

## Regulation, compliance and geopolitics...

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... how to stay ahead of the game. The regulatory environment continues to change, and given their international role, treasurers need to understand and comply with diverse regulation. Not only is the regulatory burden increasing, but the financial and reputational consequences of non-compliance continue to grow.

Some of these new regulations are specific to treasury, with reporting, policy or hedging implications, but others, such as Base Erosion and Profit Shifting (BEPS) have important ramifications on organisational structures. Similarly, complying with new rules such as the EU's General Data Protection Regulation (GDPR) requires considerable collaboration and alignment with other parts of the business. A wide variety of treasury responsibilities will be impacted by GDPR, including:

- **Bank account reconciliation:** Customer data used for identifying and reconciling incoming payments;
- **Bank account management:** Personal data of authorised signatories;
- **Payment factories:** Vendor information, including addresses, individual and company data and bank account details;
- **Payroll:** Employee information including identity, salary and bank account details.

In these, and other areas, treasurers will need to consider how this data is held, maintained and transmitted both within and outside the organisation.

New regulations are not always intended to be restrictive, however, and the second Payments Services Directive (PSD2) which takes effect in January 2018 is intended to inspire new methods, and new players, to make payments and access bank services. New technologies, such as open APIs (application programming interfaces) are likely to emerge, but treasurers need to consider the scalability, robustness and security of new processes and technologies.

### Three tips in regulations and compliance

- Engage both individually and collectively to ensure that the corporate treasury voice is heard in shaping regulations;
- Maintain current knowledge of new and forthcoming regulations, including engaging staff across departments, including information security, tax and legal;
- Review and refine governance structures and risk policy frameworks regularly to ensure regulatory compliance and flexibility to respond quickly to changing market conditions.

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