Top 10 treasury training tips

Chris Robinson suggests his best tips for treasury professionals that have emerged from EuroFinance training programmes:

1. Currencies only settle in the country of the currency. In general, international payments must move money through a correspondent bank in the country of the currency. Holding accounts in the currency reduces the impact of correspondent banks.
2. Distributed treasury is the most common model. Emerging market countries usually require some local treasury activity, restricting what is viable to be centralised. It's not centralised or decentralised, it's how you divide policy, decision making and execution.
3. Making collections easy from your customers dictates the instruments and clearing systems used and therefore the choice of account locations and structures.
4. Shared services and payment factories do not create cross-border flows – the flows are multi-country domestic.
5. Centralise operations first, then standardise and re-engineer. Never move and change at the same time.
6. If money moves from entity A to entity B or from country A to country B, you have a tax implication. Try to keep cash management tax neutral.
7. Clearly understand the differences between notional pooling and zero-balancing. Check how your bank defines them.
8. Actively monitor counterparty risk, including OTC instrument settlement risk for future gains.
9. Only include in an RFP questions about what you need to know, not what you already know.
10. Evaluate using SWIFT shared transactions to minimise the correspondent charge impact of the new MT 202 COV message later in 2009. TP

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