



The International Group of Treasury Associations

7 January 2016

MINUTES OF THE BOARD MEETING HELD IN DUBAI ON 22 NOVEMBER 2015

The treasurers' changing world

**Board members
present:**

Helmut Schnabel (Chairman)
Claude Adou
Tom Deas
Jimmy Doyle
Artemis Galatis
Ivan Haco
Vincent Herlicq
Francis Ho
François Masquelier
Mohd Mohd Sanif
Tamas Onody
Mirjana Ostojic
Jozko Peterlin
Andrej Revay
Colin Tyler

GEFIU - Germany
AFT – Ivory Coast
NACT - USA
IACT - Ireland
ACTSA – South Africa
CAT – Czech Republic
AFTE - France
HKACT – Hong Kong
ATEL - Luxembourg
MACT - Malaysia
HTC - Hungary
CACT – Croatia
SCTA - Slovenia
SAF – Slovakia
ACT- United Kingdom

Observers:

Guillermo de la Fuente
Cornelia Hesse
Jean-Marc Servat

ACTSR
VDT
EACT

Others present:

Khadija Ali
Richard Cordero
Andrew McMichael
Kevin Murphy

DIFC
EACT
Agility
Yusuf Bin Ahmed Kanoo



Item	Action
1 Thanks	
<p>Helmut Schnabel and all participants warmly thanked Colin Tyler for his help and support for the IGTA Dubai meeting and dinners, and also for the ACT Middle East annual conference.</p>	
2 Approval of minutes	
<p>The minutes of the Board meeting held in London on 13 and 14 November 2014 were approved.</p>	
3 IGTA website	
<p>The IGTA website was reshaped by the ACT. There is room to improve its content: .update the data of IGTA members; .add a topic on “Regulation” with at least links with the EACT’s and the US coalition for derivatives end-users’ position papers; .Tom also suggested putting links with banks for financial information (rates of interest, foreign exchange...).</p> <p>The contact for the IGTA website is Sandra Tuah: stuah@treasurers.org</p>	
4 IGTA e-journal	
<p>The 2 e-journal issues are on the IGTA website. The e-journal is an aggregation of sources: reused articles and new ones. All IGTA board members have responsibility to contribute to the e-journal and to provide content.</p>	
All	
5 IGTA Chairman’s end of year report	
<p>Helmut Schnabel summarized his 2015 main actions: .2 issues of the e-journal; .a presentation at the Eastern European Countries Treasury Conference in Porec, Croatia; .attendance at meetings with the US coalition for derivatives end-users in July (Paris) and November (Brussels).</p> <p>The IGTA Board warmly thanked Helmut for his contribution over 2015.</p>	



6 Update of IGTA bylaws

Following the IGTA incorporation to François Masquelier personal address, Richard presented a draft of modified IGTA bylaws. Several changes were made to the draft. The final version of the bylaws is attached.

These bylaws must now be registered with the Belgian authorities.

François

7 Update on membership

VDT and ASSET were unanimously accepted as IGTA members. EACT is now being attributed the status as an observer.

An updated IGTA membership is enclosed.

8 Next Board meeting

As IGTA will celebrate its 20th anniversary in 2016 and as the first IGTA meeting in 1996 was held in Dublin, Jimmy proposed to organize the meeting in Ireland. Date still to be determined.

9 Election of the 2016 IGTA Chairman

Helmut Schnabel was renewed by acclamation as Chairman for 2016.

10 The role of IGTA: living between IGTA meetings

The heart of IGTA is the exchange of information and networking. The Board decided to hold webinars in-between the annual meeting. There are volunteers for 2 topics:
.blockchain: Jean-Marc and Vincent;

.e-bam and bank fees: Cornelia and François.

For these webinars, we will use infrastructure from members (VDT...) and from the US Chamber of Commerce.

**Jean-Marc
and Vincent
Cornelia and
François**

11 The changing global regulatory landscape for Treasurers

Jean-Marc, Tom, Artemis, Francis and Helmut gave an overview on the main regulations which have direct and indirect impacts on corporates:

.Europe: on derivatives, the EACT supports the single-sided reporting and no reporting on NFC's intragroup transactions; the ESMA's "EMIR review report n. 1" on the use of



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OTC derivatives by NFCs represents a threat for NFCs on the definition of hedging as European NFCs do not want to lose the hedging exemption.

