

# Standard Chartered as Your Strategic Treasury Partner

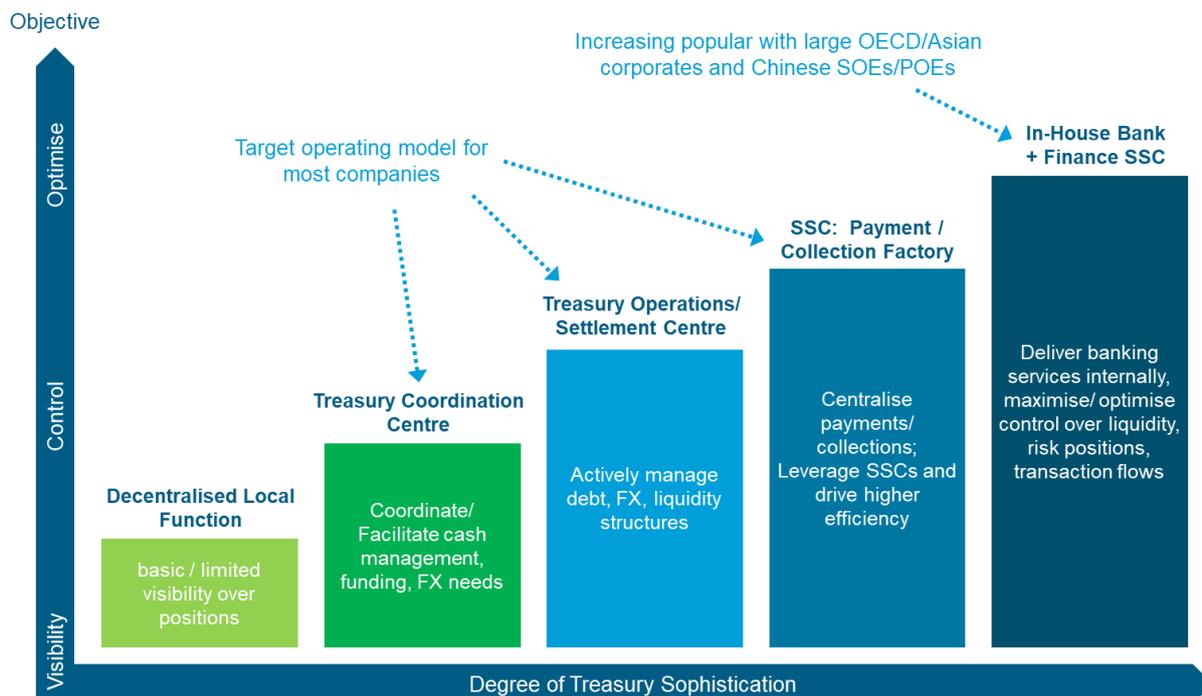
China opening, supply chain re-alignment and the New Economy have opened up opportunities and also challenges for CFOs and treasurers to adopt a more strategic role to plan for and respond to a changing business model and put in place a high performing function to navigate the turbulent financial market. Increasingly regional treasury centres (RTCs) are being set up and transformed into an In-House Bank within an efficient tax and account structure to achieve advantage in scale, control and agility in financing and global liquidity management. With the advent of fintech and changes in location cost dynamics, finance shared service centres are being re-modelled. Our Treasury Advisory and Reengineering Team is well positioned to be your Strategic Treasury Partner.

## Our Point of View

Asia and Greater China provide an increasing contribution to the revenue and profit of OECD Multinational Companies (MNCs). At the same time increasing number of emerging Asian and Mainland Chinese enterprises are establishing offshore hub to manage their global treasury. The Belt and Road Initiative will accelerate such investment/trade flows which in turn generate new challenges in offshore financing and risk management. The Greater Bay Area (GBA) initiative will generate synergy based on an integrated development model of the 9+2 cities cluster. The New Economy provides opportunity for businesses to build connectivity with customers. Some go for both on-line and off-line and a mix of B2B/B2C which require a paradigm shift in finance/treasury operating model. The cloud technology, RPA, API, AI and Big Data offer new frontiers for CFOs and treasurers to achieve more with less.

In the next 5-10 years, global business is likely to adopt a different operating model for their finance/treasury function which will be re-focused to more strategising, advisory and project management to cope with business and market changes and less towards executing transactions. They will need to formulate a Treasury Transformation Road Map.

## Establish the Road Map of Treasury Transformation



## Future Development

- The role of a RTC will have both transaction and strategic focus. It needs both best execution (thus financial market depth is important) and quality decision advisory (access to top professional talent).
- The RTC and the finance shared service centre (SSC) will be more integrated than before to achieve better control on working capital and oversight of end-to-end liquidity management. Historically RTC focuses on treasury cash flow (money market investment, bank facility, bond issuance, FX) and SSC on collection and payment factory for operating cash flow (revenue/expense, capex, tax etc.). With the new GBA development, there will be new opportunities for RTC/SSC design such as:
  - Setting up RTC in Hong Kong and Smart SSC in lower cost GBA cities
  - Leveraging innovation in GBA to pilot digital treasury solution (e.g. real time cross border payment)
- In-House Bank model (e.g. POBO/ROBO) will become the new industry standard in treasury best practice. We offer innovative IHB account structure solutions and technology platform. Examples of our clients which are implementing such IHB structure include resources business, aircraft leasing companies, airlines, global electronics business, multi-industry conglomerates, infrastructure construction (EPC firms) etc.

For more information, please contact your relationship manager, transaction banking sales, or visit [www.sc.com](http://www.sc.com).

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