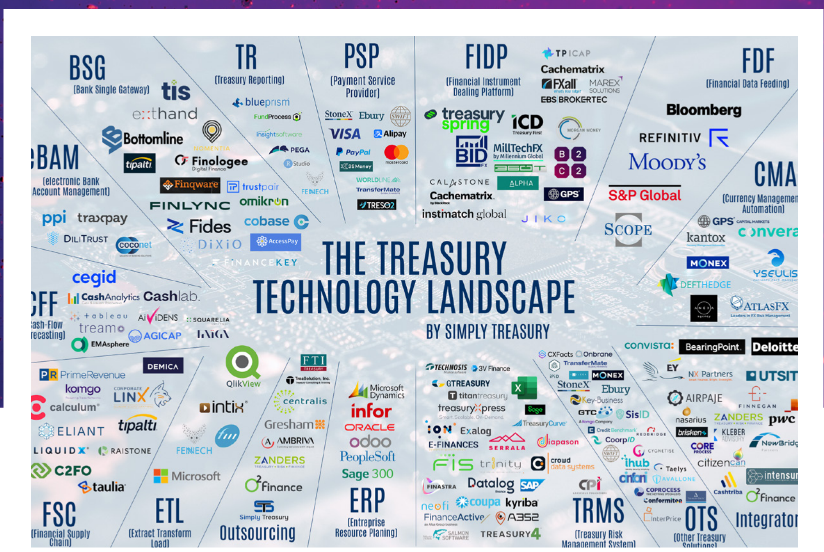
#2

TREASURY TECH GUIDE 2024



ATEL
Luxembourg Association of Corporate Treasurers

INTRODUCTION

The role of treasury functions continues to evolve towards that a strategic business partner helping their organization create sustainable value. But leading treasury centers have evolved from adding value exclusively within treasury to also driving excellence outside of their function. To achieve such a goal, treasurers must rely on technology and new emerging solutions to gain in efficiency. Treasury must optimize cash efficiency, strengthening balance-sheet, generating business insights to drive more accurate cash-flow forecasting, providing decision support for CFOs and affiliates, become more resilient to face next crises, be closer to operations and remain compliant to all new financial regulations, while continuing to safeguard group assets. That is treasurers' daily challenge today. And their work becomes even more challenging given the economic context. They must navigate today's complex environment filled with high inflation, fast-rising interest rates, volatile markets, and counterparty risks. However, additionally treasurers should optimize cash generation, cost of funding and hedging, mitigate exposure to preserve stretched operating margins, reinforce, and enhance internal controls to reduce risks of fraud and optimize capital structure to generate (more) value. To achieve such objectives, treasurers must rely on excellent and up-to-date technologies, more robust capabilities, and operation models to enable visibility and real-time control on financial transactions and all-in liquidity situation. The treasurer is far from being able to rest on his laurels in the months ahead, as the challenges facing him are immense and numerous. For the treasurer, technology is the key to success and the best answer to any crisis, through automation to the max. This guide is designed to help modern treasurers in their quest for absolute efficiency. The digital enablement is a key priority identified in recent surveys.

In praise of automation

Finance leaders are prioritizing efficiency in the current complex economic environment. Businesses have had to navigate a tumultuous period with budget cuts, hiring freezes, and tough operational decisions. As the business landscape evolves, so do CFO's and... logically treasurers, who are finding new ways to combat uncertainty by increasing control. The responsibilities are shifting. There is an increased focus on team efficiency. But finance teams are inundated with extra work to manage the reduction in hiring and reallocation of resources. Expectations for the CFO are higher than ever, and finance leaders are requested to one of the main drivers of strategy, cost savings, and growth while maintaining the retention of their team. It is not an easy task. As MNC's work through these new challenges, the root cause of operational inefficiency is coming to the forefront. The desire to automate treasury processes has never been greater, but CFO's sometimes find it difficult to know where to start. And once businesses start the automation journey, theirs is no going back. Even while the macroeconomic conditions push MNC's to pull back on spending (e.g., consultants, travelling, marketing...) they are holding or increasing investment in automation technologies.

Technology within the treasury trends and priorities

For couple of years now, we have noticed couple of trends in treasury management. These trends reveal that topics such as digitalization, payment efficiency, security, cash forecasting, and treasury & IT alignment are still important topics to treasurers worldwide. Although priorities could have shifted due to political instability, black swans, technological advancements, new ways of working partly from home, new financial regulations and global economic insecurity in international markets, these areas will remain important for each treasurer. More than any individual risk, it is the complex combination, the concomitance of these risks and the conjunction or juxtaposition of all these challenges that make the treasurer's profession increasingly complicated. In this hectic and increasingly complex environment, the treasurer must rely more than ever on the best possible technology.

We can mention (without claiming being exhaustive) that these main risks and challenges are as follows: (1) Increasing market risks & growing economic volatility ; (2) The number of APIs, often not enough standardized and their complex maintenance for smaller corporations; (3) Recruitment difficulties and search for future talents ; (4) Importance of fast-evolving treasury technology; (5) Cash flow forecasting accuracy and faster production; (6) Next stage automation and how to reach it; (7) Security, which become day after day more crucial and vital; (8) Payment hubs to be set up and more efficient; (9) The changing and evolving (more strategic) role & responsibilities of treasurers; (10) The new changing financial regulations.

It's against this backdrop that we're going to have to continue to develop our organizations and find the most appropriate technologies to achieve our goals. Because it's clear that centralization and automation are the two best answers to our needs and challenges. In this document, we will attempt to provide answers to the technological questions that every treasurer asks.

PRIORITY #3 OF CORPORATE TREASURERS:

Treasury Technology Infrastructure
Review / Replacement of existing IT Tools
Treasury Digitization #7

65%

of corporates have faced fraud attacks on payments in 2022 (source AFP – USA).

Research suggests **nine out of ten spreadsheets contain a mistake** (source FT).

MAIN SOURCES OF ATTEMPTED / ACTUAL PAYMENTS FRAUD ATTEMPTS IN 2022

(Percent of Organizations).

54%
Outside individual
(e.g., check forged, stolen card, fraudster).

53%
Business Email Compromise
(BEC Fraud).

37%
Vendor Imposter

20%
Account takeover
(e.g., hacking a system, adding malicious code).

15%
Invoice fraud

80%

Nearly 80% of organizations are most likely to seek assistance from their banking partners for guidance regarding the steps to take to minimize the impact of payments fraud.

(Source AFP 2023 treasury survey).

FOCUS

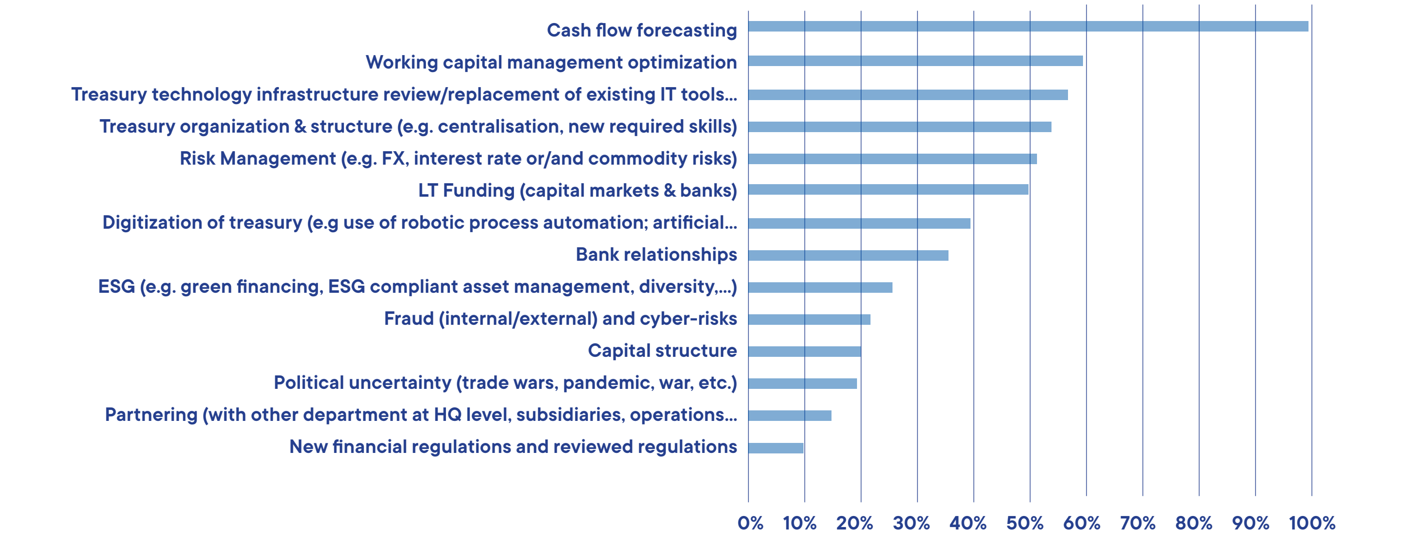
IS TECHNOLOGY A PRIORITY FOR CORPORATE TREASURERS?

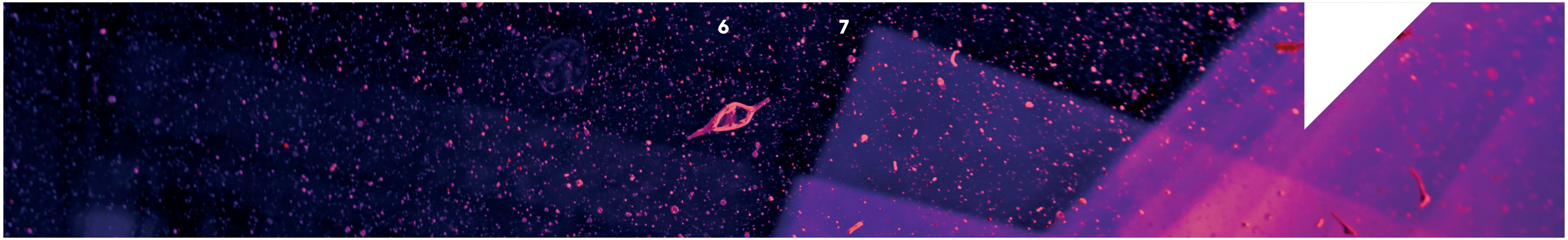
Treasury top priorities

(as identified by EACT annual survey)

The 2023 EACT survey, as it has become a tradition, attempts to detect what the treasury trends and priorities for multinational companies will be in the next 12 to 24 months. This year, surprisingly, **Long Term Funding (capital markets & banks) (1)** is in the lead, followed by the **Treasury Technology infrastructure and replacement of IT tools (2), cash-flow forecasting (3),** followed by a few priorities at rather equal levels, such as Political uncertainty (4), Working Capital management optimization (5); Capital structure (6), Fraud & Cyber-Risk (7), and Risk Management (8).

Treasurers major priorities over the next 12 to 24 months





Technological innovations

In terms of technological innovations, it appears that in the next 12 months, the priority will be placed on data analytics, API's, the use of robotics (RPA), and finally Robotics Process Automation (RPA) and move to Cloud solution (SaaS) & Treasury as a Service. AI is only ranked priority number 6th. Here again, no real significant changes in the top 3 technologies. However the ranking is slightly changing and we feel more and more appetite for the other "new technologies" in treasury. The low ranking of AI comes from a general absence of true data lakes and standardized pieces of information. It looks like treasurers have many other technical priorities before considering these new technologies or being in position to make use of them. They may want to first fix current systems around TMS's or review current IT architecture before using other new technologies. We all understand that the C-level wants treasury to make use of huge financial data they sit on and develop more reporting and dashboards. API's have shown the use banks and corporates can make out of them, to enrich reporting. Robotics and RPA's are an intermediary steps to automation, which explains its high ranking. Contrary to the recent excitement for Bitcoins and announcements around CBDC, crypto currencies do not seem to be a priority for treasurers. This is not surprising given their nature and the fact that they are a new asset class rather than a new currency. The answers show a certain lucidity on the part of treasurers who seem realistic in their use of new technologies.