.USA: the US coalition for derivatives end-users gained in January 2015 the first amendment to Dodd-Frank Act on the exemption from margining for derivatives end-users.

.South Africa: there is strict currency movement control, in and out of the country; a code of conduct for derivatives was implemented; Basel 3 will be completely implemented. Ahead of regulations, the currency already devalued.

.Hong Kong: the reporting on OTC derivatives is in place via banks; the renminbi is now more market driven; the Government promotes Hong Kong as an International Treasury Centre: the tax rate for such centres has been lowered from 16 ½ percent to now 8 ¼ percent.

.joint actions: the US coalition intends to propose a joint statement on derivatives; the IGTA board grants the IGTA Chairman the right to sign this letter.

12 Global emerging issues for Treasurers

According to Jean-Marc, we need to look carefully to Fintech (new payment infrastructures, market places lending ...) and blockchain (cryptography and secured decentralised ledgers): “the future is already there”.

Helmut pointed at the importance for systemic banks (and thus for treasurers) of the TLAC (Total Loss Absorbing Capacity) ratio, and of the leverage ratio. The Financial Stability Board on November 9, 2015, issued the final Total Loss Absorbing Standard for global systemically banks. Cocos (Contingent convertible bonds) are one important new financing instrument, designed to contribute to meeting such ratio requirements.

Helmut gave a brief overview of the world economic and interest rate outlook. World growth of GDP is expected to be 2.9 % in 2015 and 3.1 % in 2016. The situation varies between regions and countries.

In the USA, growth will be at 2.4 % in 2015 and at 3.1 % in 2016. By contrast, growth in the Eurozone will be 1.5 % in 2015 and is expected to be 2 % in 2016. For Japan, growth remains below 1 % in both 2015 and 2016. Growth in China is expected to be between 6 and 7 % in both 2015 and 2016.

Top growth is expected for India with 7.3 % in both years 2015 and 2016. There are also negative situations: GDP in Brazil is expected to go down by 2.5 % in 2015 and in Russia down by 4 %.

Ultralow interest rates are expected to continue in the Eurozone for another 1 to 2 years. In the USA, ultralow interest rates are expected to slowly get higher starting December 2015, when the Fed will change into a moderate interest rate rising mode. In general, it is not clear how long the very low interest rate scenario in the Western industrialised countries will last, although many expect that this scenario will be around



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for quite some more time. History, though, shows that there always have been changes which nobody had seen before as coming so suddenly.

Treasurers should therefore make the maximum use, presently, of the very low interest rate scenario, when it comes clearly evident external long term financing needs of the corporation, which should be covered now at the very favourable terms.

13 Dubai International Financial Centre

Ms. Khadija Ali presented the activities of the Dubai International Financial Centre – DIFC:

.it represents 12% of the Dubai GDP, whereas oil and gas only contributes 3 % to the Emirate Dubai GDP and it will last only for around 20 more years. Most oil reserves of the seven Emirates of UAE, which are the world’s seventh largest, are in the Emirate Abu Dhabi;

.it is independent from Islamic laws and has its own laws;

.1400 companies are registered with DIFC:

- 21 of the top world banks
- 11 of the top world money managers
- 9 of the top world legal firms
- 7 of the top world insurance groups;

.18.500 employees;

.the companies must have a presence in Dubai;

.it is considered as a free zone, with no personal income tax and no corporate tax.

14 The Treasurer’s life in the Middle East

Andrew McMichael (Agility – Kuwait) and Kevin Murphy (Yusuf Bin Ahmed Kanoo – Bahrain) reported how treasury is managed in the Gulf Cooperation Council’s countries: still not much discussion on legal contracts and fees; legal issues are not the priority but rules are coming through; “Trust me” still works.

15 To do list

The to do list following Dubai meeting is:

Action	Owner
Provide content to the e-journal	All
Registration of the updated bylaws	François
Webinar on blockchain	Jean-Marc and Vincent
Webinar on e-bam and bank fees	Cornelia and François



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16 Attachments sent

IGTA bylaws dated 22 November 2015
IGTA membership updated

Helmut SCHNABEL
Chairman