# IAFEI Weekly Update

**Knowledge, Resources, News, and Announcements**

## This is an issue of IAFEI Weekly Update for the week of September 9, 2024.

Valued All IAFEI Board members, ExCom members & Advisory Committee members:

The following interesting articles and useful information await you in this issue. I hope you enjoy reading them.

My special thanks to Conchita (CLM), Piergiorgio (PGV), and Taga san (NTA) for their contributions.

Please feel free to circulate this Weekly Update within your organization. I am hoping that this Weekly Update may increase the value of IAFEI membership. If you have any suggestions, or recommendations, or would like to participate to provide articles, please do not hesitate to contact me.

Thank you for your continuous support and I would love to hear from you.

**Tsutomu Mannari** (TMA)
Chairman of IAFEI

(Total 16 pages)

## Upcoming Events

| Date | Time | Event |
|---|---|---|
| September 16, 2024 | 12 NOON CET | 3rd Quarterly ExCom Meeting |
| October 8, 2024 | 3 PM CET | OTC Digitalization TWG Webinar |
| October 25, 2024 | TBC | IAFEI DAY in Tokyo |
| November 2024 | TBC | OTC: Sustainability / ESG |

You are welcome to visit our **official website** www.iafei.org

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### Demystifying Nature & Biodiversity Risk in the Asia Pacific

Wednesday, September 25, 2024 | 13:00 HKT | 14:00 JST | 15:00 AEST |

85% of the world's largest companies that make up S&P Global 1200 have a significant dependency on nature across their direct operations. As the speed and scale of biodiversity loss and ecosystem degradation keep increasing, there is an urgent need for understanding, managing, and disclosing the nature-related risks businesses and financial institutions face. Given the importance of this topic, S&P Global Sustainable1 has bought together industry specialists to discuss perspectives on:

- Why companies should be considering nature risk and why the urgency?
- What is the connection between nature and climate?
- How are companies reporting on nature and what are the challenges?
- What are the opportunities for investing in nature? ( … … )

**Read More and Register Now >>>**

(↑Contributed by CLM)

**S&P Global** | Daily Update | September 6, 2024

### Credit Conditions Cautiously Upbeat amid Uncertainties

by Pam Rosacia

Financial As the third quarter of 2024 winds down, the overall mood in global credit markets is optimistic with a healthy dose of caution. Recession odds have decreased in most countries, inflation has moderated and central banks in major economies have started reducing interest rates. However, challenges remain on the horizon, including softer economic growth, a possibly prolonged period of high rates, geopolitical risks, rising trade protectionism and persistent pressure on real estate markets.
( … … )

**Read More >>>**

(↑Contributed by NTA)

**WORLD ECONOMIC FORUM** | Web Article | September 4, 2024

### Unlocking global fintech potential: bridging the venture capital funding divide

- Financial technology, or fintech, has transformed how consumers and businesses use financial services.
- Venture capital (VC) plays a key role in enabling fintech innovation, but many companies struggle to access it.
- The World Economic Forum and McKinsey & Company's new report Fuelling Innovation: Closing Fintech Funding Gaps analyses global disparities in fintech VC funding and proposes strategies to address these gaps and foster innovation. ( … … )

**Read More >>>**

(↑Contributed by NTA)

**WORLD BANK GROUP** | Press Release | September 4, 2024
## More than 400 Million Students Affected by Climate-Related School Closures since 2022

WASHINGTON, Sept. 4, 2024 – A staggering 400 million students globally experienced school closures from extreme weather since 2022, according to a new World Bank report released today. The report examines the detrimental impacts of climate change on education in low- and middle-income countries and offers solutions to harness education to spur climate action. It also estimates that a one-time investment of $18.51 per child can mitigate the impact from climate shocks. ( … … )

**Read More >>>**

(↑Contributed by NTA)

**OECD** | News | September 9, 2024
## What's new from the OECD in international tax matters?

- Further progress in addressing harmful tax practices
- A transfer pricing framework for lithium
- Public comments on a Draft User Guide for the GloBE Information Return XML Schema
- Forthcoming publications
- Job vacancy ( … … )

**Read the Articles Online >>>**

(↑Contributed by NTA)

**ACCOUNTANCY AUROPE** | Event Information | September 9, 2024
## EVENT

Join Accountancy Europe for a networking cocktail as we bid farewell to summer and welcome the new European Parliament to Brussels. Let's enjoy an evening of refreshing drinks with professionals from different backgrounds. This is a wonderful opportunity to connect and share ideas.