The greatest interests to your treasury over next 12 to 24 months:

We see, surprisingly, that Centralization and Standardization are the focus for treasurers in the next 12 to 24 months (1), followed closely by Real-time reporting and dashboarding (2), and then Real-time liquidity (3), followed by Real-time payments & collections (4), FX automation (5) and finally the use of API's (i.e., Application Programming Interfaces) (6). This demonstrates, once again, that the priorities may be more basic and simpler than imagined, as many treasurers still need to improve their day-to-day management before jumping into the use of newer technologies. The objective is clearly real-time and immediacy for all types of information. Currency Management Automation for FX management is also in 5th position, as here again we seem to be far from complete and perfect automation.

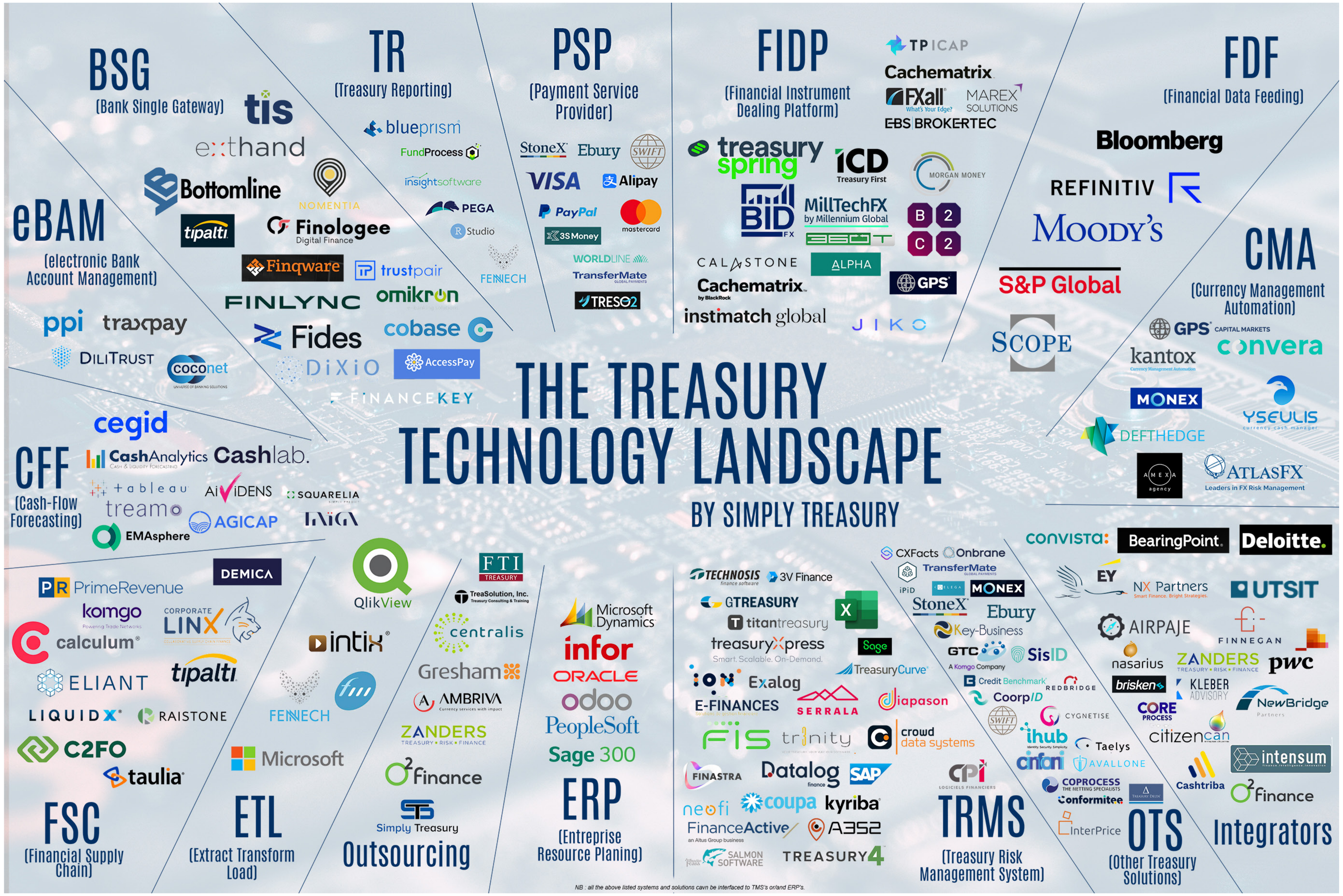
The fully Monty: "real-time treasury"

On the question of which technology will be of most interest in the next 12 to 24 months, access to real-time information emerges, followed by real-time payments and collections, explained by the current crisis, and need for immediate collection to limit funding needs, or, sometime, to simply survive (we can see that immediacy and the time factor have become crucial, at least for certain industries and B2C businesses). The real-time liquidity and finally immediate (automated) management of foreign exchange risk are also important for an efficient treasury management. The fact that there still are lots of highly manual processes around FX and commodity management is pushing for further automation for efficiency and internal controls reasons, mainly. We can also be surprised by the 7th position of the Fintech's with multiple innovative solutions. These Fintech's are giving a lot of hopes to treasurers to really change their ways of working. Things are gradually but slowly changing.

IT solutions fragmentation

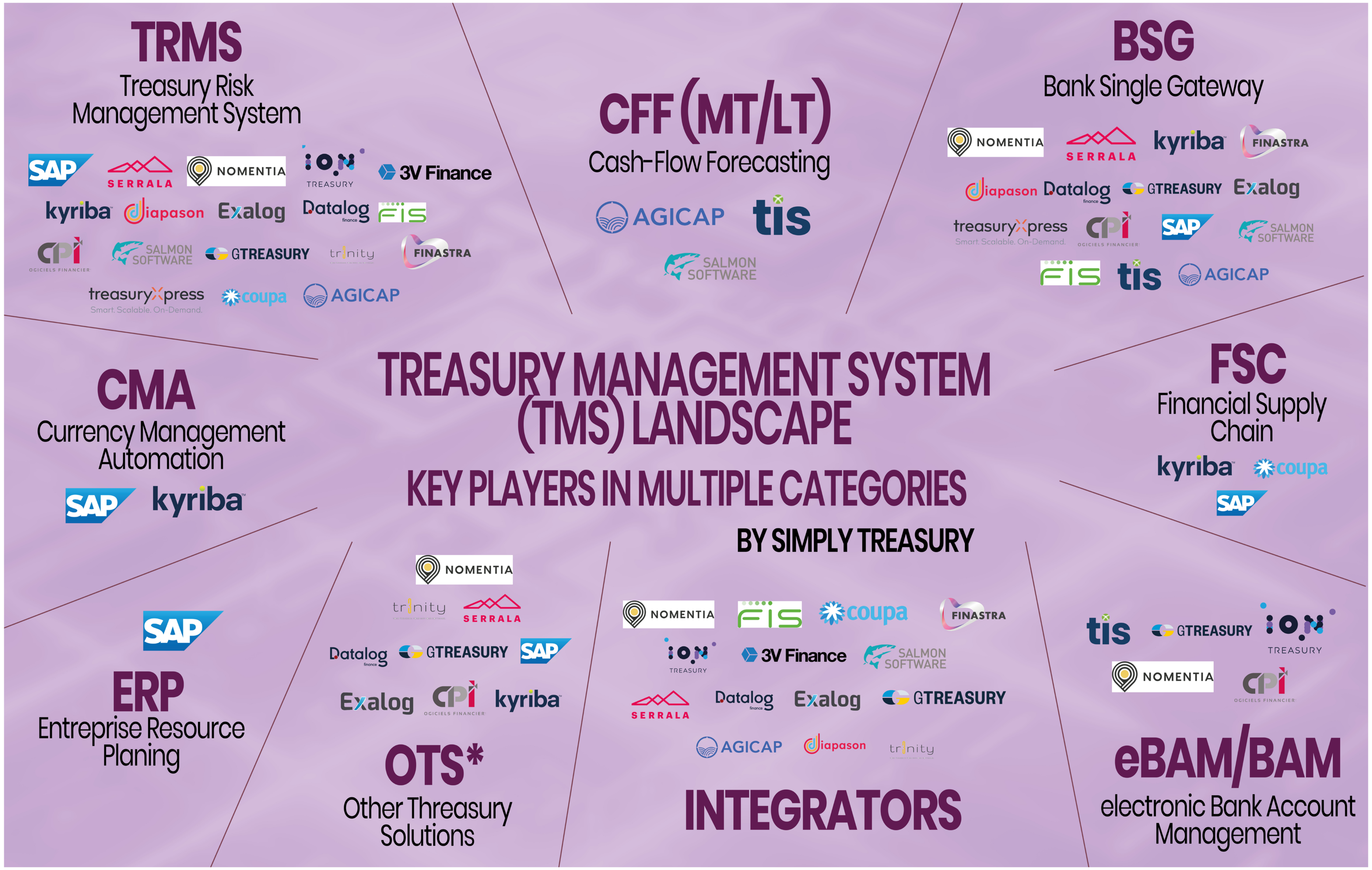
The fragmentation of IT systems in treasury and the complexity of IT architectures in many of MNC's treasury departments explains the importance of the risk of fraud, which has increased in recent years, and of cyber-risk. It increases these risks by a lack of fluidity, homogeneity, and sometimes consistency of the financial data to be processed. In the same vein, it is detrimental to the quality of future cash flow forecasts. It is true that the more IT solutions are used, the more difficult it becomes to consolidate data and to allow systems to interact with each other, or to exchange data. The more complex the IT construction of the treasury is, the more complicated the change will be/appear to be. One would like to change the IT organization but sometimes does not dare to tackle the cliff that this represents.

GLOBAL TECH MAP



THE TREASURY TECHNOLOGY LANDSCAPE IS COMPLEX AND CROWDED.

MULTI PLAYERS TECH MAP



(***OTS :** bank fees analysis/ guarantees, fraud prevention/sanction screening, netting etc)

THE TREASURY TECHNOLOGY LANDSCAPE IS COMPLEX AND CROWDED.

