

ASSOCIATION OF CORPORATE TREASURERS

Country: UK

Established: 1979

Membership: 4,000 individual members and 2,600 students in 102 countries plus 118 corporate members

Website: www.treasurers.org

The Association of Corporate Treasurers (ACT) provides a wide range of professional development and networking opportunities centered around professional qualifications and training courses; conferences, briefings, and thought-leadership events; and publications, technical updates, and dialogue. The ACT sets the benchmark for international treasury excellence. As the chartered body for treasury, the ACT leads the profession through its internationally recognized suite of treasury qualifications, by defining standards and championing continuing professional development. They are the authentic voice of the treasury profession representing the interests of the real economy and educating, supporting, and leading treasurers of today and tomorrow.

The ACT was established in January 1979 in response to developments such as floating exchange rates, the relaxation of exchange control in the UK in 1976, unpredictable interest rates internationally, turbulent financing markets and increasing multi-national activities among UK businesses. It published its first edition of *The Treasurer* magazine in the same year and launched its first professional qualification in 1983. In 2012, the ACT was awarded an Order of Grant of Royal Charter by Her Majesty The Queen, becoming the first and only chartered body for the treasury profession.

Q1. *What does ACT see as the benefits of having a formalized relationship with IFAC and the accountancy profession?*

Some 50% of the ACT's membership are qualified accountants, and treasury, as both an activity and a profession, is recognized as an increasingly important component of the "CFO Team". A formalized relationship should promote mutual knowledge sharing and understanding between the professions, particularly in relation to professional accountants in business (PAIBs), which captures the vast majority of the ACT's 50% accountant membership. This in turn should influence the 50% of non-accountant ACT members, promoting high standards across the board, and providing them with better understanding of and links with their accounting colleagues in the workplace.

Q2. *How do corporate treasurers and accountants, and the professions, complement each other?*

In the business, the treasurer works alongside accounting colleagues to deliver sustainable shareholder value. Accountants tend to focus on the organisation's financial position, as set out in accruals-based financial statements, whereas treasurers tend to focus on the same financial position from the perspective of three key questions in financial strategy: what to invest in, how to fund those investments, and how to manage the organisation's risks in line with investor expectations.

These two perspectives complement each other, and the ACT has a longstanding and collaborative relationship with a number of individual accountancy bodies in the UK and elsewhere. Most promote the ACT qualifications as continuing profession development (CPD) for their members and recognize that the corporate treasury profession is a specialized and advanced form of finance, complementing their own space and providing an additional opportunity for “T-shaped” professional development.

Q3. *What does ACT see as your role in working with IFAC and its membership?*

The ACT is able and willing to support accountants wherever they are based, and whatever body they are members of, and its aims are completely consistent with and supportive of IFAC’s aims: Building Strong and Sustainable Organizations, Financial Markets, and Economies. The ACT brings a dedicated “strategic finance” perspective to IFAC, which should supplement IFAC’s natural accounting expertise, and strengthen IFAC’s ability to persuade and influence others. The ACT is particularly relevant to the PAIB community, and shares many of the aspirations and concerns of PAIBs. At a global/strategic level, the ACT/IFAC/PAIB relationship exactly mirrors the treasurer/accounting relationship in the organisation, and the ACT would hope to bring the strengths of organisation-level collaboration to the IFAC level.

Q4. *What does ACT see as the most significant issues on the horizon for corporate treasurers and the profession?*

Here are some of the key macro issues we see currently playing out:

- The “tide of regulation” sweeping the world, although aimed at financial institutions, is set to have a major impact on the ability of non-financial organizations to manage their financial risks and to access funding. The ACT, together with its partner organizations, is working hard to communicate the issues to politicians and regulators. And we are working further to educate our members and corporate treasury practitioners generally about the impact of all this on corporate financial and business strategy.
- The undermining of trust, particularly with and among financial institutions, since the GFC, and the risk of trust being substituted by (rules-based) regulation. The ACT is working hard to rebuild this trust, and hence to rebuild underlying confidence in the financial markets and in market participants.
- The expected liberalization of the Chinese Renminbi (and to a lesser extent the Indian Rupee) is set to have a material effect on the financial markets, facilitating trade and investment between China and the rest of the world.
- The sheer pace of change in the modern world. Past performance and experience is no longer sufficient to inform decisions affecting the future—or indeed future decisions. The ACT (along with other professional associations including accountants) is working hard to ensure that finance professionals are appropriately trained and qualified to lead their organizations to meet these new challenges.