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# Annual Conference

ORIGINAL

ESSENTIAL

UNBIASED

INFORMATION

## Overcoming Jurisdictional Complexities While Establishing Strong Banking Relationships

**Debra Hinds**

Director, Global Cash  
Management  
Bombardier

**Ali Agha**

Director Corporate Cash  
Management  
Deutsche Bank

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# Post Mandate Challenges

- **Various country documentation requirements**
- **Negotiating bank documents based on the number of countries**
- **Maximizing cash management efficiencies in light of jurisdictional complexities**
- **Choosing the right partner bank**
- **Back to the basics**

# Bombardier Corporate Information

- **Corporate office based in Montréal, Canada**
- **Workforce of some 70,000\* people worldwide as at December 31, 2011**
- **Revenues of \$18.3 billion for fiscal year ended December 31, 2011**
- **93% of revenues generated outside Canada**
- **Listed on the Toronto Stock Exchange (BBD)**

# Overview



## Bombardier Aerospace

Revenues\* \$8.6 billion

Backlog\* \$22.0 billion

Employees\*\* 33,600

## Bombardier Transportation

Revenues\* \$9.8 billion

Backlog\* \$31.9 billion

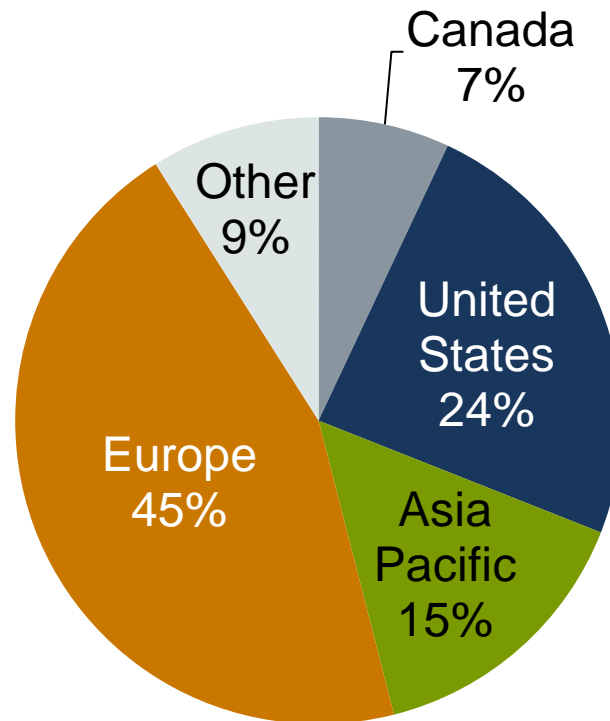
Employees\*\* 36,200

\* As at December 31, 2011

\*\* As at December 31, 2011. Includes contractual employees.

# Overview

## Breakdown of revenues by geographic location



For the fiscal year ended December 31, 2011

# Bombardier Today

## Worldwide Presence

- Australia
- Austria
- Belgium
- Brazil
- Canada
- Czech Republic
- Denmark
- Finland

- France
- Germany
- Hungary
- India
- Israel
- Italy
- Mexico
- People's Republic of China

- Poland
- Portugal
- *Russia*
- *Spain*
- Sweden
- Switzerland
- Thailand
- United Kingdom
- United States

**76 production and engineering sites in 25 countries**

# Bombardier's Global Cash Management

- **Cash Management**
  - Aerospace is centralized in Americas
  - Transportation is centralized in Switzerland
- **Corporate Policy for Banking**
  - Defines Corporate Treasury's responsibility for bank selection and account opening process
- **Strategy**
  - Develop a Global banking solution to manage our cash



# Bombardier's Global Cash Management

- **2010**
  - Legal Entity reorganization at Transportation
  - Replacement of all banking documentation required
  - Approached Deutsche Bank for solution
  - Developed a special project with Treasury, Legal, Tax and business units
- **2011**
  - Migration of legacy documents to global solution with Deutsche Bank
  - Other bank relationships required review of all legacy documentation