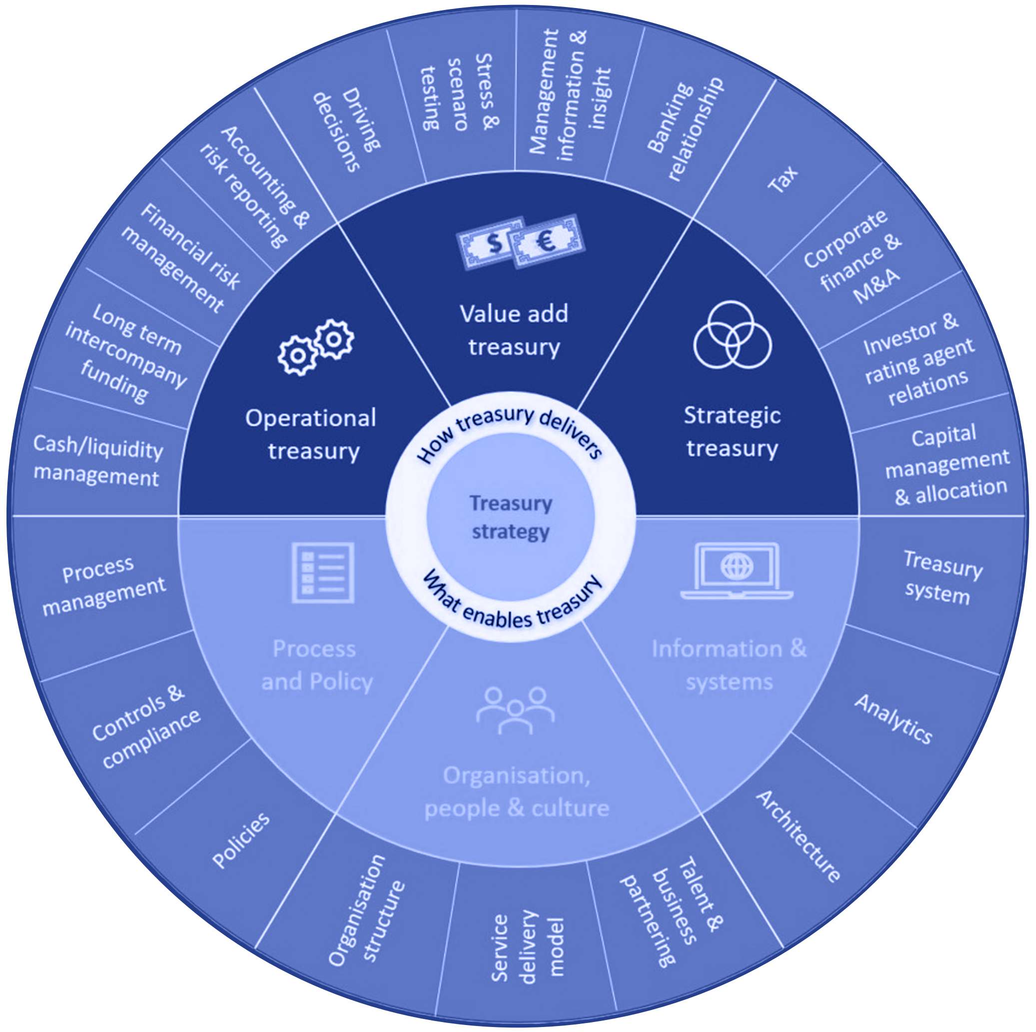
DEFINITION

TREASURY TECHNOLOGY CATEGORIES

	CATEGORY OF TECHNOLOGY	SHORT DEFINITION
1	**Entreprise Resource System (ERP)**	Enterprise Resource Planning is a process used by companies to manage and integrate the important parts of their businesses. Many ERP software applications are important to companies because they help them implementing resource planning by integrating all of the processes needed to run their companies with a single system. ERP's are perceived as powerful accounting systems. An ERP software system can also integrate planning, purchasing inventory, sales, marketing, finance, human resources, and more.
2	**Treasury & Risk Management System (TRMS)**	A treasury Risk Management System (TRMS) is a software application which automates the process of managing a company's financial operations. It helps companies to manage their financial activities, such as cash flow, assets and investments, risk management, automatically. A TMS is commonly used to maintain financial security and minimize reputational risk.
3	**Bank Single Gateway (BSG)**	Bank Single Gateway is a solution to align all of the payments and cash flow functions in the organization on single technology platform – this results in gaps between departments as well as system and data silos. These gaps put your organization at risk of fraud, cash flow lags, on compliance and less than optimal performance. Payment platforms create a layer across the organization that aligns and synchronizes payment processes, systems and data.
4	**Financial Instruments Dealing Platforms (FIDP)**	Dealing Platforms are global provider of web-based trading technology, enabling clients to trade OTC financial instruments, as well as FX and interest rate derivatives. It gives treasurers a way to place all their banks in live competition to get the best execution.
5	**Financial Data Feeding (FDF)**	Platforms fit for feeding TRMS or/and ERP or any other systems in FX rates and yield curves, or with anything requested for accounting and revaluation purposes. These tools can also offer monitor to view all financial data on financial markets, as well as sometimes dealing some OTC derivatives and financial instruments.
6	**Currency Management Automation (CMA)**	Currency Management Automation is a technology that streamlines the entire foreign currency workflow. By automating the different phases of the FX management process, businesses can remove costs and risks —including currency risk— and unlock opportunities for growth.

	CATEGORY OF TECHNOLOGY	SHORT DEFINITION
7	**Financial Supply Chain (FSC)**	The financial supply chain solutions recover all trade finance tools or platforms to reduce the chain and automate processes. It also includes solutions to optimize working capital needs.
8	**Electronic Bank Account Management (eBAM)**	Electronic Bank Account Management (abbreviated as eBAM) represents the automation, through software, of the following activities between banks and their corporate customers: opening bank accounts, maintaining bank accounts such as changing account signatories or spending limit, closing bank accounts, generating reports as required by law or regulation. The technology that is commonly used to implement eBAM automation is defined by SWIFT and the ISO 20022 Standard for Financial Services Messaging.
9	**Treasury Reporting (TR)**	Solutions providing with specific reports that TRMS and other Treasury tools are to able to deliver. Often it is specific reports provided by specialized solutions, which complement existing TRMS, rather than compete with them.
10	**Cash-Flow Forecasting (CFF)**	The Cash-Flow Forecasting solutions are dedicated to short-to long-term consolidated forecasts, including sensitivity analysis and stress-testing. It consists of extracting data from ERP's and potentially other tools, to consolidate all data into one solution to assess the flows of cash (i.e. in & out) and to automatically update the forecasts.
11	**Payment Service Provider (PSP)**	A payment service provider (PSP) is a third-party company that allows businesses to accept electronic payments, such as credit cards and debit cards payments. PSPs act as intermediaries between those who make payments, i.e. consumers, and those who accept them, i.e. retailers. They will often provide merchant services and act as a payment gateway or payment processor for e-commerce and brick and mortar businesses. They may also offer risk management services for card and bank based payments, transaction payment matching, digital wallets, reporting, fund remittance, currency exchange (hedging), exotic corss-border transfers and fraud protection. The PSP provide software to integrate with e-commerce web sites or point of sale systems or access to platforms to execute payments or to collect them.
12	**Extract Transform Load Solutions (ETL)**	They will often provide merchant services and act as a payment gateway or payment processor for e-commerce and brick and mortar businesses. They may also offer risk management services for card and bank based payments, transaction payment matching, digital wallets, reporting, fund remittance, currency exchange and fraud protection. The PSP will typically provide software to integrate with e-commerce web sites or point of sale systems.[2]
13	**Other Treasury Solutions (OTS)**	In this category «other solutions», there are solutions on specific issues: e.g. KYC automation, Signature Power digitization, multi-lateral netting, RFP digitization, bank fee analyzers, etc.. It means any other solution dedicated to automating treasury processes (not included in the other named categories).
14	**Integrators**	Integrators are independent consultants assigned to implement one or many treasury solutions and give support on treasury IT projects. More and more IT vendors propose to use exteral advisors to integrate their solutions at customer level.
15	**Outsourcing**	Outsourcing treasury operations means that part or all the front-office transactions and processes are sub-contracted to a third party, using treasury experts and dedicated IT treasury solutions. They act on behalf of their customers, according to predefined SLA's.

A FULL OFF-THE-SHELF SUITE OF TMS

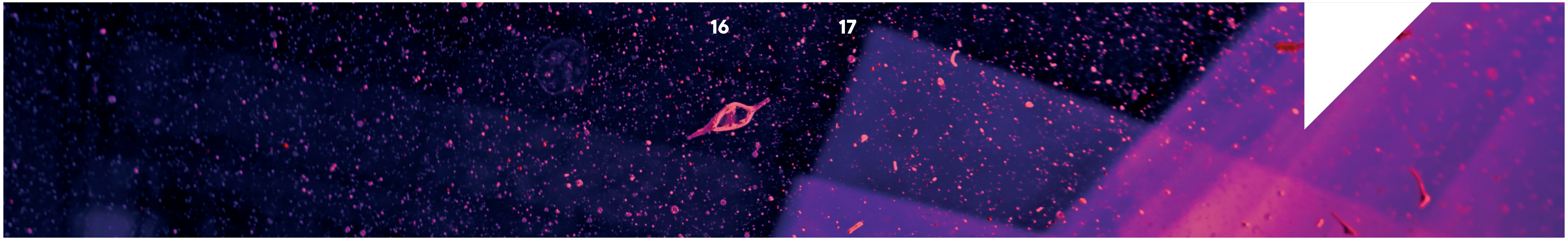


FUTURE OF TMSS & 6 MAJOR TRENDS

01

Treasury technology app stores

Most TMSs, even the most sophisticated and despite heavy investment in development, cannot and will not completely satisfy treasurers. If we accept this established fact, then we understand that salvation can only come from a kind of "app store" of technical treasury solutions, available on request from the customer and already integrated or integrable with the main tool. We know that SAP set the tone and launched the concept with its "BTP" (i.e., Business Technology Platform), a sort of platform for specialized applications. Giving access to what cannot be produced, developed, or purchased requires a global access platform, with an à la carte choice at the discretion and according to the needs of the treasurer customer. In our opinion, this is the solution of the future, and a trend that will emerge in treasury in the years to come. The idea behind the concept is to give access to an innovation platform for optimizing (here the SAP applications) and tomorrow other providers' applications, in the cloud. It brings together application development and automation, data and analytics, integration, and AI capabilities in one unified environment. Create personalized experiences across business processes, build applications, analytics, and integrations faster, and run mission-critical innovation confidently on major cloud providers' infrastructure fully managed by the IT vendor. Developers have what they need to quickly connect, extend, and enrich mission-critical business processes. Business users can automate tasks, create fast, flexible workflows and personalized interfaces - all using low-code principles and solutions. From within finance to sales, collaborating on planning, integrating the TMS and third-party applications, and sharing insights across the business become easier with instant access to business-context-rich information from your TMS and third-party systems.



Digitalization must support the unique ways in which a company operates while growing efficiency and productivity across business processes. New innovations must extend and enrich existing applications to smoothly deliver end-to-end intelligent processes tailored to the specific needs of your business and users. Whether treasurers need new enterprise ready apps, integrate processes, automate tasks, augment applications with chatbots, or analyze financial information and human impact across their enterprise, it can achieve results faster by empowering more people to innovate within a governed environment. With companies increasingly relying on cloud technology for every aspect of their business, reliability and security are essential characteristics of business-driven innovation. And while the expectation for faster results is growing, innovation agility cannot compromise or slow down ongoing business operations. And eventually, such platforms will make it easier for treasury customers to choose, by offering them solutions they may not even be aware of. Such platform, like BTP, allow treasurers to innovate in the cloud without interfering with their core applications, helping you standardize their main TMS software landscape. They can get the right environment to move existing customizations to the cloud and develop new ones, simplifying maintenance and improving the reliability of their applications – all within a well governed and secure environment. By doing so, they will be able to deploy new analytics workloads, applications, and extensions in a mission-critical and secure cloud environment.

02

Digital RFPs

RFPs remain long and tedious processes for all treasurers, but also for all IT suppliers. They only serve the needs of consulting firms. Automating RFPs could change everyone's life, by standardizing responses and making the work less tedious, by using a single source, a single compilation tool, with tracking, tracing, audit trails and history. We believe that this type of solution, such as Treasury Delta, will soon revolutionize the choice and implementation of IT tools in the treasury department. All that's needed is for treasurers to impose them on their suppliers, but also on consultants who would like to dilute the work to bill more hours.

