Morning Workshops

Workshop room A : Mexico

Chair : Ignacio Sanchez Miret, Barrado

10:00 am

Track 1: Slowing economy, nationalization moves, banking sector resilience, How is Mexico doing really ?

Mexico's fourth-quarter 2023 economy grew by 0.3%, down from 4.3% in the previous quarter. Annual GDP for 2023 increased by 2.5%, falling short of the 3.0% forecast. The Mexican economy is projected to ease in 2024, mirroring the U.S. As U.S. job growth stalls and unemployment rises, remittance flow may decrease, impacting Mexico's consumption growth. Additionally, U.S.-Mexico trade may suffer due to reduced demand for intermediate goods. The government, asserting its sovereignty, has undertaken several nationalizations, particularly in the energy and mining industries. How will this affect the interest of foreign investors? The banking sector seems robust; who are the main contenders? Which banks are entering or exiting investments? This session will provide attendees with a detailed economic update, and key macro drivers impacting corporate finance.

Luisa Valle – FX & FI Mexico Strategy, Scotiabank Mexico
Yira Marascó, Practice Manager finance competitiveness and innovation Latin America, The World Bank

10:40 am

Coffee and networking break (workshop switching opportunity)

11:20 am

Track 2: Optimizing liquidity management with cross border cash pooling, easy ?

While the opportunity for international cash pooling and local invoicing in US dollars adds a layer of convenience, navigating the intricacies of offshore MXN account opening poses a significant challenge. The bureaucratic hurdles and regulatory requirements can delay the process, potentially impacting liquidity management. However, once established, these offshore MXN accounts can significantly enhance working capital efficiency. By facilitating smoother cash flow management and reducing currency exchange risks, businesses can streamline their operations and seize growth opportunities with greater agility. Moreover, these structures offer a strategic advantage in addressing withholding tax issues. By optimizing the flow of funds and strategically allocating resources, companies can minimize tax liabilities and maximize profitability. Yet, amidst these benefits lie complexities that demand careful navigation. Compliance with local regulations and tax laws is paramount to avoid penalties and reputational risks. In this session we will review the various options that corporates have to optimize their liquidity management with concrete cases and testimonials.

Thierry Revah, Director Finance and Treasury, Teleperformance

Workshop room A : Mexico

Chair : Ignacio Sanchez Miret, Barrado

12:00 am	**Track 3: Working capital and capex financing : regulatory, tax and transfer pricing rules, how to optimize ?**
	In Mexico, achieving an optimal corporate capital structure is a multifaceted endeavor influenced by various factors. Regulatory constraints, including legal limits on debt-to-equity ratios and restrictions on foreign ownership, shape companies' financing options. Moreover, withholding taxes on interest payments and dividends impact the cost of financing, prompting firms to carefully consider their capital mix to minimize tax liabilities while maximizing shareholder value. Transfer pricing rules add another layer of complexity, as they govern intra-group transactions and require companies to ensure that intercompany loans are priced at arm's length. This necessitates a balance between debt and equity financing to mitigate transfer pricing risks and maintain compliance with tax regulations. Overall, navigating these regulatory constraints and tax considerations is crucial for Mexican businesses in determining their optimal capital structure. By carefully assessing the cost of financing, regulatory constraints, and tax implications, companies can strive to achieve a balance that enhances their financial stability and maximizes long-term profitability. Achievable in Mexico ?
	Domingos Antunes, Head of Treasury and Financing, Decathlon **Jeanne Sevanto**, Treasurer, IBD Invest
12:40 am	**Networking Lunch**

Workshop room B : Chile

Chair : Peter Langshaw, Former MD, Citibank Latam

10:00 am	**Track 1: Chilean mature financial markets and concentrated banking sector: a challenge for corporate financiers**
	Chile's economy boasts strengths such as political stability, a diversified export base, and prudent fiscal management. Additionally, its strong institutions and transparent regulatory environment have fostered investor confidence. However, weaknesses include high income inequality, reliance on commodity exports (particularly copper), and vulnerability to external shocks. Moreover, sluggish productivity growth and an aging population pose long-term challenges. Despite these weaknesses, Chile maintains a solid financial standing with a well-capitalized banking sector and a history of prudent macroeconomic policies, providing a foundation for resilience amidst economic fluctuations. It encompasses extensive and well-established financial markets, primarily controlled by conglomerates, six major banks, and pension funds. The banking sector is notably concentrated among a select few players; who are they and how do they fare in rankings? This session will delve into the complexities of Chile's economic and financial landscape, exploring the hurdles it faces while also examining the evolution of its banking sector
	Jean-François Perrault, SVP & Chief Economist, Scotiabank
10:40 am	**Coffee and networking break (workshop switching opportunity)**
11:20 am	**Track 2: Structure project financing in renewable energy, long term challenges for lenders and equity partners**
	Chile aims to achieve 70% renewable energy use by 2030 and become carbon neutral by 2050. However, conventional lending is limited, requiring hybrid financing with customized security packages to share risks and returns. What challenges do investors and lenders encounter? What obstacles do investors and lenders face? The nation's enduring investment grade rating, steep electricity costs, and direct subsidies to the industry, such as waiving toll fees for utilizing the primary electrical transmission system, have enticed investors and lenders. With the recent surge in renewable initiatives and substantial investments in the sector, will Power Purchase Agreements (PPAs) continue to hold their allure? Simultaneously, will investors tangibly realize the anticipated returns? This session will delve into the specifics of green hydrogen projects and the financial framework established to guarantee their success
	Kristin Lang, Head of Division, Latin America and Caribbean, EIB **Jacques Molgo**, Deputy CFO, Air Liquide **Cristian Sagal**, Investment Commissioner, Invest Chile