**GENERAL INFO**

Date and time: 26 September, 18:00-20:00 CEST
Format: in-person only
Location: ACE events, Avenue d'Auderghem 22 - Brussels, Belgium

**Register Now >>>**

(↑Contributed by TMA)

**CFE tax advisers europe** | Event Information |
## CFE Tax Advisers Europe's 2024 Conference on Tax Adviser's Professional Affairs - Global Policy Trends: AI & The Future of Tax Planning & New EU Rules on Anti-Money Laundering -

**Date** September 19, 2024
**Time** @ 10:00 am - 4:00 pm UTC+1
**Venue** Grand Plaza Hotel Ljubljana, Slovenska cesta 60, Ljubljana
**Location** *in* Slovenia

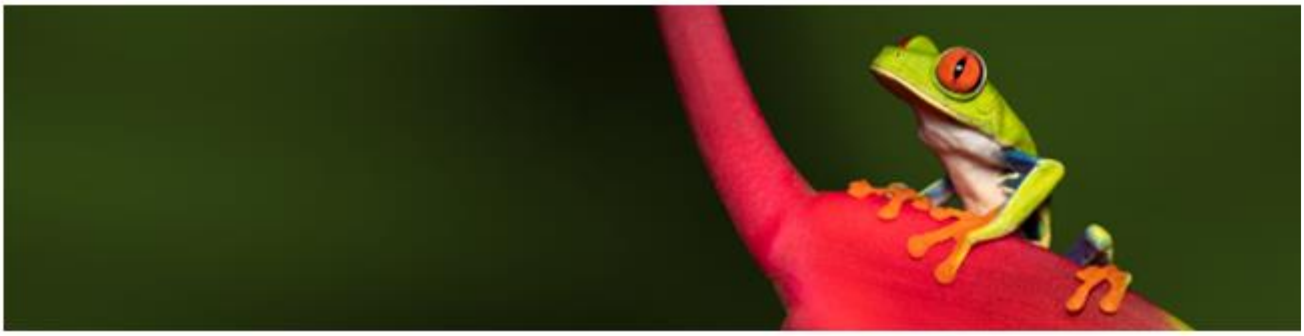
**Event Details >>>**

(↑Contributed by Mr. PGV)

**S&P Global** | Event Information | September 9, 2024

# Demystifying Nature & Biodiversity Risk in the Asia Pacific

Wednesday, September 25, 2024 | 13:00 HKT | 14:00 JST | 15:00 AEST |



85% of the world's largest companies that make up S&P Global 1200 have a significant dependency on nature across their direct operations. As the speed and scale of biodiversity loss and ecosystem degradation keep increasing, there is an urgent need for understanding, managing, and disclosing the nature-related risks businesses and financial institutions face. Given the importance of this topic, S&P Global Sustainable1 has bought together industry specialists to discuss perspectives on:

- Why companies should be considering nature risk and why the urgency?
- What is the connection between nature and climate?
- How are companies reporting on nature and what are the challenges?
- What are the opportunities for investing in nature?

**Register now >**

**Speakers:**

**Guy Williams**, Executive Director, Pollination
**Sally Townsend**, Head of Sustainability, Blackmores
**Tim King**, CFA, Chief Investment Officer, Melior Investment Management
**Dianna Enlund**, Sustainability Solutions Director, Australia & New Zealand, S&P Global Sustainable1
**Gautier Desme,** Head of Data Innovation, S&P Global Sustainable1

*Please note this event is hosted by S&P Global Sustainable1

(Reposted from: S&P Global, newsletter, September 9, 2024)

## S&P Global | Daily Update | September 6, 2024
# Credit Conditions Cautiously Upbeat amid Uncertainties
by Pam Rosacia |

Financial As the third quarter of 2024 winds down, the overall mood in global credit markets is optimistic with a healthy dose of caution. Recession odds have decreased in most countries, inflation has moderated and central banks in major economies have started reducing interest rates. However, challenges remain on the horizon, including softer economic growth, a possibly prolonged period of high rates, geopolitical risks, rising trade protectionism and persistent pressure on real estate markets.

As the third quarter of 2024 winds down, the overall mood in global credit markets is optimistic with a healthy dose of caution. Recession odds have decreased in most countries, inflation has moderated and central banks in major economies have started reducing interest rates. However, challenges remain on the horizon, including softer economic growth, a possibly prolonged period of high rates, geopolitical risks, rising trade protectionism and persistent pressure on real estate markets.

Credit conditions look promising globally, with some divergence across regions in achieving credit recovery in 2025. In North America, the credit outlook is seemingly brighter, and a possible credit upturn is forecast for next year. "Borrowers in North America could enjoy more favorable credit conditions if the [US] economy settles into a soft landing and the Federal Reserve begins to ease monetary policy," according to S&P Global Ratings. The Federal Reserve recently hinted that its first benchmark rate cut could come as soon as September.

The US economy has seen relatively strong growth, but credit deterioration could persist if interest rates remain higher for longer. Other headwinds for US credit market recovery are lingering cost pressures that weigh on borrowers' liquidity, declining commercial real estate valuations and the risk of market volatility returning as the November presidential election nears. Up north, Canada is forecast to see a moderate rebound in economic growth. The Bank of Canada made the first move among key central banks in cutting interest rates earlier this year; however, borrowing costs in the country are projected to remain high and exceed pandemic lows over the next two years.