03

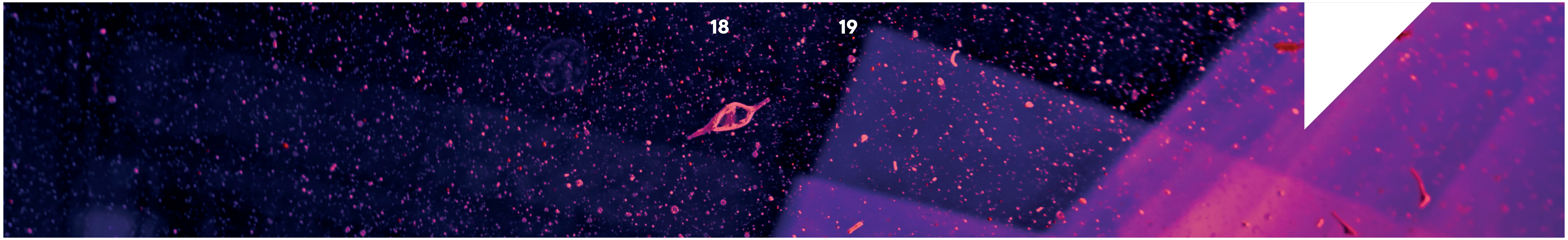
Consolidation of the market with horizontal acquisitions

The market should continue to consolidate, as illustrated by takeovers such as COUPA by THOMAS BRAVO. At the same time, we'll be seeing purchases of ancillary solutions that can help their buyers diversify or broaden their solution ranges, to avoid developing them themselves. These purchases, such as Cash Force by TIS, will drive to another trend: that of the "best of suite" (even if the number one trend we're talking about argues in favor of limits to purchases - what wouldn't make sense to buy, or develop oneself, can be integrated on a platform). The race for size, market share and diversification will continue unabated.

04

SaaS" or "In-The-Cloud Only" will become widespread

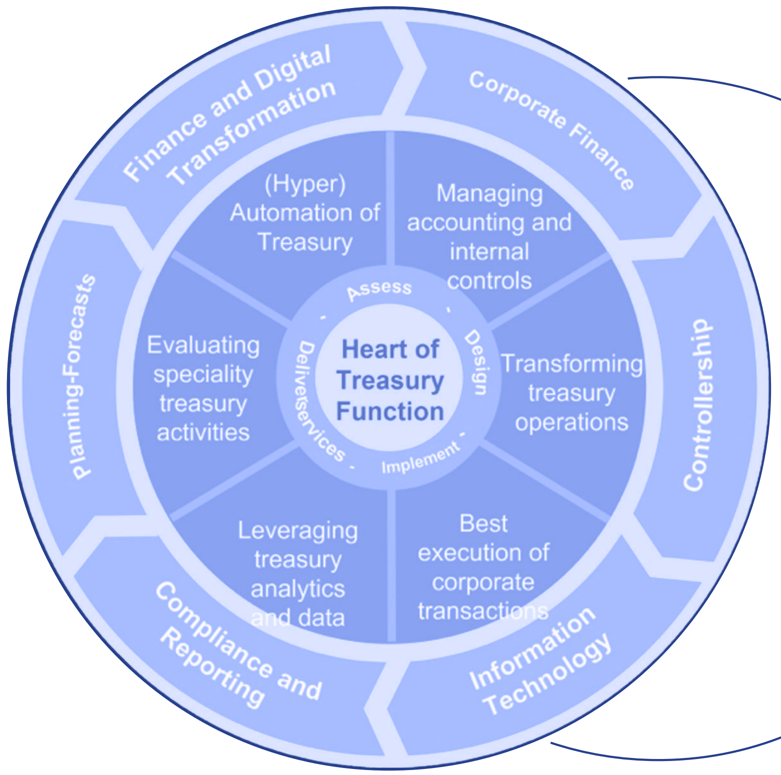
It will be impossible for any new or existing customer to claim to have a solution installed "on premise". Everything will be offered only in "in-the-cloud" mode, whether public or private. It's a revolution that began a few years ago, and a wave of funds that can't be stopped. It will facilitate access to new versions and testing of versions previously installed on your own IT servers. The world has changed and is completing its cloud revolution.



05

Cash solutions democratized

Finally, more and more affordable treasury solutions are becoming available, and even the biggest vendors have understood this. Each offers a lighter or more accessible version. What's more, Fintechs are offering "native SaaS" solutions that can provide a treasury tool for an acceptable rent, with virtually no implementation costs. "Treasury for all" is our latest trend and the future, like Formula One's technology finding its way into the general public's car. You won't need to be a seasoned driver to drive this type of treasury IT solution. Treasury will become accessible to all, undoubtedly, and be also part of our future.



06

Oversizing of IT solutions by smaller corporations

Another common trend is the need for SME's or smaller entities choosing a treasury and banking connectivity tool, which will be over-dimensioned by lack of knowledge and experience. The other tendency in these smaller companies is to think that "treasury is for multinationals and not for smaller entities". They play up the size complex and the absence of a dedicated treasurer. Yet, like everyone else, they are (sometimes unknowingly) involved in treasury & cash management. They can benefit from solutions that are better adapted to their needs and very simple to implement, with low implementation and maintenance costs. These companies would be well advised to seek the advice of experts who can advise them on the appropriate tool. Choosing a tool that is too large for your needs can only lead to frustration. The choice is therefore crucial, and depends on the needs to be determined, the size of the company and its objectives.

EVOLVING TREASURY FUNCTION REQUIRES APPROPRIATE I.T. TOOLS

To face the challenges of today's fast-changing world, treasury is increasingly asked to support execution of the broader business strategy.

1. Automating treasury
2. Executing corporate transactions
3. Managing accounting and controls
4. Leveraging treasury analytics
5. Transforming treasury operations (digitization)
6. Evaluating speciality treasury activities

07

More APIs adoption for integration & real-time information

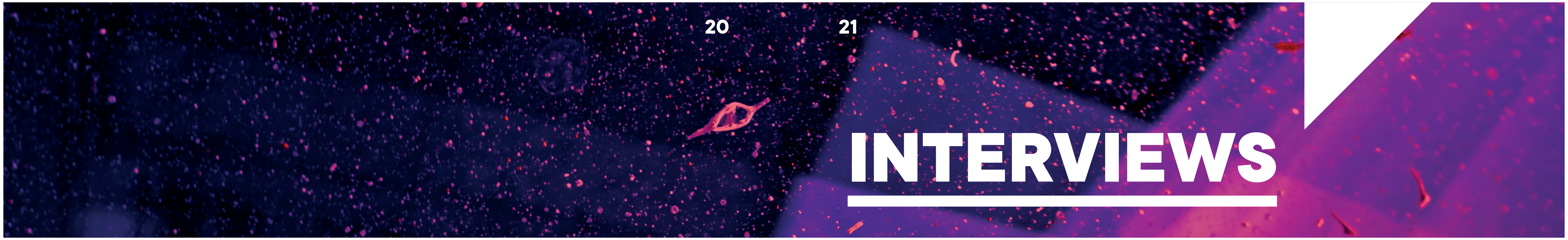
Cash management continues to evolve and become more sophisticated as treasurers look beyond simple visibility of cash positions and basic forecasting to more comprehensive solutions providing multi-currency/market projections and fully digital workflows, streamlining their payable and receivable processes. Nevertheless, the fundamentals of cash management remain the same. In fact, the demands on the "traditional" focus areas have also intensified. Now more than ever, companies need to improve their cash visibility across their expanding market footprint. This is especially true in the age of e-commerce. In turn, this creates a growing need for system integrations to improve the speed of information flows into the treasury function. Application programming interfaces (APIs) are now a tried-and-tested way to achieve this. They can help systems 'talk' to each other in real-time, and a handful of treasury teams have achieved direct bank connectivity in a short time thanks to the relative ease of implementing APIs, compared to more traditional options.

But crucially, and perhaps most importantly of all where strategic treasury is concerned, APIs, in combination with tools such as robotic process automation (RPA) also provide the ability to execute transactions at speed and with minimal manual intervention. Moreover, APIs eliminate the need for files, which can be tampered with, and instead facilitate the synchronous two-way exchange of data between the client system and the bank, which is fundamentally more secure. This minimizes the treasury workload, and the opportunity for manual error and/or fraud. In other words, in an extremely fast-paced operating environment, APIs are an essential component in any smart treasury toolkit.

08

Embrace e-commerce and fully automated payments/ collections channels.

Few, if any, treasurers could have failed to notice the rise of e-commerce in recent years – after all, increased interest in shopping online has been seen across all geographies, driven by the closure of bricks-and-mortar stores during the pandemic. Even 'traditional' clients are demanding e-commerce solutions as they move to capture business-to-consumer [B2C] sales. Indeed, in this world of e-commerce, where consumer behaviors and expectations are the key drivers of progress, treasurers need to keep up with fast-growing trends. For example, in addition to improving the speed of collections, there is a need for businesses to provide multiple options and make it easier for end consumers to pay – so that they have a good experience, spread the word, and remain loyal customers. Treasurers have an urgent need to keep up with evolving ways to pay, in line with the evolving expectations of end consumers. It is all about convenience, transparency, and the checkout experience – including the ability to choose whichever payment method best suits the consumer.



INTERVIEWS

09

From “Best of breed” towards a “Best of suite” approach

Are we moving from a “Best-of-breed” approach towards a “Best-of-suite” approach? That is an interesting question to be addressed. For many treasurers, the aim is to reduce the number of solutions they use, and therefore to take on not just one solution or module, but several in which they excel. Recent cross-functional acquisitions explain this trend and the ability to offer more than just one very good solution.

10

Treasury factory concept

The Treasury Factory, a new concept to be developed. The treasurers have several mandates and top down, they need to focus on enhancing liquidity risk management, acting as a steward of risk management of the group, be value-add partner to the CFO and even operations, create a scalable treasury to adequately support the organization, enhance governance and internal controls and ensure a low-cost treasury management system that boost productivity (among other duties and tasks). Digital transformation is high Another new trend noticed: TMS as a Service Some IT vendors are or will consider offering a treasury management system platform to become a sort of Treasury Apps Store. What they cannot supply can be offered by technical partners through an open platform already integrated. It means no interfacing anymore to be set up and maintained. When you talk to treasurers, they all dream about a big global financial data lake uniformed and standardized. It could be the way forward and the best of suite strategy earlier described. accelerating the pace and looking to either address the legacy treasury system architecture or improve automation and access to data. Building a resilient treasury organization (including team), a real issue. To attract talent, these days, you need IT tools. Some young talents refuse jobs if there is no TMS in place and they do not rely on promises to implement a solution. Therefore, to attract talents, you need existing technologies and to retain you need (IT) projects. But to run treasury departments, men need appropriate skills to run the department and tools. Today’s skillset has evolved a lot. Building a resilient treasury team passes by a stronger digital architecture for risk management.

11

Another new trend noticed: TMS as a Service

The final trend identified is that of outsourcing to treasury professionals armed with the right tools. This is useful for spin-offs, companies with no cash at all, or those too small to justify a full MNC treasury organization. This concept is developing for larger or even smaller companies, thanks to more adapted and flexible technology.

VALÉRIE LAFAURY, MYDIAPASON

How can Artificial Intelligence enhance the accuracy of cash flow predictions for treasurers?

Elevating cash forecasting to a top priority for treasurers, the precision of liquidity and foreign exchange forecasts holds utmost significance in enabling effective financing and risk hedging strategies.
Artificial Intelligence (AI) extends a valuable opportunity to treasurers, leveraging historical data and patterns to bolster cash flow forecasts, while concurrently furnishing decision-support tools that remain elusive in traditional methodologies.
To make the most of this innovative combination of AI and treasury, it is important to have reliable data.

Prioritize Data Quality

Vigilance in maintaining impeccable data quality is imperative. AI’s capabilities are limited if the data is erroneous, incomplete, or biased. Therefore, it is essential to diligently gather, cleanse, and structure the pertinent data for cash flow forecasting, accounting for external variables.

