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# Treasury Strategies Sees Potential for Regulatory Chaos

For Immediate Release

July 30, 2009 (Chicago, IL) – An analysis of emerging regulatory trends shows the potential for the financial crisis to shift into regulatory chaos. This is according to Anthony J. Carfang, partner of Treasury Strategies, who spoke during a recent meeting of the American Bankers Association Payments Council held at the Federal Reserve Bank of Minneapolis.

"Based on our detailed analysis of proposed reforms in the US, UK and EU, Treasury Strategies has identified four key themes," said Carfang. Regulators want to:

1. Curtail non-bank money market activity
2. Raise capital requirements
3. Increase low return liquidity buffers
4. Intensify oversight and reporting

Referencing specific proposals, Carfang suggested how reforms will reshape the industry landscape for banks and their corporate customers. "Banks will see a major consolidation resulting in greatly reduced competition. However, we see mixed financial results."

"Corporations will have fewer financial services providers to choose from and fewer available instruments. They will also experience higher costs for credit and operating services," continued Carfang.

The greatest risk is for this move toward tighter control to develop into a regulatory arms race. In that environment, the regulatory agencies within a country would compete to be the most stringent, which would be compounded by escalating competition among countries.

There are steps organizations can take now to mitigate risk.

1. Stay abreast of impending regulations and develop a framework to evaluate the potential impact
2. Ramp up your advocacy by leveraging your lobbyists and trade associations
3. Plan for contingencies

"If you wait to see what outcomes emerge, you will be left behind," said Carfang. "It will be several years before the markets return to equilibrium, so your opportunity to prepare is now."

Click the following link to hear recorded sessions from our Regulatory Briefing series http://www.treasurystrategies.com/resources/webEvents.htm

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Treasury Strategies, Inc.

309 W. Washington Street
13th Floor
Chicago, Illinois 60606

t 312.443.0840
f 312.443.0847

61 Broadway
Suite 905
New York, New York 10006

t 212.292.0856
f 212.292.0863

1 Northumberland Avenue
Trafalgar Square
London
WC2 N5BW
Great Britain

t +44 207 872 5551
f +44 207 872 5611

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Contact:
Kyle O'Connor
312.628.6927
kyle_oconnor@TreasuryStrategies.com

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