

News

CBRE Global Investors implement new system

CBRE Global Investors has migrated to and already gone live with SunGard's Avant-Gard Hosting and Managed Services for treasuries and risk. The company has also decided to globally expand its use of SunGard's Quantum solution to France, Spain, Belgium, Sweden, Italy, the UK and the Czech Republic.

Death of Chávez: uncertainty in Venezuela

The death of Venezuelan President Hugo Chávez and resulting political uncertainty have increased business risk in Venezuela. Investor confidence in the South American country is faltering. Whether it can be restored depends largely on the outcome of the presidential elections, which must be called within 30 days, a report by Belgian credit insurer Delcredere says.

Political Risk Map: violence in emerging markets

Despite some geopolitical unrest, the opportunities for growth are increasing in many emerging economies. Companies wanting to take advantage of this need updated information about the most important risk areas as a basis for sound business decisions. The current Political Risk Map 2013, published



Increased risk of regime instability

by the risk analysis expert Maplecroft and insurance broker Marsh, provides helpful information. Compared to last year, the number of countries with escalating political violence has increased by 36 percent – a trend that is expected to continue considering the increased risk of regime instability throughout the world.

"An Entirely New Payment Format"

Dieter Stynen, head of cash management for western Europe at Deutsche Bank, about the approaching Sepa deadline

>> PwC estimates that over half of EU businesses may not be Sepa-compliant by the 1 February 2014 deadline. Do you feel that's a fair estimate?

<< I think that's a pretty bleak – and perhaps exaggerated – estimate. Of course, my views are chiefly based on our clients, some of whom are already live with Sepa – particularly with respect to credit transfers, which are more easily converted than direct debits. Broadly speaking, there is less pick-up with regard to direct debits, because, as an entirely new payments format, they require companies to make quite substantial adjustments to existing systems.

>> According to another survey carried out by Eurofinance and Deutsche Bank, just over half of corporates surveyed have yet to even begin planning for migration to Sepa. In your opinion, how much time do they really have left?

<< Corporates should aim to be compliant between June and October of this year, and certainly no later than November. We all know IT projects can be difficult to implement, and many service providers will experience strong demand for Sepa consultancy and software services at that time, so additional waiting time should be factored in.

That said, I would like to reiterate that many businesses already have Sepa projects underway in conjunction with a bank – and possibly a third-party provider – with which they are designing and implementing the project.

>> What's the worst-case scenario for a company that isn't Sepa-compliant by the deadline on 1 February 2014?

<< The worst case scenario is that a company will find itself unable to collect receivables and pay employees. But I must stress that I think such a scenario is highly unlikely for most companies, as many of them will have contingency plans in place by then if they are seriously questioning their ability to meet the deadline.



Dieter Stynen, head of cash management for western Europe at Deutsche Bank.

>> One such – and relatively easy – back-up plan could be for them to ask their clients to pay by credit transfers rather than direct debits – although this option is labour-intensive in the sense that it would require them to contact each client individually, and in writing. While most customers wouldn't view that too negatively, this option is only really feasible for companies with a manageable number of customers. Those with customers in the mil-

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lions, such as telecom companies, will have to consider an alternative. However, we are actually seeing them being the ones getting ready and spending a lot of time on Sepa compliance right now.

>> Some banks have announced they will continue to accept non-Sepa payment file formats after the deadline and convert them to XML on their clients' behalf. What will Deutsche Bank do?

<< While we plan to continue to accept (under certain conditions) a limited number of global formats from those clients who use them already, our clear recommendation for all clients is to migrate to XML by 1 February 2014. From our

perspective, this is the most sensible long-term solution – relying on a third party to do format conversion should only be considered as a short-term workaround. Spain and Italy are two prominent countries that used the member-state option (as per Regulation 260/2012) to establish the XML requirement only from 1 February 2016, so for these countries, corporate have two more years to migrate to XML.

>> How likely is it that the EU will not allow conversion beyond the official deadline?

<< In our view, conversion is allowed, however needs to occur independently from, and prior to the processing of the actual payment. If a corporate is unable to upgrade its own systems to be Sepa-compliant by the end date, then we recommend using the help of independent third parties to do the conversion for them.

>> Deutsche Bank has been conducting a very Sepa-focused marketing campaign. Do you think the new payment format has helped you win business?

<< It's been good for us, because it has helped us win more domestic business throughout EU markets. For example, one large utility company in France decided to partner with us chiefly on the strength of our unrivalled Sepa expertise and capabilities, so our focus in this respect has unquestionably helped us gain market share.