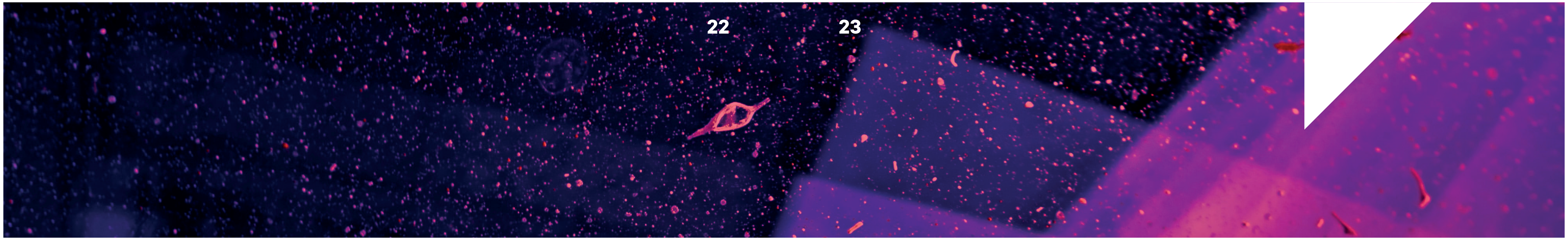
AI as a Decision Support Tool

AI is not a mystical black box that supplants the treasurer’s expertise, but rather a resource that aids and enhances it. AI assists treasurers in discerning trends, anomalies, and opportunities for optimizing cash usage. Nonetheless, it is crucial to recognize that the treasurer’s acumen remains essential—both in scrutinizing data before AI implementation and in overseeing or potentially adjusting the results obtained, particularly in response to changes in scope or unexpected events.
AI is not intended to replace human decision-makers but rather to facilitate them in making more informed and swifter decisions. It serves as a complementary tool in the treasurer’s toolkit.
Diapason, a specialist in cash flow management, cordially invites you to explore the potential of AI in refining your cash flow projections. Backed by extensively validated models derived from months of rigorous testing, Diapason proudly introduces our latest AI module dedicated to treasury forecasts. This innovation enriches and fortifies the capabilities of our liquidity planning solution, promising to elevate your cash flow management to new heights.

VICTORIA DÖRINGER, FINOLOGEE

Why a status of Luxembourg PSF may help treasurers in the SWIFT compliance (i.e. CSP)? What are the benefits of paying on behalf of when the supplier is a PSF?

The Luxembourg PSF status offers significant advantages for treasurers, particularly when working with fellow PSF providers and addressing SWIFT compliance requirements.
Our “PSF de Support” license, obtained in 2019, marked a milestone for Finologee as the first new-generation FinTech company to receive such recognition in Luxembourg. This license empowers us to operate as a IT systems and communication networks operators of the financial sector, meeting industry-specific needs while also adhering to a professional secrecy obligation. We are legally bound to maintain the confidentiality of all client data and information, governed by the same legal framework as banks (Article 41 of the 15 April 1993 Luxembourg Law on the Financial Sector).
For our clients and partners, this license is more than a legal requirement; it represents a symbol of trust, security, and reliability. It has provided us with a robust foundation and a clear regulatory framework, enhancing our ability to support clients effectively and expand our innovative services with confidence.
Operating as a supervised entity of the financial industry, our Luxembourg PSF status ensures full compliance with financial regulations. This regulatory framework provides treasurers with the assurance that their transactions will seamlessly meet SWIFT compliance standards. Leveraging the deep financial expertise nurtured in Luxembourg’s thriving financial hub, we offer treasurers a comprehensive understanding of compliance intricacies and financial requirements. Additionally, Finologee is amongst the first companies in Luxembourg to obtain a ISO/IEC 27001 certification with an upgrade to the 2022 version of this key IT security norm, guaranteeing our clients one of the most robust security setups in the market.
Operational excellence is a core strength of our PSF status. When managing payments on behalf of suppliers, especially those with Luxembourg PSF status, we streamline payment processes, simplifying procedures and reducing administrative burdens for treasurers. Furthermore, our specialised knowledge of the SWIFT Customer Security Programme (CSP) enhances transaction security and compliance, positioning us as the ideal partner for treasurers navigating the intricacies of financial operations.



ALEXIS BAROTH, KYRIBA

How can IA and Assist a Liquidity Manager in optimizing Treasury Management?

Why Use ML and AI in Treasury Management AI/ML provides treasury and finance with insights into trends and activities that were previously challenging to set up and see. In particular, AI capabilities can help shape cash reporting. For example:

- Foreign currency balances in the APAC region continued to increase in Q1. What can we expect for Q2?
- Cash receipts volume for one month jumped dramatically for a specific customer group. How does that compare to the prior six months?
- Surplus cash always drops during the months of July and August for specific accounts or regions/countries. Why these months and these accounts?
- The company has a cash surplus. What is the risk of overdraft if that surplus is used for a dynamic discounting program?

Organizations can increase the accuracy of their short-term forecasts with AI-based tools that learn from the history of cash flows and continuously improve inflow projections over time. With deeper analysis of this data, organizations can better predict cash flows by season or region, which in turn reduces efforts for key functions like accounts payable by, anticipating free cash flow closing, and adjusting the payment campaign budget. AI/ML users also can select what companies, currencies and cash flow types to include, as well as adjust the forecasting period to align on short-term payment/funding/investment decisions. With interest rates increasing, treasury teams can optimize liquidity by reducing their maximum idle cash while also minimizing the risk and cost of overdraft. Treasury will be able to determine how much of its budget it can allocate towards certain expenditures over a period of time, or whether it will need to borrow funds to make certain payments.

RANA KHATLAN, STONEX

Paying in some more exotic countries (and currencies) can remain a challenging exercise for treasurers. It is difficult to hedge and to pay in local currencies in some regions. What are the solutions to reduce costs while enabling hedging and securing these types of payments? (Is it possible to deal via FX classic platform too?)

Corporate treasurers face significant challenges when making cross-border payments to emerging and developing countries. Delays are common and hidden fees charged by intermediaries and local banks can result in unexpected reductions in amounts received by beneficiaries after conversion.

Many corporations may still choose to send and hold large amounts of hard currency locally for extended periods of time, with transactions usually being remitted through their traditional house banks. This however, can potentially lead to complications including misappropriation of funds, regulatory and credit risk, as well as a lack of accounting transparency. Furthermore, it means that treasurers are not always able to participate in the conversion process and ensure that their payments are executed at competitive, transparent rates with all costs being known upfront. Often when converting hard currency funds locally, the rates received can be disadvantageous and opaque, leaving the corporate treasurer with little or no control at head office.

A potential and viable option is to work with an FX payment provider with the appropriate infrastructure in place and direct access to the local market. Transparency upfront, the net amount of local currency guaranteed for beneficiaries, and the possibility to hedge are the key features to look for in a payment provider. Coverage in a large number of international markets may be favorable to treasurers given that a singular platform can enable most of their cross-border payments. Such a singular solution should ideally include high-touch specialized foreign exchange and treasury services where desired, as well as electronic payment capabilities through proprietary, fixing enabled and foreign exchange execution platforms. StoneX Payments' market coverage, for instance, includes 140+ currencies across 180+ countries. They are also a main provider to the major international banks.

More importantly, a solid payment provider, like StoneX Payments, should offer competitive and transparent pricing, along with guaranteed and secure delivery. Their network should ideally be vast so as to allow them to engage in price discovery in local markets, bringing pricing transparency for local currency payments to their clients. Lastly, the ideal partner should have a solid track record, historical local presence, strong correspondent networks, excellent credentials, access to FX platforms (e.g. 360T, FXall) and to the SWIFT network.

DOMINIQUE COSTE, EXALOG

Why is Swift gpi a game-changer for international payment tracking?

As a treasurer, have you ever been hindered by prolonged payment delays, making accurate forecasting a challenge? Allmybanks has always recognized the need for swift, transparent, and traceable payments, that's why we were at the forefront of the Swift gpi project. We believe this revolutionary service has transformed the way treasurers handle cross-border transactions. Here's why:

1/ Swift gpi ensures faster payments, with 50% credited within 30 minutes, and almost 100% within 24 hours. This speed stands out when compared to the 3–5 days required by a standard international payment.

2/ Swift gpi's Pay & Trace feature allows companies to monitor their transactions from start to finish. The UETR tracker embedded in every transaction provides real-time tracking of the payment's journey, from the initiating party to the end beneficiary. This traceability is vital today, making the difference between securing or losing deals.

3/ With Swift gpi's Inbound Payments Tracking feature, corporates can monitor their inbound transactions. They receive real-time notifications detailing the transaction (issuer, amount, fees, routing time…) and any status updates. This enhanced visibility optimizes cash forecasting and improves delivery timelines.

4/ With Swift gpi, treasurers have full visibility on intermediary bank charges, exchange rate fees, and processing times. This end-to-end transparency means no hidden costs and better financial management.

5/ Adopted by 4,000 financial institutions, Swift gpi covers 80% of cross-border Swift transactions, which highlights its success within the financial community.

Swift gpi is not just another payment service; it redefines cross-border transactions with its speed and security, **making it a top choice for businesses, especially with the** gpi for Corporates (g4c) service now available for free for those connected to the SWIFT network. Recognizing Swift gpi's value, Allmybanks integrates this service, providing treasurers with a platform for real-time payment tracking, detailed transaction insights, and efficient funds management.

STIJN BOON, NOMENTIA

How do you view the transition of file-based bank connectivity towards API-based connectivity

APIs are the future and are opening the door for many new interesting options for our clients, like sanctions checks, real-time balance checks or many other services they would like to get from banks.

Despite the positive changes APIs can facilitate, we do currently still see a few common hurdles in the projects we do with our clients and banks.

The pricing of API-enabled services that banks provide is still very unclear. For example, there are a few banks that allow SMEs to use the PSD2 APIs (as opposed to the premium APIs for Corporates), which are meant for consumers and are free of charge. Though this is a great initiative from banks, it also creates high dependency on a service that banks can suddenly stop offering to companies or start charging for at any point in time.

On top of that, the services banks offer via their Premium APIs differ per bank. For instance, one bank can offer various services to its clients through only one API while another bank might require as many as three APIs to offer the same services. As an example, a real-time balance check is part of a reporting API at some banks and a separate API at others.

The transition to API-based bank connectivity holds immense promise for companies, offering services like sanctions checks, real-time balance checks, account opening, signature updates and much more. However, a unified way of working with APIs is missing and requires development in order to serve both banks and companies best. Since many banks have been working in isolation, treasury solution providers like Nomentia are developing APIs for optimal connectivity management to best serve companies, just like they have done during the times of file-based bank connectivity.

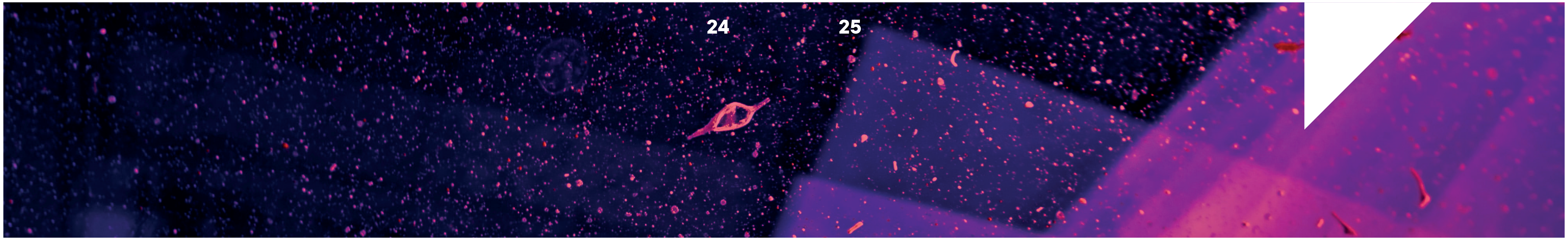
LISELOTTE AUDENAERT, TIS

TIS is known to have set several benchmarks in global payments, bank, and system connectivity. Last year, you broadened your product portfolio by adding Cash Forecasting and Working Capital Insights. Why did you make this decision and how do you see technology evolving to enhance the accuracy and reliability of this crucial financial tools in the future?