Morning Workshops

Workshop room B : Chile

Chair : Peter Langshaw, Former MD, Citibank Latam

12:00 am

Track 3: Challenges of managing foreign exchange risk in a country relying on international trade, hedging or not ?

Effectively managing currency fluctuations and foreign exchange risk is imperative for Chilean businesses given the nation's heavy reliance on international trade. To mitigate exchange rate exposure, firms often align the currency composition of their debt with their income and assets and may resort to derivatives when a "real" hedge is unavailable. Notably, with copper constituting 40% of Chile's exports, fluctuations in copper prices directly influence the value of the Chilean peso. Strong demand for copper leads to an increase in peso demand, exacerbating exchange rate volatility. It's common to observe significant exchange rate fluctuations, with variations of 25 to 30% occurring within relatively short periods, underscoring the tangible risks involved. Given this scenario, the depth of the market and the availability of hedging instruments are crucial considerations. Businesses need access to a diverse range of hedging tools such as forward contracts, currency options, and swaps to safeguard against adverse currency movements and ensure financial stability in Chile's dynamic international trade environment. In this session we will review the challenges of hedging this volatile currency.

Stéphanie Larivière, MD & Global Head, FICC Sales , Scotiabank

12:40 am

Networking Lunch

Workshop room A : Brazil

Chair : Lilian Camara, Latinafinance

2:00 pm

Track 1: Foreign Exchange, Financial tax IOF, Transfer pricing… reforms are on !

In its pursuit of OECD membership, Brazil introduced a series of reforms towards the end of 2023, directly impacting corporations. These reforms encompass alterations to taxes, foreign exchange regulations, and transfer pricing, among others. They include the provision for both residents and non-residents to establish and maintain foreign currency accounts within Brazil, as well as the option to open Real accounts abroad, effectively making the Real a de facto convertible and transferable currency. This marks a substantial shift, offering increased flexibility and reduced bureaucratic hurdles in managing foreign exchange risks and facilitating international transactions, such as loan repayments, capital transfers, and dividend repatriation. Nevertheless, the financial operations tax (IOF) is expected to persist for the foreseeable future, gradually phasing out by 2029. These measures are being progressively implemented, and the session aims to evaluate the current status and progress following these decisions.

Florent Michel, Managing Partner, Latinafinance
Philippe Boutaud Sanz, Chenu advogados

2:40 pm

Track 2: Achieve optimal capital structure and efficiently manage FX risk

Optimizing corporate finance structure for a company in Brazil requires careful consideration of specific local constraints to achieve financial stability and growth. Key factors to address include regulatory requirements, tax implications, currency volatility, and access to capital. Brazilian companies must adhere to local regulations governing capital structure, such as limits on debt-to-equity ratios and restrictions on foreign ownership in certain sectors. Brazil's complex tax system necessitates strategic tax planning to minimize tax liabilities and maximize after-tax profits. This includes optimizing the use of tax incentives and deductions, as well as managing transfer pricing regulations to mitigate tax risks. Given Brazil's history of currency volatility, managing exposure to exchange rate fluctuations is crucial. Implementing hedging strategies, such as forward contracts or currency options, can help mitigate currency risk and protect against adverse movements in exchange rates. Finally companies may face challenges in accessing capital due to factors such as limited availability of domestic funding sources and high borrowing costs... In this session we will discuss strategic approach to capital structure as well as the impact of FX management.

Pim Denisen, Group Treasurer, SHV Energy
Peter Langshaw, Former MD, Citibank Latam

3:20 pm

Coffee and networking break (workshop switching opportunity)

Workshop room A : Brazil

Chair : Lilian Camara, Latinafinance

3:50 pm

Track 3: Brazil leads the financial digital revolution in Latam: How can corporations leverage API, PIX, and DREX?"

