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Impact of regulatory changes on strategic treasury operations in a post-COVID-19 world

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Abstract

The COVID-19 pandemic has reshaped the global economic landscape, leading to significant regulatory changes that have had profound effects on strategic treasury operations. As organizations strive to adapt to the post-pandemic world, regulatory shifts aimed at enhancing financial stability, liquidity, and risk management have become central to treasury functions. This review explores how these evolving regulations impact multinational corporations (MNCs) by influencing cash flow management, capital allocation, and compliance requirements. Key regulatory updates include stricter liquidity coverage ratios (LCR), net stable funding ratios (NSFR), and enhanced stress-testing protocols, driven by global regulatory bodies like the Basel Committee and the Financial Stability Board (FSB). Additionally, new taxation policies, changes in cross-border regulations, and intensified scrutiny on digital payments and data privacy have compelled treasuries to reassess their strategies. The adoption of technologies such as AI, blockchain, and RegTech solutions has become critical in helping organizations navigate these changes efficiently, enabling real-time compliance, automated reporting, and enhanced risk management. This highlights the impact of these regulatory shifts on liquidity management, requiring treasurers to optimize cash reserves, streamline cash pooling, and adjust funding strategies. Furthermore, compliance with emerging cybersecurity laws and digital frameworks has become essential to safeguard financial data in an increasingly digitalized environment. Through case studies of leading

firms, this review illustrates best practices in adapting treasury operations to the evolving regulatory landscape. Ultimately, the review concludes that a proactive approach to regulatory compliance, combined with the strategic use of technology, is essential for treasurers to optimize financial performance and maintain resilience in a rapidly changing post-COVID-19 world. Organizations that effectively integrate these strategies are better positioned to achieve long-term stability and growth amid ongoing economic uncertainties

Keywords: Strategic Treasury Operations, Post-COVID-19 World, Regulatory Changes, Review.

INTRODUCTION

The COVID-19 pandemic has profoundly reshaped the global financial landscape, intensifying the need for robust regulatory frameworks to ensure economic stability (Amir and Bin, 2020). In the aftermath of the crisis, regulatory bodies around the world have revisited existing financial rules and introduced new measures to mitigate risks, enhance liquidity, and protect against future disruptions. The pandemic exposed vulnerabilities in financial markets, prompting a renewed focus on financial stability and risk management (Mbata *et al.*, 2024). Consequently, companies are facing a heightened regulatory environment that demands greater agility and strategic adjustments, particularly within treasury operations (Shams *et al.*, 2021).

Treasury functions, which include cash management, funding, and risk mitigation, have become increasingly critical as organizations navigate the complexities of the post-pandemic economy (Chiu *et al.*, 2022). The regulatory landscape has evolved rapidly, with governments and financial institutions introducing measures to strengthen liquidity buffers, streamline capital requirements, and bolster market transparency. As a result, treasurers are now expected to play a more strategic role in ensuring that organizations remain compliant while maintaining operational efficiency (Bakare *et al.*, 2024). The increased focus on financial resilience is further driven by regulatory bodies such as the Basel Committee on Banking Supervision, which has updated its guidelines on capital adequacy and liquidity risk to address the financial sector's challenges exposed by COVID-19 (Gehrig and Iannino, 2021; Mokogwu *et al.*, 2024). Similarly, new regulations on reporting, data privacy, and cybersecurity have been implemented to protect financial systems from emerging risks, including the surge in digital transactions and cyber threats (Uddin *et al.*, 2020).