Across the Atlantic, Europe is keeping calm and carrying on as uncertainties remain. "The European economic and credit environment continues to strengthen gradually, despite significant political and geopolitical uncertainty clouding the outlook," S&P Global Ratings said. The region's economy has eased into a soft landing, and eurozone rates are projected to return to neutral by the third quarter of 2025.

In Asia-Pacific, credit conditions look stable. While risks of a credit correction are possible in China and Japan, the rest of the region is forecast to see credit recovery in 2025. However, growing trade tensions between the West and China could have repercussions for the export-dependent region. Aside from tighter trade policies, continued property challenges are likely to drag credit conditions in China and slow its economic recovery, according to S&P Global Ratings.

Emerging markets are also a source of cautious optimism. "Credit conditions across emerging markets continue improving amid resilient economic activity, supported by solid domestic demand, and improving global trade and financing conditions," S&P Global Ratings said. Risk factors during the second half of the year and into 2025 are high borrowing costs and political noise from the upcoming US elections, which could dampen investor appetite for debt in these markets.
Credit markets across the different regions are showing resilience against relentless risks. Most economies have seen steady growth this year, and credit conditions are picking up globally. In terms of rating outlooks, all regions had more upgrades than downgrades during the second quarter as aggregate credit

quality improved from the first quarter. Global defaults have remained elevated in 2024, although they are forecast to gradually decline through March 2025, according to S&P Global Ratings.

Global economic growth is expected to slow for the rest of the year as sticky inflation and high mortgage rates could limit household spending. Some corporate borrowers could face mounting cash flow and liquidity pressures due to higher debt costs and weaker consumer demand. Diverging interest rates globally due to differing pace of cuts could also increase volatility and capital outflows to markets offering higher yields.

With less than four months remaining in 2024, “a bumpy ride is likely before a credit recovery in 2025,” S&P Global Ratings said in its quarterly credit conditions report.

Today is **Friday, September 6, 2024**, and here is today’s essential intelligence.

(URL of the original article: https://www.spglobal.com/en/research-insights/market-insights/daily-update-september-6-2024 )

**WORLD ECONOMIC FORUM** | Web Article | September 4, 2024

# Unlocking global fintech potential: bridging the venture capital funding divide |

- **Financial technology, or fintech, has transformed how consumers and businesses use financial services.**

- **Venture capital (VC) plays a key role in enabling fintech innovation, but many companies struggle to access it.**

- **The World Economic Forum and McKinsey & Company's new report [Fuelling Innovation: Closing Fintech Funding Gaps] analyses global disparities in fintech VC funding and proposes strategies to address these gaps and foster innovation.**

Over the past decade, fintech has transformed the way consumers and businesses use financial services. Venture capital (VC) plays a key role in enabling fintech innovation and has been an important driver of the industry's development.

However, obtaining VC funding remains a challenge for many fintech companies across regions. A disparity exists between where VC investments are directed and where funding is most needed, which undoubtedly impedes the progress of fintech innovation.

**Have you read?**

To confront this pressing challenge, the World Economic Forum and McKinsey & Company (McKinsey) have jointly launched an initiative entitled Fuelling Innovation: Closing Fintech Funding Gaps and a white paper of the same name based on primary research, quantitative analysis, stakeholder interviews and thematic workshops with the initiative's steering committee and working group members.

**The growth and slowdown of fintech VC funding**

Venture capital has long played a crucial role in financing waves of technological innovation. Over the past nine years, fintech has consistently ranked as one of the top sectors in terms of VC investment, attracting a 12% share of all VC funding on average.

Global VC funding for fintechs grew steadily, from $18 billion in 2015 to $92 billion in 2021, driven by the low-interest rate environment as well as pandemic-induced digitalization.

However, this explosive growth quickly reversed as geopolitical instability and rising interest rates dampened valuations, leading to a decline to $30 billion in 2023 – marking a 67% decrease from the 2021 peak.

Exceptional fintech growth in some regions is bucking the decline in global VC fintech funding and highlights the potential of these markets to attract investment and foster a thriving fintech ecosystem.