Brazil is leading the charge in digitalizing finance and has emerged as a global leader in instant payments and digital currency innovation in recent years. A standout example is the introduction of PIX by the Central Bank, enabling transfers and payments within 10 seconds, 24/7, with a staggering 163 million registered users as of March 2024. Additionally, the digital Real, known as DREX, is swiftly advancing and already undergoing pilot testing. The adoption of APIs is rapidly increasing, facilitating more efficient and secure financial transactions. Centralized payment platforms are in development to simplify tax payments, and advancements in digital certificates and electronic signatures are also underway. In this session, we will offer insights into the latest digital tools directly impacting corporations.

Renan Araujo Silva, Global finance transformation manager, Ingenico,

Workshop room B : Argentina

Chair : Gaston Cerf, Latinafinance

2:00 pm

Track 1: Will the sweeping reforms and bold actions be enough to usher Argentina back to its illustrious heyday ?

Since assuming office in late 2023, the president and his administration have undertaken a transformative journey in Argentina. Faced with imminent hyperinflation, a surge in poverty rates, and a chronic fiscal deficit alongside negative reserves in the central bank, the nation necessitated drastic measures and robust economic reforms. The primary objective: achieving a fiscal deficit of zero. To attain this goal, stringent measures have been implemented, including a 50% currency devaluation, suspension of public projects, reduction of energy and transportation subsidies, downsizing of the public sector workforce, cessation of official advertising, consolidation of ministries and secretariats, minimal transfers to provinces, elimination of export duties, and replacement of the SIRA import authorization system. As an initial outcome, Argentina recorded a modest fiscal surplus in March 2024, marking the first positive surplus since 2008. Looking ahead, will the nation succeed in restoring investor confidence? And how will these measures and the new paradigm affect corporations?

Eduardo Bérèterbide, Business Attorney Buenos Aires bar
Florent Michel, Latinafinance

2:40 pm

Track 2: Are the perennially stringent foreign exchange regulations here to stay, or is change on the horizon ?

Over the past two decades, Argentina has experienced a cycle of fluctuating openness and closure in its foreign exchange market, both domestically and internationally. The term "CEPO" (a barrier to free transferability and convertibility) has become a common fixture in the Argentine financial lexicon. The erratic fluctuations in the central bank's USD reserves have resulted in unpredictable changes in FX regulations. Events such as defaults on foreign debt and successive devaluations have compelled CFOs and treasurers to meticulously manage short-term risks while minimizing long-term FX exposure. While managing short-term working capital has become more straightforward, financing for capital expenditure has become nearly unattainable. This session will examine the current landscape and attempt to outline a medium-term perspective. Additionally, we will review existing protective mechanisms.

Natalia Martynova, Head of Americas & Sub-Saharan Africa Treasury, BAT
Matias Mayora, Head of Structuring, Santander

3:20 pm

Coffee and networking break (workshop switching opportunity)

Workshop room B : Argentina

Chair : Gaston Cerf, Latinafinance

3:50 pm

Track 3: Navigating working capital and liquidity amidst volatility and inflation: a high-stakes balancing act.

This type of environment generates numerous challenges for the CFO and requires strategic Planning to adapt investment decisions to mitigate the impact of inflation and volatility on working capital and liquidity.

1. Budget, forecast, and planning with cash flow uncertainty: Fluctuating prices and economic instability can lead to unpredictable cash flows, making it difficult to forecast and plan effectively.
2. Working Capital Pressure and inventory management: Inflationary pressures can increase the cost of goods sold and decrease the purchasing power of cash reserves, putting strain on working capital management. Rising prices may necessitate holding higher inventory levels to hedge against future price increases, tying up cash and increasing carrying costs. At the same time how do you monitor you Cash Conversion Cycle ?: Managing receivables, payables, and inventory turnover becomes more challenging than ever.
3. With extremely high interest rates and booming inflation, cash management is crucial. How can liquidity be protected and optimized ?

How do you overcome these different challenges in Argentina. The session will try to answer those different aspects.

Florent Michel, Managing Partner, Latinafinance
Lionel Jouve, Directeur Monétique & Reverse factoring, Carrefour

Afternoon Workshops

Conference room
The next Frontier of B2B Payments

Chair : Guillermo Brenes, Mastercard

4:45 pm

Plenary session : The Next Frontier of B2B Payments.

In this section, Mastercard and a group of experts in the corporate payments industry explore the Dual Equation – the connection between buyers and suppliers, their pain points including the need for interoperability across their systems, and the need to streamline payment processing to ultimately optimize access to working capital. A pivotal piece of this is the digitization and support of every step of the B2B purchasing process encompassing the realms of procure-to-pay (P2P), order-to-cash (O2C) and Invoice-to-pay (I2P), as well the integration of Embedded Finance (EmFi) solutions. Session will also cover the known role of shared service centers in LAC.

Vanessa Gibson, Director of Corporate Development & Investment Climate, CINDE Costa Rica
Roberto Montano, SVP North America, Commercial cards sales, Citi