# Documentation Woes

- **Local Legacy Documents**
  - Specific T&C's
  - Local jurisdiction & legal opinions
  - Cost of legal review by internal counsel plus local counsel advisors
  - Local bank systems often required
  - Tax advisory by internal and external advisors
  - Additional Treasury manpower to assist legal and tax
  - Documentation updates to previously negotiated submissions

# Global Solution

- **Head Office control of bank structure and relationships**
- **Demystification of local banking complexities**
- **Mitigates risk on cash**
- **Alleviates different legal opinions**
- **Head Office has ability to see what locals are doing**
- **Central bank platform**

# Global Solution

- **1 central negotiated document for T & C's**
  - Example of countries with “exceptions” have a schedule
    - Spain has specific local requirements local disclosure, liens, rights to set-off and non-resident certificate tax
    - Italy has liens and check specific's
    - Germany has operations of accounts; banking secrecy and disclosure of information; rights to set-off; standard of service; security for the bank's claims against customer; liens; security interests; and deposit protection

# Global Solution

- **1 jurisdictional law to cover the agreement**
  - The central agreement is covered under UK law
    - Eliminates “most” laws of individual countries
    - Eliminates requirement of local external counsel for reviews
    - Cost savings for legal opinions
    - Empowers Corporate Legal team with centralization
    - Corporate Legal becomes central legal advisor

# Global Solution

- **1 bank contract**
  - Head Office has one agreement for all legal entities
  - Better control on bank account management
  - Corporate Treasury becomes a global advisor
  - Efficient process
- **1 bank platform**
  - Head Office have a view on cash in and out flows
  - Control of administration by Treasury over local business rights

# Implementation and Improvements

- **Implementation**

- Full rollout from start of negotiation to signed document agreements – 1 year
- Corporate Legal reviewed all documentation
- Corporate and Group Treasury reviewed documentation and services
- Corporate and Group Tax provided advice

# Implementation and Improvements

## Countries impacted at Bombardier

- Austria
- Belgium
- Czech Republic
- Denmark
- France
- Germany
- Hungary
- India

- Italy
- Luxembourg
- Malaysia
- Netherlands
- People's Republic of China
- Philippines
- Poland

- Portugal
- Romania
- Singapore
- *Spain*
- Sweden
- Switzerland
- Taiwan
- Thailand
- United Kingdom



# Implementation and Improvements

- **Improvements**

- Streamlined documentation
  - 2-3 items now need signature without additional legal review
- New country additions simplified
  - Legal input only required on new country exception items
- Account opening more efficient
  - Less documents allow for speed opening of accounts