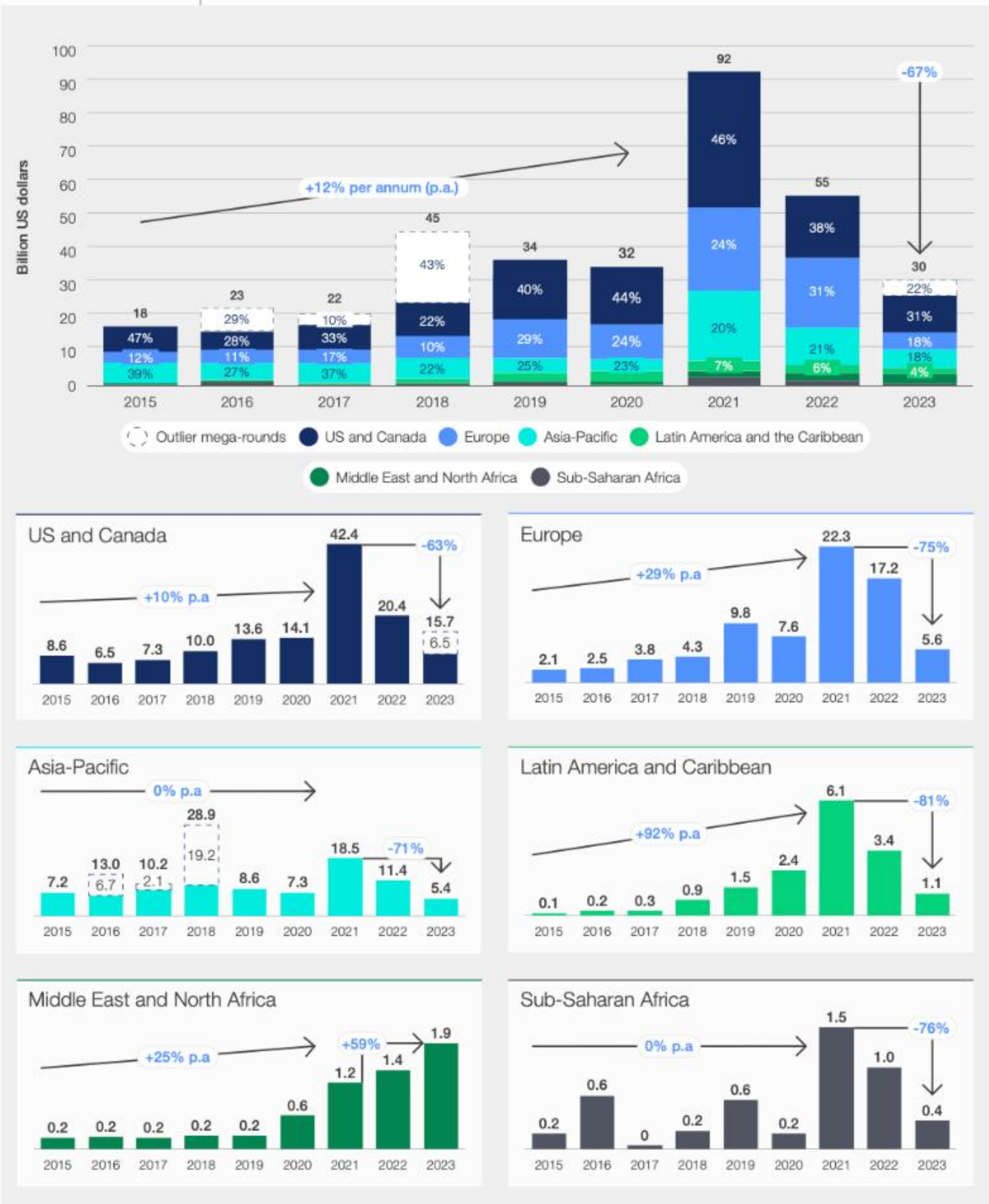
Latin America and the Caribbean (LAC) has notably seen the highest compound annual funding growth, at an annual average of 37% between 2015 and 2023, despite an 81% decrease since the 2021 peak.

The Middle East and North Africa (MENA) had the second-highest growth rate for fintech VC funding between 2015 and 2023, with an annual average growth of 33%. The volume of funding in the region tripled between 2020 and 2023 and MENA was the only region to see funding growth between 2021 to 2023.

Despite this downturn, the fundamental drivers of fintech adoption remain strong, with the industry's growth rate expected to outpace retail banking between 2022 and 2028.

(continued to the next page)

FIGURE 4 | VC fintech funding trends by region (2015 to 2023)




VC fintech funding trends by region (2015 to 2023).

Image: World Economic Forum and McKinsey

The fintech industry has become the second most prolific creator of unicorns – start-ups that exceed a $1 billion valuation – just behind enterprise software. As of 2023, approximately 362 fintechs globally have reached unicorn valuation, and nearly 150 fintech unicorns have realized an exit.

