGET and SEPA
- African,/European/ Asian examples and comparisons to US systems
- Specialized local instruments
- Evolving of domestic payments in Europe Faster Payments, PEDD

International Payments

Moving money across borders efficiently to minimize charges and loss of availability

- SWIFT and International money movement
- Using intermediary or correspondent banks
- Serial Payments vs. Pay Direct with Cover
- The types of messages and when they are used
- Regional Payment systems
- Using BICs, IBANs and UIDs

- Implications of OFAC and AML
- Continuous Linked Settlement
- Currency check collections and bankers drafts
- Letters of Credit and Documentary collections

Cards and Commercial Cards

A new level of cost efficiency by using cards

- Debit and credit cards
- Using commercial cards and p-cards
- Local market infrastructure convenience stores, stored value, bill payment
- Using Payment Service Providers for web collections
- Supplier portals and ERP integration
- Travel and Expense control and automation

Cash Forecasting

Cash forecasting precision is critical for funding efficiently and managing cash

- Long, Medium and Short term
- Statistical vs Items level forecasting

- Models for Cash Forecasting (Miller-Orr, Baumol)
- Separating Payables and Receivables
- ERP Bank reconciliation
- Tools for Forecasting

Account Structure for Commercial & Treasury Flows

Principles for account location - where to hold them and how to manage them

- Easy countries and problem countries examining different scenarios
- Integrating resident and non-resident accounts
- Centralizing accounts regionally
- Impact of single currency on European account structures
- Importance of establishing correct ownership
- Potential to share accounts

Case Study: Integrating a difficult country into an optimal account structure

Account Structure – Optimization and Design

Account structures that combine operational efficiency and liquidity management optimization

- Structures for different currencies and emerging market countries
- Integrating resident/non-resident accounts
- Ownership issues that influence choices
- Incorporating netting, inter-company funding and liquidity
- Approaches to regional and global liquidity management structures
- Centralized and decentralized accounts
- Linking in a treasury center or an in-house bank
- Overlay banking structures
- Integrating concentration, notional pooling, interest optimization, interest enhancement and funding

Principles of Working Capital & Cash Management Efficiency

Working capital – what is a 'sufficient' cash buffer?

- Weighted Average Cost of Capital
- Cash Conversion Cycle metrics
- 'Order to Cash' and 'Purchase to Pay' cycles
- Eliminating cash cycle times

- Automation of receivables matching
- Electronic bill presentment and payments
- E-invoicing and dispute management

Supply Chain Financing

The new face of trade solutions in your supply chain

- P&L vs. Balance Sheet Management
- Measures of working capital performance
- Off-balance sheet financing
- The Financial Supply Chain
- Electronic solutions and technology developments
- Documentation and logistics

Leveraging an ERP for Treasury

Integrating ERP systems into today's treasury – the new treasury models and next level of efficiency

- Treasury Systems versus ERP systems
- Cash Management and Cash Forecasting Modules

- Integrating In-House Cash modules
- Role of Treasury in ERP process definition
- ERP Deployment and new business models
- Challenges of Implementation
- Technology Platforms for Payments Factories

Treasury Technology

Assessing the critical Functions of a treasury management system

- Web based FX trading
- Treasury functionality within ERP systems
- Selection, implementation and integration of treasury management systems
- Latest trends and enhancements
- Benchmarking your system
- How much customization
- System integration case studies

Banking Systems & Corporate SWIFT

Linking electronic banking and SWIFT to the corporate treasury management system

- Reconciliation from BAI2 or MT940
- Multi banking aggregation
- Corporate access to SWIFT MA-CUG's and SCORE
- FileACT and FIN
- Proprietary or Industry standards
- Managing the documentation issues
- SWIFT Bureau or in-house
- BEI, BIC which codes and how many
- Hidden costs evaluating the options
- Control, contingency and security
- eBAM Electronic documentation & mandates

Integration and International Standards

What to look out for in different technology choices – avoiding 'the bleeding edge of technology'

- Objectives for Systems Integration
- Current internationally accepted standards
- EDIFACT, ANSI, iDoc, ISO20022
- Work Flow Management and reconciliation

- Can one system handle multiple formats?
- Emerging technologies

Selecting Banking Partners

Understanding what is 'best practice' (mandates, relationship) when choosing bank relationships

- Critical requirements for multinational corporates
- Local or regional banks?
- Supporting credit banks
- Approaches to pricing and service quality
- Corporate organization matches
- Right bank or right solution

The International RFP process

What to look for in structuring a good RFP or tender document to get the best proposal from bankers

- Selecting a bank and services what to include in the tender document?
- RFP Process checklist what should your expectations be?
- Handling the short-list and negotiation meetings
- identifying and pre-qualifying banks

- How banks structure their proposals
- How to evaluate the bank responses benchmarks, formats

Prioritizing your banking requirements

- Selecting banks for cash management services in a foreign country
- Focus on corporate requirements and bank selection process
- How banks propose viable solutions and differentiate themselves

What to expect in the future

What to expect in 2017 and beyond

- Policy agenda issues for treasurers
- New banking products
- Key infrastructure developments