With a keen eye on market trends and a team comprising former Treasury and Finance practitioners, TIS possesses a deep understanding of Treasurers' needs. We develop solutions that ultimately benefit the entire Office of the CFO. Cash Forecasting has been a top priority in the last years. Therefore, the integration of a strong Cash Forecasting tool into our product offering was a logical step. We chose to acquire instead of building it ourselves for better time to value and to integrate a great pool of talents.

In today's financial landscape, where the cost of capital is no longer as favorable, economic volatility, supply chain disruptions, and shifting business dynamics have added complexity to liquidity forecasting. Many organizations are now reevaluating their cash forecasting processes. Spreadsheets are not well-suited for the challenges of tomorrow. Timely reporting and insights have become a business imperative, reliance on real-time data-driven decision-making is increasing, making technology an indispensable ally in meeting these demands.

Looking ahead, we anticipate even greater levels of automation, facilitating seamless collaboration across solutions and departments, and predictive modeling that adapts to market dynamics. Our existing offerings already cover forecasting across variances, scenarios, and historical time frames, complete with comprehensive drill-down capabilities. Additional views and algorithms will continuously enhance accuracy, enabling decision-makers to unlock liquidity and monetize data.



LÉONORE BRIN, TRUSTPAIR

How does automated international account validation provide security and performance for Corporate Treasurers?

In this increasingly tense economic environment, payment fraud is a critical concern for companies worldwide. In fact, it has caused more than $40 billion in financial losses in the last few years. With globalization, companies work with more suppliers, in more countries. This makes vendor control harder and risks unpredictable.

Corporate Treasurers are fighting back with prevention measures like employee training or segregation of duties. The problem is that fraudsters now use increasingly complex and sophisticated techniques, thanks to new technology.

Treasurers need to take a step further to secure their Procure-to-Pay process. The automation step. The key to efficient fraud prevention is the use of specialized solutions that can automate controls to save time, give peace of mind to decision-makers, and streamline decision-making.

Solutions like Trustpair, the leading payment fraud prevention platform for large companies worldwide, help treasurers and finance teams secure their entire Procure-to-Pay process with automation. The platform offers intuitive risk management and integrates directly with existing P2P tools like Kyriba, SAP, or Diapason, for more efficiency and safety.

With Trustpair, Treasurers are sure to pay the right supplier and the right bank account. They avoid payment fraud at every stage of the P2P process. Faced with fraud and the complexity of international vendor account validation, using an automated solution is the ultimate answer.

PHILIPPE FÖRSTER, PWC | PARTNER
ANNE MASSARDIER, PWC | SENIOR MANAGER

What are the major trends in treasury IT solutions you have seen over the last months? What do you consider as key focus for treasurers in coming years?

Current volatile macroeconomic environment reinforces the importance of a strong cash & liquidity management function. Scalability, agility, reactivity, and predictability are key points of focus in today's discussion but not only.

In the last years and even months, the pace of evolution in treasury tech has accelerated. Whichever piece of the 3 key roles of the treasurer (Vision, Control and Growth) you need to equip, traditional TMS or niche Fintech keep on deploying enhanced and powerful features. For some players, the flexibility offered by specialized vendors has the benefit to adapt easier to market evolutions, such as the diversification and tokenisation of assets, in a risk-mitigation concern. For some others, having a full TMS remains the best choice. In parallel, the development of lighter IT architectures, blockchain and Crypto instruments is attracting unusual and/or under-equipped entities around the table.

Confirmed by our PWC Global treasury Survey (2023), amid all the disruption of the last few years, the trend of digitization of treasury functions has continued to accelerate, as respondents indicated their focus on data analytics and visualization, machine learning and application programming interfaces (APIs) as the most relevant technologies for the next two to three years. A good example may be the increased capacities in Financial Instruments' forecasting, enabling personalised FX hedging strategies based on historical patterns, technical analysis, and sophisticated trends predictions.

If technology and markets conditions are both supporting the development of treasury roles, a challenge remains: experienced staff, with the right skills, are still difficult to find. Automation and digitalization are more than ever key to mitigate the staff shortage. An exit door to this issue may be the use of Managed Services, plug-and-play solutions easing the access to treasury technical solutions in a smoother and cheaper approach.

ÉLÉONORE BERNE, CASHLAB

We have noticed that Cash-Flow Forecasting remains the top priority of European treasurers. Why is it still a key priority for CFO's? What makes forecasting so difficult and still so manual?

The Cash-flow forecasting (CFF) topic has not been cracked despite the fact it has always been a vital solution for any corporate: how to make the right decision without it? How to anticipate in a fast moving environment with increasing risks and parameters? Liquidity investments, calibrating working capital financing, translating operational budgets into cash-flow projections, anticipating the possibility of debt repayment based on a targeted EBITDA — these are just a few of the many use cases for CFOs, Treasurers, and Controllers. It is not only about providing information, it is forcing us to drill down into data and processes.

This is why building and maintaining a CFF process can be challenging. Within any organization, key stakeholders must be involved to provide accurate information from all parts of the business (Sales, Purchases, HR, Supply Chain, etc.). When we refer to cash-flow forecasting, we often describe it as a company-wide project that unites all the teams to achieve a common set of KPIs such as EBITDA, FCF, and Valuation.

Despite its significance and proven value-added, CFF remains challenging and is often performed manually using spreadsheets. The flexibility of Excel and the possibility it offers to easily onboard someone in its utilization end up creating a limitation when considering the transition to technology. This latest has evolved significantly over the past years. Because spreadsheets are prone to errors and lack real-time updates, CFOs have now the possibility to invest in digital solutions to enhance accuracy and efficiency: automation, machine learning, AI-driven tools etc. These innovations improve data quality, optimizing the process of cash-flow forecasting and enhancing its value in effective cash management. They offer various ROIs such as working capital optimization and investment returns. It also enables the creation of the needed "company project" to make it a success.

EMMANUEL DE RESSÉGUIER, FENNECH

We talk today about "hyper-automation". How can treasurers achieve this ultimate stage of efficiency? By using ETL solutions to extract financial data where they lurk? What makes it so complicate to make use of data treasurers are sitting on?

Achieving hyper automation, the ultimate stage of efficiency, is indeed a goal treasurers should strive for, not only to optimize their operations but also gain strategic insight into their treasury and finance operations. While using Extract, Transform, Load (ETL) solutions can be a step in the right direction, it is not the solution for achieving hyper automation but rather an element of the process as hyper-automation and its power go way beyond the sourcing, manipulation, and integration of data. Instead, a multi-faceted approach should be adopted.

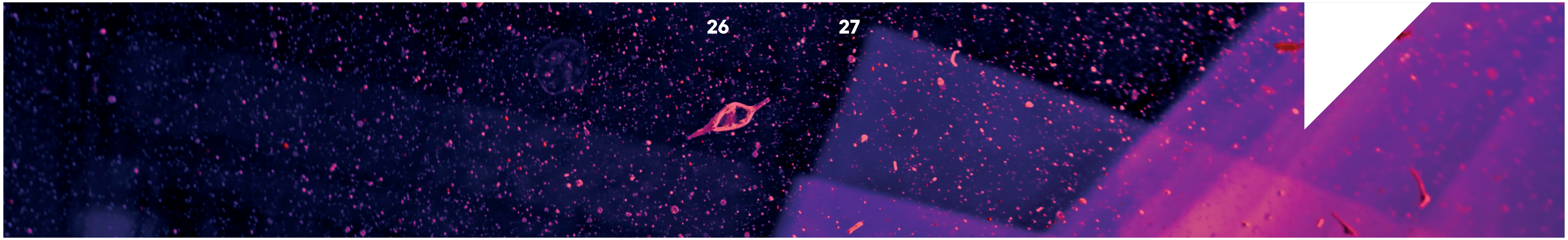
Indeed, leveraging ETL solutions can play a vital role in automating the extraction, transformation, and loading of data from various sources into a centralized treasury management system or smart platform. This helps streamline processes, reduce manual efforts, and enhance data accuracy. ETL solutions enable treasurers to integrate data from diverse systems, such as ERPs, banks, and trading platforms, ensuring a holistic view of their financial landscape.

However, hyper automation goes beyond the scope of ETL solutions, and this is a key point to make here. It involves using advanced technologies like robotic process automation (RPA), artificial intelligence (AI), and machine learning (ML). RPA can automate repetitive and rule-based tasks, freeing up time for treasurers to focus on more strategic activities. AI and ML can analyse vast amounts of data, identify patterns, and generate valuable insights, empowering treasurers to make informed decisions swiftly and efficiently. The insight provided by advanced intelligent hyper-automation solutions gives treasurers a place at the leadership table and a voice in strategic decisions.

As treasurers grapple with significant challenges in harnessing their data effectively (data scattered across different systems, meaningful consolidation issues, data quality and integrity problems) and often lack tools and skills for efficient data analysis, investing in a smart hyper-automation system, whether a traditional TMS or an alternative platform, becomes crucial.

These systems should offer robust data integration, including built-in validation and cleansing features, along with intelligent analytics tools to unleash the full potential of the data at hand.

In conclusion, achieving hyper automation requires a holistic approach encompassing not only ETL solutions but also advanced technologies like RPA, AI, and ML. Treasurers should address the complexities of utilising their data by investing in smart solutions, ensuring data quality, and leveraging analytics expertise. With these strategies, treasurers can unlock the power of hyper automation and elevate their efficiency to the ultimate stage.



PADRAIG BROSNAN, FOUNDER AND CEO, TREASURY DELTA

RFPs are common practice for treasurers when it comes to selecting a new cash management provider or TMS solution. It is a complicated, costly and time-consuming process which involves several manual tasks. Is digitising RFP projects the way forward for treasurers, banks and TMS vendors?

Based on Treasury Delta's primary market research most transaction banking rfp projects have proven to be very complex and expensive for both the buy-side and sell-side. This is why Treasury Delta developed a niche platform in order to eliminate as much friction as possible in the process. By using digital technology, it streamlines and simplifies the customer journey for all stakeholders. Most corporate treasury rfp related transactions normally involves multiple excel spreadsheets, word documents, pdfs so by having a single, transparent platform where all parties interact and engage with each other it saves time and, as proven at Treasury Delta, has led to a more efficient way to manage such projects. The big win for the buy-side using a digital solution is the ability to easily filter and source an optimal solution from the marketplace in the most cost-effective way. From a vendor's perspective the big win is operational efficiency as all relevant corporate data points are presented in a more structured format so that decision making is more coordinated and informed which enables response times to be more dynamic. At Treasury Delta, we envisage further innovation and digitisation of corporate treasury projects through industry collaboration so yes, digitising rfp projects is the way forward.

LUDOVIC PIVETAL, KANTOX

Currency management amazingly remains one of the most manual processes within treasury scope of duties. Treasurers often consider that having recourse to an FX platform interfaced to their TMS means "full automation". Are they right? Do they cover the whole cycle and what is missing?

There are two problems with this definition: (a) it only involves the trade phase of the FX workflow; (b) it presupposes that TMS can accomplish FX workflow automation. First, let's keep in mind that **end-to-end-automation** —we use this term rather than full automation— includes:

(1) Integration. All the phases of the workflow are integrated with one another: the pre-trade, the trade and the post-trade phase.