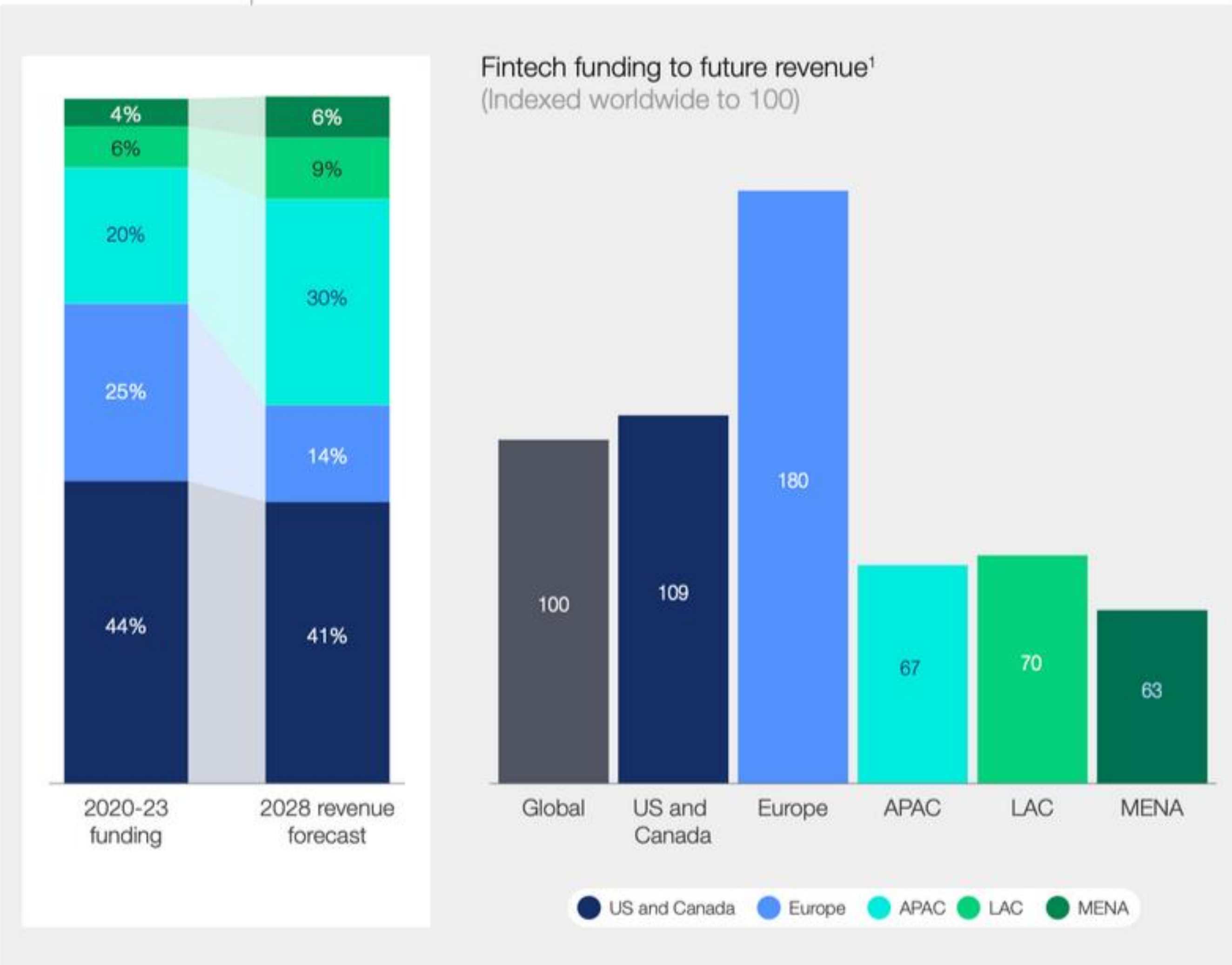
As the global economy recovers and investor confidence returns, the fintech industry is well-positioned to attract renewed interest, fuelling the next wave of innovation and growth.

**Geographic disparities in fintech funding**

The fintech funding landscape is marked by significant geographic disparities. Sub-Saharan Africa (SSA), LAC and MENA collectively received only 10% of global fintech funding during 2020-23, yet are projected to generate [15% of global fintech revenue by 2028](#).

Exceptional fintech growth in some regions, particularly LAC and MENA, resists the global trend, highlighting the potential of these markets to attract investment and foster a thriving fintech ecosystem.

FIGURE 5 Share of 2020-2023 funding against share of 2028 fintech revenue forecast




**Note:** Includes Stripe's mega-round of $6.5 billion; if excluded, ratio for North America would be 102. 1. Defined as share of total VC fintech funding in 2020-2023 divided by share of projected fintech revenue pool in 2028.