# Why Not eBAM?

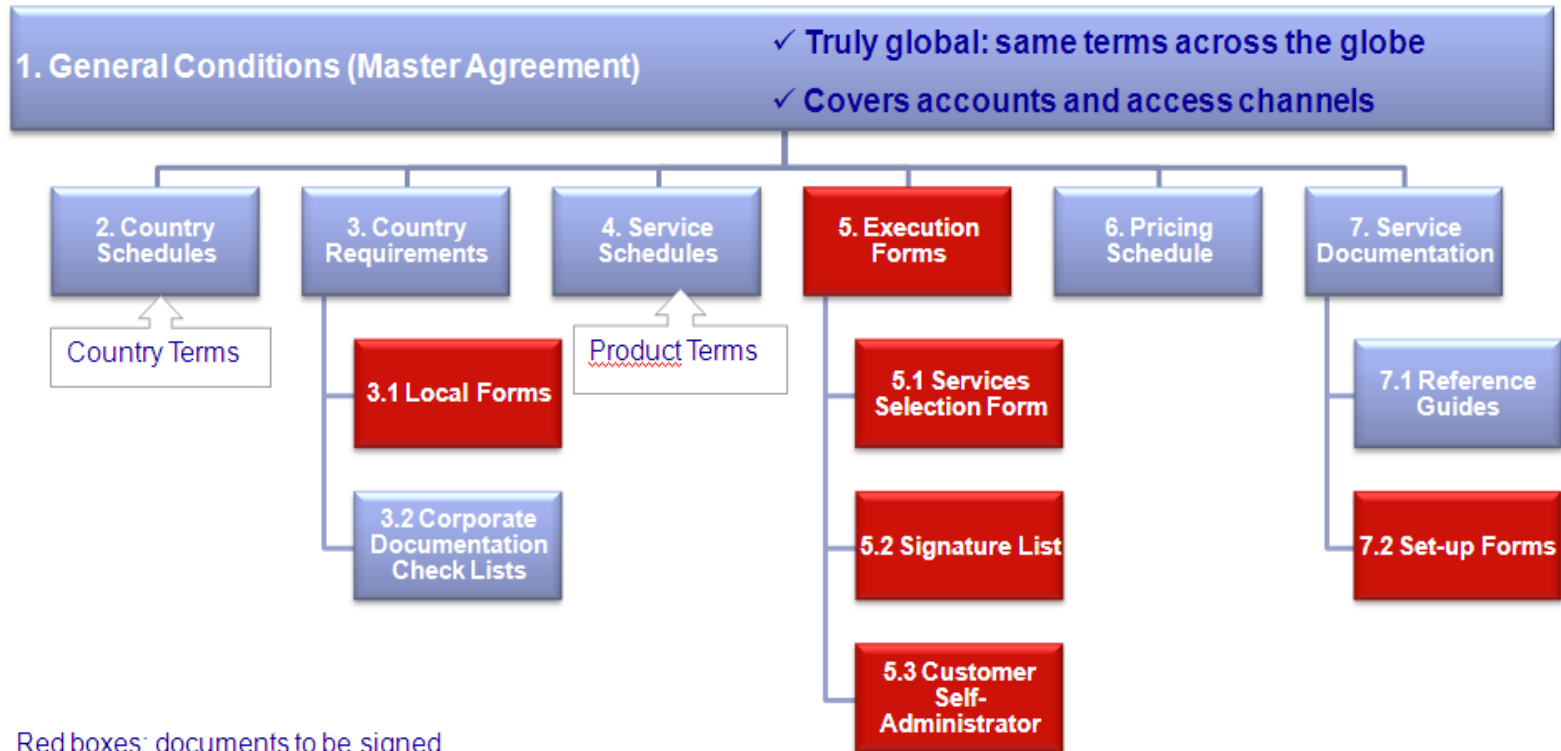
- **Bank agnostic solution**
  - Not prepared to do individual bank specific
  - Want a standardized approach for all global banks
- **Not prepared yet to have corporate documentation in a “cloud”**
  - Want to ensure confidentiality and security is in place

# A Leap Forward

- **Deutsche Bank's new legal documentation, the "Transaction Banking Services Agreement", has been designed to:**
  - Standardize globally the legal provisions for account and cash management services.
- **Streamline and simplify paperwork significantly.**
  - Provide a single master document solution that is easy to read and user friendly
  - Ease of use across the globe.

# A Global Agreement

## Transaction Banking Services Agreement: One Single Master Document Solution



Red boxes: documents to be signed

Blue boxes: documents to be acknowledged, no signatures required on this documents

Deutsche Bank 

# Countries Which Benefit

- **Americas**
  - USA
- **Europe**
  - Austria
  - Belgium
  - Czech Republic
  - France
  - Germany \*
  - Hungary
  - Italy (local forms include Italian language)
  - the Netherlands
  - Poland
  - Portugal
  - Spain
  - Switzerland
  - Turkey (bilingual, English prevails)
  - UK
  - Ukraine (bilingual, English prevails)
- **MENA**
  - Kingdom of Saudi Arabia (bilingual, English prevails)
  - UAE
- **Asia**
  - China
  - Hong Kong
  - India
  - Indonesia (bilingual, local language prevails)
  - Japan
  - Malaysia
  - Pakistan
  - Philippines
  - Singapore
  - South Korea (bilingual, English prevails)
  - Sri Lanka
  - Taiwan (bilingual, English prevails)
  - Thailand (bilingual, English prevails)
  - Vietnam (bilingual, English prevails)

More countries on boarding: **Brazil, Argentina and Russia**

# Q & A

**BOMBARDIER**  
the evolution of mobility

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