(2) Automation. The decision process is front-loaded with business rules that remove the human element from making FX transactions decisions.

Problem 1: focus on the trade phase. The proposed definition concerns only the trade phase. Certainly, connectivity to trading platforms is an integral part of the automation process. But an excessive focus on that part of the workflow can mask other shortcomings.

The benefits of saving a few pips can be dwarfed by losses from lacking an adequate integration between the pre-trade and the trade phase. This is 'discrete', as opposed to 'end-to-end' automation.

Problem 2: focus on Treasury Management Systems (TMS). The proposed definition puts too much weight on what TMS can accomplish. Most TMS are ill-equipped to handle all FX-related tasks. Some of their shortcomings include:

(a) Lack of a strong 'FX rate feeder'. This provides commercial teams with the real-time currency rates they require, including spot and forward rates with the desired markups per currency pair and client segment.

(b) Insufficient exposure collection. Most TMS provide adequate exposure data for balance sheet hedging programs, but not for forecasted exposures, nor for firm sales/purchase orders — and still less for combinations of cash flow hedging programs

(c) Lack of swap automation. The process of adjusting the firm's hedging position to the settlement of the underlying exposure, an important element of the post-trade phase, is beyond the scope of most Treasury Management Systems.

PATRICK BERT, NEOFI

It's fair to say that the best-known treasury software on the market is fighting every day to enrich its functional spectrum and add that little bit of specialized business expertise that will set it apart from the competition.

Of course, the most demanding of our treasurers and consultants take a keen interest in these cutting-edge functionalities when choosing their champion, but it's important to keep things in perspective: what's the point of being the best expert in your field if you forget the most trivial reality, summed up in 2 questions:

- **In 2023, is it normal for the treasurer to have to adapt to the requirements of the TMS he covets?**
- **Does this TMS know how to intelligently manage and exploit all the data sent to it, regardless of format, protocol, file name, or the grain of sand that jams up well-oiled processes?**

So, if you decide to deploy one of these clay-footed behemoths, you're not only going to suffer during your project as soon as we talk about interfacing with business applications, but also during the painful organizational transformation imposed by the software's capabilities.

Furthermore, to alleviate your suffering, you'll use a subterfuge, a workaround, a little extra software, a specific script that will enable you to hold this beautiful edifice together. How stressful it is to know that your keystone is nothing more than a cobbled-together element that you'll have to re-test with each new development and update!

At NEOFI, it is our software that adapts to your needs, to your organization, that fills in the gaps in your business applications, that controls exchanges with the various applications and alerts you as soon as something goes wrong.

At NEOFI, the TMS is not an ivory tower, it is a control tower, not just for your cash, but for all the events that prevent you from doing your job with peace of mind.

RICCARDO BALSAMO, DELEGA-BANK

In 2023, Signature Power management remains manual and combersome for all treasurers. Could we expect solutions to eventually enhance and automate this fastidious process and maintenance?

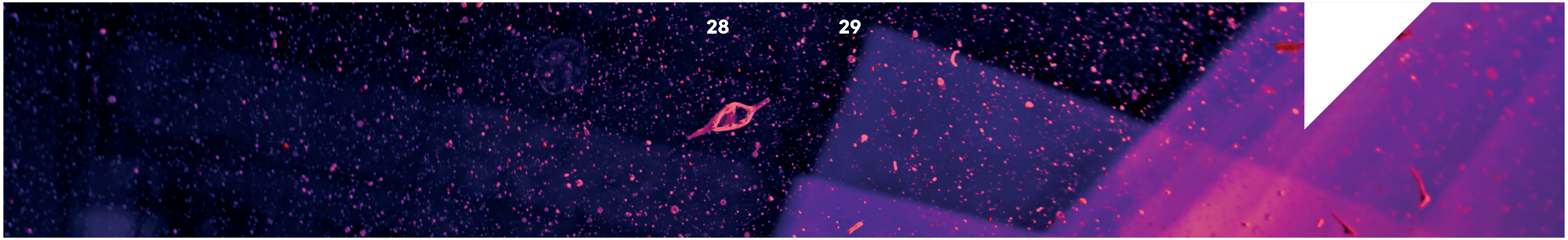
In the evolving landscape of banking technology, a pivotal trend is the embrace of external solutions by financial institutions. Fintech companies and innovative service providers are leading the charge, offering advanced tools that operate outside traditional banking frameworks. Rather than investing heavily in in-house development, banks are increasingly turning to these external services, especially for complex tasks like signatory management.

This shift signifies a departure from the traditional model of internal system development. Banks now consume services from specialized providers, gaining access to cutting-edge technologies without the burden of extensive development processes. These external solutions, often cloud-based or accessible through APIs, seamlessly integrate with existing banking systems. This integration not only reduces the time required for implementation but also ensures compatibility with the bank's infrastructure.

One of the key advantages of this approach is the continuous improvement cycle offered by external providers. Fintech companies are driven by innovation and competition, meaning the solutions they offer are frequently updated and refined. Banks benefit from these ongoing enhancements without the need for significant in-house resources, staying at the forefront of technological advancements.

Moreover, consuming external services allows banks to focus on their core competencies, such as customer service and relationship management. By relying on specialized solution providers for tasks like signatory management, banks can optimize their operational efficiency while offering secure, user-friendly services to their clients.

In essence, the future of signatory management lies in this collaborative model. Banks leveraging external expertise not only enhance their technological capabilities but also foster a dynamic ecosystem where innovation thrives, ultimately leading to better services for consumers. This is the essence of what we are doing at Delega!



OLIVIER LECHEVALLIER, DEFTHEDGE

Why it is important to complement a TMS with best- in-class financial risks tool? Shouldn't it be a basic functionality of any TMS?

A treasurer needs tools to meet expectations set by the management and if possible, to overcome his/her objectives. All of them used to work with Excel some time in their career but since they have had the chance to implement or use TMS they all knew they won't be able to work without it
for the coming years. In the past, implementing a TMS was expensive, time consuming and dedicated to big corporates. Nowadays, it's a structural project but more feasible. Indeed, it gives better information in a shorter time to drive cash more efficiently. But what is exactly the scope of a TMS? Here is the Wikipedia definition: "A treasury management system (TMS) is a software application which automates the process of managing a company's financial operations". Considering "cash is king" and many solutions do exist now on the market most of the treasurers are focused on that priority: CASH. Therefore, what could be considered as the queen? It seems the topic of financial risks as FX, commodities or interest rates is the queen looking at the economical and geopolitical context. This complex and unstable environment impacts the day-to-day business of any treasurer. Most of the time TMS does not offer satisfaction on financial risk management and require building internal tools to optimize or replace FX & commodities tool if it has been subscribed
or create homemade solution from scratch. Therefore, being able to use a dedicated tool is key. The calculations are stable and verified, data are secured because it's coming directly from ERP or accounting software's. The key point is to be interfaced with TMS already in place. Let's imagine a company A using a TMS, facing FX risks in USD to handle and replace his "home-made excel tool" by a dedicated financial risk software, like ours. The treasurer used to build his/her exposure in a dedicated sheet and monitor hedges portfolio in another tab. Then, he/she fills out manually the FX cash- flow forecast in the TMS to have a global view on cash in currencies. Therefore, with ad hoc solutions, the exposure can be automatically structured, the hedges portfolio (re) valued and easily uploaded, and the FX cash-flow forecast directly sent to TMS cash forecast.

MARINE REILLON, EMASPHÈRE

Why BGL BNP Paribas and EMAsphere (financial reporting solution) partnership is great news for CFOs and treasurers in a rapidly changing market?

Making decisions without the right financial data is a gamble. CFOs and treasurers don't want to risk their organizations' money. However, accessing the right data, at the right time, and in a way that makes sense for all stakeholders, can be a significant challenge to decision-making.
This challenge is exacerbated by the fact that 80% of companies' data are unstructured (source: Gartner) and scattered across multiple spreadsheets.
This is precisely why BGL BNP Paribas chose to collaborate with the financial reporting solution EMAsphere to create My Dashboard by EMAsphere. The solution already experienced great success in France and Belgium, where the partnership with BNP Paribas is already in place.
The platform seamlessly integrates over 45 KPIs that are automatically updated, reliable and accessible exclusively to BGL BNP Paribas' corporate customers. Companies can save time with automated reports and make decisions based on reliable and up-to-date information.
Moreover, CFOs and treasurers can create and test different forecasting scenarios and visualize their impact on cash flow, income statement and balance sheet over the short and long term. Recent events emphasize the necessity of platforms like EMAsphere. The confidence in knowing that financial professionals can swiftly and reliably access their data, conduct analysis and explore what-if scenarios is of extraordinary value.
With My Dashboard by EMAsphere, companies can easily share the right information with their bank and streamline processes such as obtaining a loan. Finding this data is often challenging, but now it is all at the financial professional's fingertips.

MICHAEL DIET, INTENSUM

We have noticed an interesting new trend: the concept of "digital autonomy". Could you explain how it works, why and how to build an autonomy of treasury systems within Multi-National Companies (MNC's)?

The idea of digital autonomy of treasury or divisions or part of assets, accompanied by relative functional autonomy could become a new trend to consider.
When you want to sell an asset, it's important to make sure you present it in the best light. Private Equity Funds buy assets with the hope of selling them for more money later and the classic exit is often the IPO.
However, to create value and eventually "exit", you need an adapted and efficient treasury organization. The concept of digital autonomy of finance and treasury, more specifically, will be the future trend for MNC's when preparing asset sales.
Today, more and more multinational companies are rethinking their organization and strategies. This is why they are selling entire divisions or assets, to acquire others to refocus their activities or to adapt to markets. The trend is strong, especially in sectors under pressure from technological change
There are several options to organize a full digital autonomy, which all have pro's and con's. We can arrange a Treasury Service Agreement between the HQ and its division, to clone the existing treasury core model, to set-up a tailor-made solution that fits for purpose or opt for the implementation of a new TMS. The last one is certainly the most complicate and longest to roll-out. The first one doesn't allow enough autonomy when and if the division must be separated.
We therefore believe that the cloning of the existing treasury core model (even if potentially simplified and with some processes removed) is recommended. This option has the advantage to facilitate change management, limit dissynergies and reduce operational risk.

ANNABEL LY, TREASURYSPRING

What is Repo, why should it be used and how can it help Corporate Treasurers?

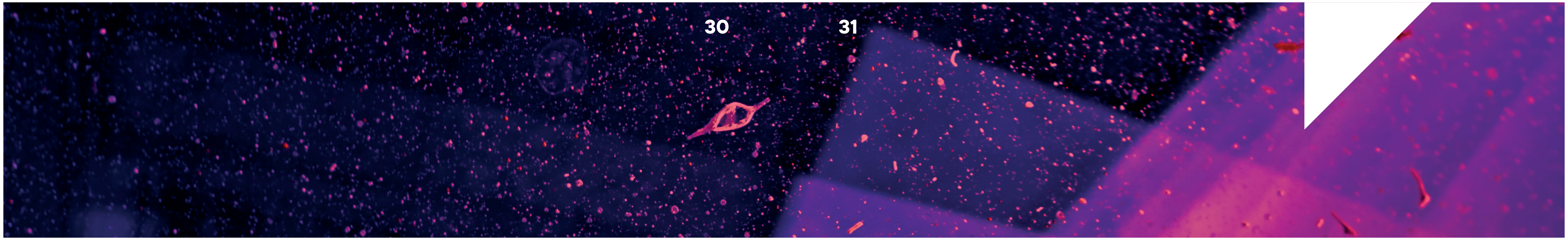
Repo, short for repurchase agreement, is a financial transaction that provides participants secured, short-term funding against various forms of government, financial and corporate securities as collateral. In a repo transaction, the borrower sells a basket of securities to a lender with an agreement to repurchase at a different (usually higher) price at a specified future date. Typically, the initial purchase price is lower than the market value of the securities, offering "over-collateralisation" to the lender. In the event of a default by the borrower during the life of the repo, the lender retains ownership of the assets and can sell them to offset the loss.
Historically, the complex financial and operational burdens involved in establishing tri-party relationships, executing the necessary legal documentation, negotiating collateral schedules, and managing the operational and technological aspects of trading repo meant that it was either unfeasible or impractical for most institutions to participate in repo transactions. By investing in TreasurySpring's Secured Fixed-Term Funds, corporate treasurers can now lend on a secured basis, without the need for any financial infrastructure, connectivity or resources typically required to do so.