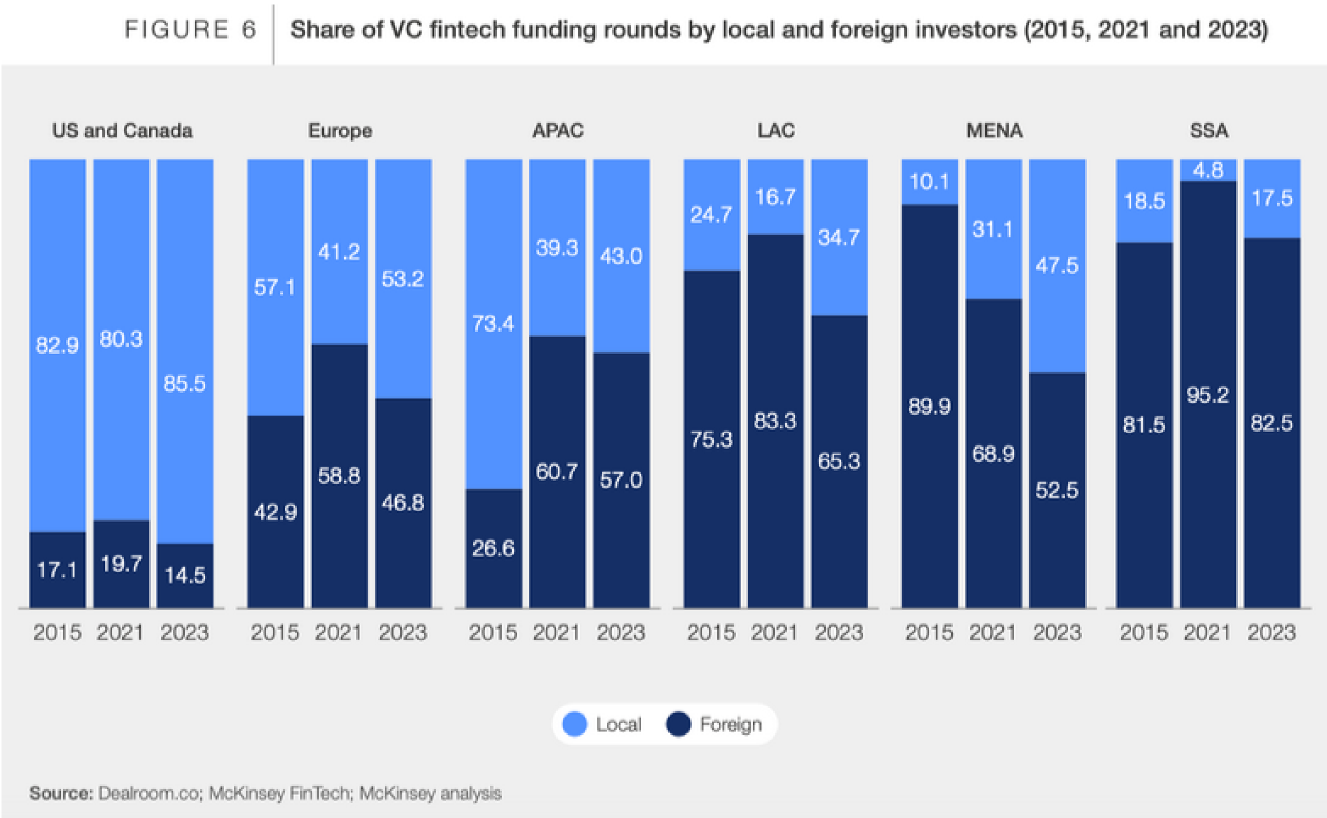
**Source:** Dealroom.co; World Bank population data; McKinsey FinTech; McKinsey analysis

Share of 2020-2023 funding against share of 2028 fintech revenue forecast. Image: World Economic Forum and McKinsey

The balance between local and foreign investment varies dramatically from one part of the world to another, painting a diverse picture of global fintech funding.

Both local and foreign VC investors play a crucial role in nurturing fintech ecosystems and helping fintechs scale. Local investors can bring intimate knowledge of the domestic market, allowing them to support homegrown fintech start-ups that address specific local needs and challenges.

Meanwhile, foreign investors can contribute by providing a global perspective, extensive networks, and often access to larger pools of capital. Ultimately, the collaboration between local and foreign investors is essential.




Share of VC fintech funding rounds by local and foreign investors (2015, 2021 and 2023). Image: World Economic Forum and McKinsey

Fintech funding in the US and Canada has the highest concentration of local investors above 85% as of 2023, followed by Europe with 53.2% of local investors. Across Asia Pacific (APAC), LAC, MENA and SSA, the investment landscape looks dramatically different, with an average of 36% of investments made by local investors and 64% made by foreign investors.

However, the share of local investors has notably increased since 2015. The most impressive growth can be witnessed in MENA, where the share of local investors has grown from 10% in 2015 to 47.5% in 2023. Similarly, in LAC, the percentage of local investors has grown from 24.7% in 2015 to 34.7% in 2023.

