

**SYNOPSIS OF FX & LIMITING THE RISK OF INTERNATIONAL TRADE
EVENT ON
THE 16th/17th OCTOBER 2013**

FX & Limiting the Risk of International Trade

Outlined below are the key messages from each speaker, to access slides of their presentations please visit the EI corporate website at www.enterprise-ireland.com/financeforgrowth

1. Gerry Ennis - Head of Global Trade Finance at Ulster Bank discussed the risks associated with international trade. Some key highlights were;
 - There are several risks a company should consider when engaged in int'l trade
 1. Sovereign risk – adverse action by a foreign country that will impact on the value of contracts
 2. Bank risk – how safe is the foreign bank
 3. Buyer risk – know your client
 4. Transport risk – are you liable if the cargo does not reach its destination
 - Letters of credit can be used not only to mitigate payment risk but also to offer extended periods of credit to your foreign customers – they can be used to support the sales function
 - Typically a sales contract should be in excess of €10k
 - If a customer fails to pay it is generally the finance function that is held accountable not the sales team
 - There is a cost to mitigating risk and locking in your profits – can you afford not too
2. Maria Murphy / Olwyn Long – Regional Treasury Manager Ulster Bank discussed some different financial tools that the clients can avail of. Her key points were;
 - Every company should have a treasury policy – this should be agreed with senior management – no policy is a policy
 - Don't gamble away your profits on a feeling - The impact of FX moves can be significant
 - Ensure that you engage with a specialist in the bank – not just a relationship manager
3. Sean Forrestal / Cathy Morgan – spoke about the advantages of Invoice finance –
 - Company should have a minimum turnover of €500,000 to avail of the service
 - invoices can be discounted primarily for customers who are based in Ireland, UK and mainland Europe
4. Brendan Binchy, CEO of ROCG delved in to the Budget 2014 and, in particular, what implications Budget 2014 had on SME's. Some highlights were;

- This budget is a culmination of six years of austerity budgets
- “Corporate is King!” The budget has been very kind to business
- Pension Restrictions and probably more to come
- Low Corporation tax environment is here to stay

Topics discussed at the CFO forum included:

- Invoice discounting
- The death of relationship banking?
- Personal declaration or Indemnity?
- Credit Letters
- R&D tax credits
- Budget 2014- Transfer of relief from individuals to corporations
- Trading in Africa
- Fraud and invoice discounting
- IFRS
- KPI's- How to appropriately remunerate sales people?
- SEPA- are the banks prepared?