Why it should be used?

By participating in repo, treasurers can significantly lower their credit risk when compared to unsecured lending, with secured financing typically providing higher recovery rates and swifter capital recovery than unsecured debt. This does not necessarily mean sacrificing returns; banks can generate substantial internal cost savings and meet regulatory capital requirements efficiently by financing their assets in the repo market, which may translate into more attractive rates for clients.

Why is it important to treasurers?

Since the Global Financial Crisis, large banks no longer lend to one another on an unsecured basis. Recent events, like at SVB and Credit Suisse have further demonstrated the need for treasurers to arm themselves with the same capital preservation tools. Secured Fixed Term Funds are a cost-effective solution to achieve this. The repo market plays a pivotal role in maintaining stability across the broader financial landscape. It not only acts as a stable buffer for financial institutions to access the necessary funds to meet their short-term obligations, but also helps mitigate systematic risk and reduce the dependency on central bank liquidity in stress scenarios.



CHRISTIANE HOENINGER, SERRALA
"How can multinational enterprises effectively safeguard themselves against financial fraud and ensure uninterrupted business operations?"
In the dynamic intersection of finance and technology, multinational enterprises face a daunting challenge: preserving their financial integrity while sustaining the seamless flow of global operations. Their response to this challenge is a sophisticated, multi-dimensional strategy.

First and foremost, these companies embark on rigorous risk assessments. They meticulously scrutinize vulnerabilities across a tapestry of geographical locations, business units, and transaction types. This meticulous evaluation not only identifies specific fraud risks but also lays the foundation for the deployment of highly tailored prevention measures.

At the heart of their strategy lies advanced data analytics, harnessing the prowess of artificial intelligence and machine learning. These technologies serve as vigilant sentinels, detecting aberrant patterns and potential fraud in real-time within the intricate web of international financial transactions.

In this arena, compliance with both international and local regulations is non-negotiable. It's a dual-purpose endeavor: ensuring legal adherence while projecting an unwavering commitment to ethical business practices.

Internally, stringent controls are entrenched within the DNA of financial processes. Segregation of duties and the rhythmic reconciliation of accounts serve a dual purpose - acting as both a deterrent and an early warning system for irregularities. The human factor is pivotal. Employee awareness and training are cornerstones in cultivating a vigilant organizational culture. Recognizing and promptly reporting suspicious activities is not just encouraged; it's engrained in the corporate ethos.

On the digital frontier, cybersecurity reigns supreme. Protecting digital financial transactions and fortifying sensitive data against potential cyber threats, which have the potential to unleash financial fraud, takes precedence.

Collaboration with third-party vendors is standard practice for multinationals. Here, due diligence is paramount. It ensures that these partners meet rigorous ethical and security standards while instituting robust fraud prevention clauses within contracts.

When the alarm bells ring for suspected fraud, a meticulously crafted incident response plan swings into action. Its aim: swift, coordinated responses to minimize any disruption to the intricate machinery of global business operations.

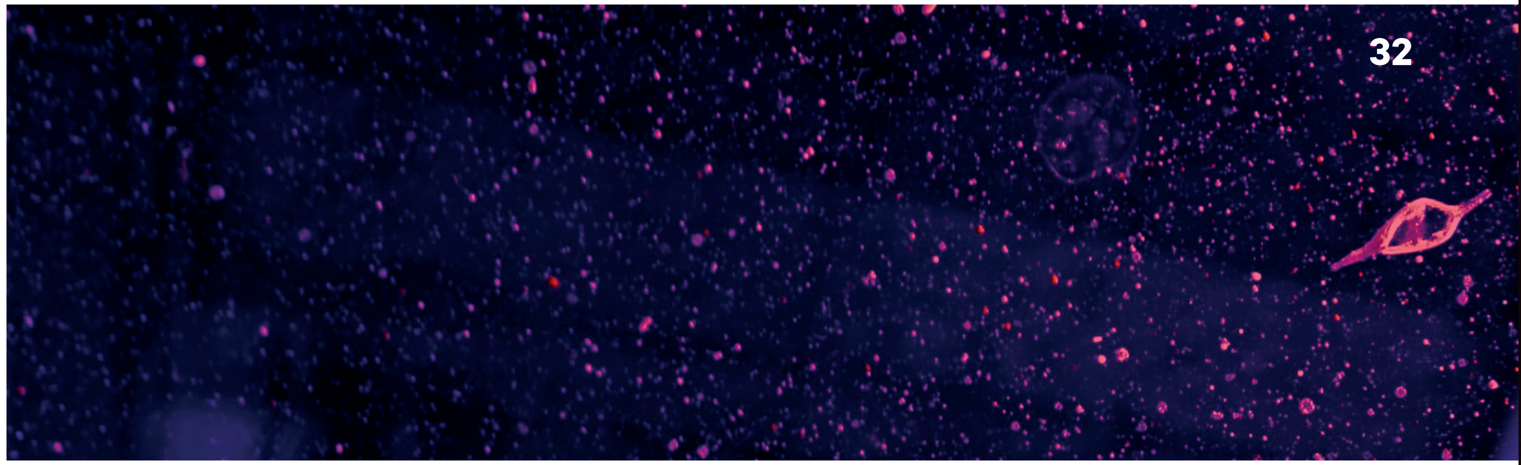
Lastly, adaptability is the final frontier. In this fast-evolving landscape, a commitment to continuous monitoring and agility is imperative. As fraudsters refine their tactics, multinationals remain on the cutting edge, ensuring that their prevention strategies stay ahead of emerging threats.

In conclusion, safeguarding against financial fraud in the world of finance and technology necessitates a multifaceted strategy that seamlessly intertwines technological innovation, the fortitude of internal controls, a vigilant and informed workforce, and unwavering compliance with international standards. This proactive approach guarantees the protection of financial assets and the uninterrupted flow of global business operations.

DARRYL CLARET, NEW BRIDGE
What is the ongoing evolution of AI within financial management? Could you give us an overview?
For some time, I have been discussing an effortless "Amazon Alexa" style of conversing with a company's financial data. On stage at last year's ATEL Technology Day, I described a future where one could receive a detailed interactive response from inquiring "Which Risks and Cash Flows should I focus on today?" while commuting to work. That future has arrived. Interacting with ChatGPT through voice commands is now a reality and it is quite proficient at providing insights from Data that has been provided. To address privacy concerns, data can be anonymized to mitigate the risk of potential future disclosure from model training enhancement. Moreover, it is entirely feasible to examine your data internally without external exposure by utilizing in-house versions of Large Language Models dedicated solely to prompt interpretation and response generation. It's true that many firms are hesitant to invest in AI advancements due to the rapid pace of the field, where there is the genuine prospect of proprietary developments becoming freely available. Indeed, ChatGPT-aligned vendors have seen their market decimated recently as the functionality of their complimentary products is included in the standard Open AI offering. Please be aware that AI is not the silver bullet to all your problems. Indeed, it can create many more problems with the need for good data and the danger of hallucinations (where it provides imagined rather than fact-based responses). However, the beauty of the flexibility and applicability of AI is that workable solutions can be delivered very quickly and cheaply with immediate ROIs, and the transformative effort applicable to be morphed into future AI solutions.

MILIA VAN MOL, FIS
Why choose a best of breed Treasury System versus a treasury extension of your ERP?
Often, CFO's & treasurer are faced with a dilemma between extending their ERPs with treasury modules or selecting a dedicated TMS (Treasury Management Solution) solution. While extended a system already in place could sound more efficient, C-levels must consider 4 main topics before moving forward.
1: Functionalities: It is vital for a TMS to stay ahead of the market and anticipate regulatory requirements and market changes. ERPs are less impacted because they are designed to handle wider ranges of business functions. Treasury often represents less than 5% of the ERP vendor activity. This leads to gaps in terms of functionality and longer development time for treasury modules.
2: Configuration & cost: The FIS treasury & risk manager solution's plug & play approach will not need any configuration pass implementation. You will get a solution made for treasurers by treasurers. Whereas ERPs will require significant configuration to meet treasury needs, longer implementation timelines and therefore increased costs because it will need input from the whole organization.
3: Ecosystem connectivity: Thanks to our API catalog you will get the best of both worlds with an integration level to your ERP as close as ERP treasury modules itself. The FIS treasury solutions are designed with their own middleware giving them a robust integration capability, making it easier to connect with external & internal counterparts. The DNA of our TMS is to act as a single source of truth fed from the entire ecosystem of solution existing in your organization, your ERP being one of them.
4 Support and expertise: As a dedicated TMS solution provider we have expertise in treasury management. Our professional services implementing the solution & our support team offering tailored assistance understand the unique challenges of treasury departments.
We have at FIS, a TMS capable of being natively integrated with major ERPs to significantly improve your financial strategy with more automation, better cash visibility & risk management. The combination of an ERP & FIS TMS unlocks unmatched capacity to meet one of today's biggest challenges for CFO's and Treasurers: Enterprise Liquidity Management.

PIETER DE KIEWIT, TREASURER SEARCH.COM
Pieter, today with the increasing evolution and use of technology in treasury, do you think corporates should hire differently and look for other types of hard skills (i.e., IT, tech, data mining,....) ?
Indeed we see an increased use of technology in treasury and, in my opinion, in almost all other functions. Even in our recruitment company tech is more prominent. I see that society and universities in particular, are playing into this. Both by specific skill training but also by integrating tech solutions in regular education. The two-year old knows how to operate an Ipad! Corporates should measure tech & data skills like they measure language or analytical skills with all new staff members. And not decide to hire extra tech specialists and pretend the rest of the organisation can remain like it used to be.
- Potential extra - The treasury function is in this not only in competition with IT firms or other treasury teams but with most hiring managers recruiting young graduates. Tech & data skills are required for most positions in various shapes and forms.



JEAN-MARC BEYLER, JP MORGAN

Why is it important for treasurers to consider modern and multi-suppliers asset management platforms for dealing MMF's? What are the benefits of such solutions?

An open architecture platform is financial system that allows investors to choose from a wide range of money market products offered by various providers and access services/tools such as rules based investments functionality, auto settlements and extensive analytics tools, rather than being limited to a single promoter offering. When it comes to treasurers trading money market funds, there are several reasons why considering an open architecture platform is important:

1. Diverse investment options: it provides access to a broader range of MMF's from different fund managers. This diversity allows alignment with their risk profile, investment goals and liquidity requirements.
2. Flexibility, customization: seamless integration to treasury management systems. Implement and replicate investment policy.
3. Efficiency: account overview through dashboard overview summarising account balances, positions and transaction history. Trading and execution through Swift, SFTP and API's connectivity. Performance reporting: generate reports detailing portfolio performance, including returns and transactions.
4. Reasearch and analysis: comprehensive charts, indicators and technical tools to analyse holding reports, asset allocation or historical performance.
5. Security and privacy: Authentication and encryption : security measures to protect user accounts, single sign on, 4 eyes checks, trade limits and notifications.
6. Dedicated support and service team.

Overall, using an open architecture platform empowers investors with greater choice, flexibility, and control over their investments often at no costs.