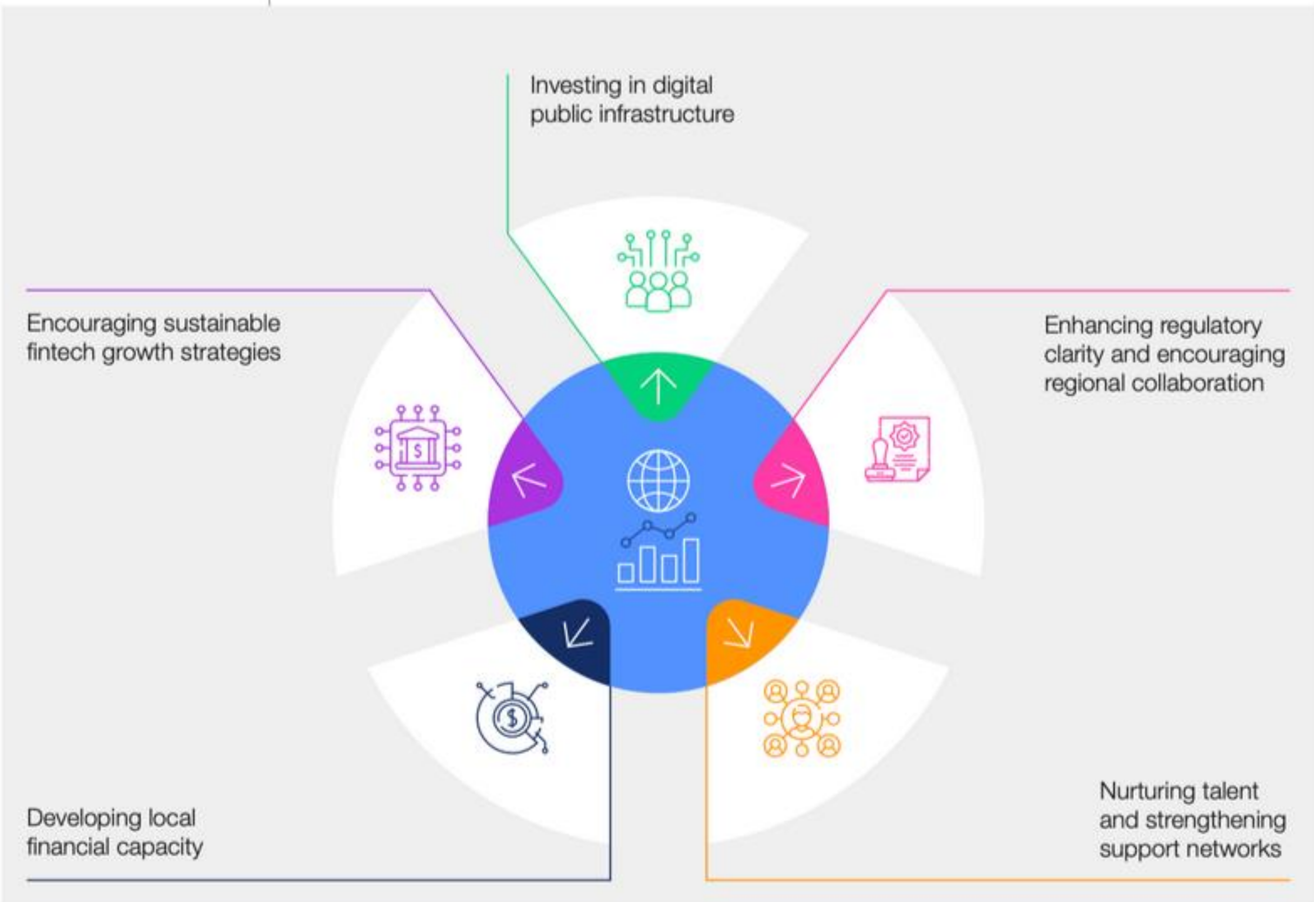
**Pathways to close fintech funding gaps**

To close fintech funding gaps and foster a more robust fintech ecosystem, our report identifies five strategic pathways. These recommendations emerged from consultations with key industry stakeholders, including fintech founders and venture capital investors.

These include investing in digital public infrastructure, enhancing regulatory clarity and encouraging regional collaboration, nurturing talent and strengthening support networks, developing local financing capacity, and encouraging sustainable fintech growth strategies.

Collectively, we believe these pathways provide a comprehensive approach to developing a supportive fintech environment and creating attractive fintech investment opportunities.

FIGURE 10 **Overview of the five pathways to close fintech funding gaps, based on interviews with key stakeholders**




Overview of the five pathways to close fintech funding gaps, based on interviews with key stakeholders Image: World Economic Forum and McKinsey

The fintech industry's expansion over the last 10 years has been a powerful catalyst for innovation, inclusion, and growth in the financial services sector and the wider economy.

As we look to the future, we can continue this trajectory could be continued by enhancing collaboration across stakeholders to develop an enabling environment that attracts venture capital fintech funding where it is needed most.

Through healthy funding opportunities, we can harness the power of fintech to create value for businesses and individuals alike and contribute to a more accessible, innovative and resilient global financial ecosystem.

This white paper published in collaboration with McKinsey and Company, is part of the World Economic Forum's Future of Venture Capital initiative. The Future of Global Venture Capital initiative brings together industry leaders to identify collaborative opportunities to strengthen the global venture capital ecosystem.

(URL of the original article: https://www.weforum.org/agenda/2024/09/unlocking-global-fintech-potential-bridging-the-venture-capital-funding-divide/ )

**WORLD BANK GROUP** | Press Release | September 4, 2024
## More than 400 Million Students Affected by Climate-Related School Closures since 2022 |

**WASHINGTON, Sept. 4, 2024** – A staggering 400 million students globally experienced school closures from extreme weather since 2022, according to a new World Bank report released today. The report examines the detrimental impacts of climate change on education in low- and middle-income countries and offers solutions to harness education to spur climate action. It also estimates that a one-time investment of $18.51 per child can mitigate the impact from climate shocks.

New analysis in the report, **"*Choosing Our Future: Education for Climate Action*"**, shows that the climate crisis is hitting education the hardest in low-income countries, with 18 school days lost annually on average, compared to 2.4 days in wealthier nations. A 10-year-old in 2024 will experience three times more floods, five times more droughts, and 36 times more heatwaves over their lifetime compared to a 10-year-old in 1970. And even when schools are open, students are losing learning due to climate. In Brazil, students in the poorest 50% of municipalities could lose half a year's learning due to heat alone.

*Young people are directly impacted by this crisis, and they are eager to act. Yet education systems are not delivering the information, skills and opportunities they need in a climate-affected world,"* said **Mamta Murthi, Vice President, People Vice Presidency, World Bank**. *"This is a missed opportunity to harness the power of education so we can adapt to and mitigate the climate crisis."*

Education is not only under threat from climate change—it is massively overlooked in climate financing. Past analyses have shown that a mere 1.5% of climate finance goes to education. But new estimates in the report show that for $18.51 per child, schools can help better safeguard learning from climate change – by improving classroom temperature, building resilient infrastructure, and training teachers, among other adaptation measures.

*"The promising news is that there are many low-cost steps that governments can take to harness education and learning for climate action while adapting education systems to climate change,"* said **Luis Benveniste, Global Director of Education at the World Bank**. *"Improving school infrastructure, ensuring learning continuity, and leveraging students and teachers as effective agents of positive change can all contribute to a more livable planet."*

Surveys in the report shed light on the disconnect between the eagerness of young people in low- and middle-income countries to do something and the lack of knowledge and skills to act. Around 65% of young people across eight countries believe their futures are at stake if they don't develop green skills, but 60% also believe they didn't learn enough about climate change in school. The report shows that each year of education increases climate awareness by nearly 9%, based on data from 96 countries. It argues that education is key to addressing these gaps in information, skills, and knowledge and driving climate action worldwide by reshaping mindsets, behaviors, skills, and innovation.

With demand for green skills outpacing supply in many low- and middle-income countries, the report busts commonly held myths. For instance, around 73% of young people across eight countries mistakenly believe that they cannot get a green job without Science, Technology, Engineering, and Math (STEM) skills. But new World Bank data and analysis show that green skills are being demanded at nearly all skill levels and sectors across low- and middle-income countries. For example, 31% of green jobs in the Philippines are medium skill roles.

The report lays out evidence, data, on-the-ground examples, and a policy agenda to support country efforts. For example, improving foundational and STEM skills, mainstreaming climate education, and

building teacher capacity will help harness schooling for climate action. And governments can prioritize green skilling and innovation in tertiary education to help supercharge a shift to more sustainable practices.
For more information, please visit:
https://www.worldbank.org/en/topic/education

PRESS RELEASE NO: 2025/010/People

(URL of the original article: https://www.worldbank.org/en/news/press-release/2024/09/04/education-for-climate-action-400m-students-affected-climate-related-school-closures )

UDRUŽENJE PORESKIH SAVETNIKA SRBIJE

CFE tax advisers europe

dszs Davčno svetovalna zbornica Slovenije

# CFE Tax Advisers Europe's 2024 Conference on Tax Advisers' Professional Affairs

## *Global Policy Trends : AI & The Future of Tax Planning & New EU Rules on Anti-Money Laundering*

### Event Details

CFE Tax Advisers Europe will hold its 17th European Conference on Tax Advisers' Professional Affairs, co-hosted by Slovenian and Serbian Member Organisations DSZS - Davčno svetovalna zbornica Slovenija & UPSS - Udruzenje poreskih savetnika Srbije, on the topic of *"Global Policy Trends : AI & The Future of Tax Planning & New EU Rules on Anti-Money Laundering"*.

The conference will bring together experts and professionals at the forefront of these two important topics to address global critical policy trends: the future of tax planning with the advance of AI, the role of professional standards in safeguarding the integrity of the tax profession and the fiscal system in an era of extraordinary computational capabilities of AI.

A separate panel will elaborate on the new EU rules on anti-money laundering and terrorist financing, and their impact for tax professionals, accountants, auditors.

### Date & Time:

Thursday, 19 September 2024
10:00 am - 16:00 pm

### Location:

Grand Plaza Hotel Ljubljana,
Slovenska cesta 60
Ljubljana, Slovenia

**REGISTER NOW**

**Contact:**
info@taxadviserseurope.org

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**More Information:**
www.taxadviserseurope.org