This review aims to explore how these evolving regulatory changes impact strategic treasury operations. By examining the intersection of regulation and treasury management, the review will highlight best practices for optimizing financial stability and risk management in a rapidly changing environment. The focus will be on understanding how organizations can adapt their treasury strategies to align with new regulatory expectations, particularly regarding liquidity management, compliance, and technological adoption. Furthermore, this review will address how treasurers can leverage technology to meet regulatory requirements efficiently, while also enhancing operational agility. The shift toward digital transformation and automation in treasury functions is not only a response to regulatory pressures but also a strategic move to improve efficiency, accuracy, and scalability in financial operations. In addition, the review seeks to identify effective strategies that companies can implement to navigate these changes in a post-pandemic world. This includes exploring innovative approaches for integrating risk management tools, optimizing cash flow, and ensuring compliance through digital solutions. By providing insights into the challenges and opportunities presented by the evolving regulatory landscape, the review will offer guidance for organizations looking to enhance their treasury functions and secure a competitive edge in a more regulated financial environment (Kassem *et al.*, 2022; Ajouz and Abuamria, 2023). Overall, as the world continues to adjust to the aftermath of the pandemic, the importance of

strategic treasury management cannot be overstated. Organizations that proactively align their treasury operations with regulatory requirements and leverage technology will be better positioned to thrive in a complex and uncertain financial landscape.

Understanding the Role of Treasury Operations

Treasury operations play a crucial role in maintaining the financial health of organizations by ensuring efficient cash flow management, liquidity optimization, funding, and risk mitigation (Plaskova *et al.*, 2020). The strategic importance of treasury functions has become even more pronounced in the post-pandemic era, where financial resilience is critical. This explores the core functions of treasury management, the heightened importance of treasury operations in a post-pandemic context, and the challenges treasurers face in navigating the complexities brought about by the COVID-19 crisis.

One of the primary responsibilities of treasury management is overseeing an organization's cash flow. This involves managing both incoming and outgoing cash flows to ensure that the company has enough liquidity to meet its short-term obligations while optimizing returns on excess funds. Effective cash flow management ensures the timely settlement of liabilities, such as payroll, supplier payments, and debt servicing, thus preventing financial distress (Oriekhova and Golovko, 2022). Treasury departments focus on maintaining optimal liquidity levels to ensure that an organization can cover its operational expenses and investments while minimizing the cost of capital. Liquidity optimization involves using cash reserves efficiently, managing bank credit lines, and leveraging short-term financial instruments like commercial reviews or treasury bills to access funds when needed. Treasury operations are also responsible for securing the necessary funding to support both day-to-day operations and long-term strategic investments. This involves evaluating financing options, managing debt levels, and ensuring access to credit markets. In times of financial uncertainty, the ability to secure reliable funding sources becomes even more vital for sustaining growth and operational continuity. Treasury managers are tasked with identifying, assessing, and managing financial risks, particularly those related to interest rates, foreign exchange, and market volatility. This is achieved through hedging strategies, such as using derivatives like futures, options, and swaps, to protect against adverse market movements (Eigbokhan *et al.*, 2024). By mitigating these risks, treasuries help preserve the company's financial stability and protect its profit margins.

The COVID-19 pandemic has underscored the strategic importance of treasury management in maintaining financial stability and resilience (Ahrens and Ferry, 2020). As the global economy faced unprecedented disruptions, organizations relied heavily on their treasury functions to navigate the uncertain landscape. Treasurers have become key players in ensuring the sustainability of organizations by implementing strategies to preserve liquidity, manage cash flows, and secure funding amidst market volatility. In the post-pandemic context, treasuries are focused on enhancing their liquidity buffers to withstand future shocks (Mbata *et al.*, 2024). This involves revisiting cash management strategies, optimizing working capital, and reassessing funding structures. By strengthening liquidity reserves, organizations are better equipped to handle sudden disruptions, such as supply chain interruptions or reduced consumer demand. Beyond immediate crisis management, treasury operations are increasingly involved in supporting long-term sustainability goals. This includes exploring green financing options, such as issuing green bonds or securing sustainability-linked loans, which align with the growing emphasis on Environmental, Social, and Governance (ESG) principles. Treasurers are thus playing a pivotal role in driving organizational shifts toward more sustainable and resilient financial practices (Mokogwu *et al.*, 2024).

The COVID-19 crisis introduced significant challenges for treasury operations, primarily due to disruptions in cash flows, heightened market volatility, and liquidity pressures (Alao and Gbolagade, 2020). As businesses faced operational slowdowns or shutdowns, cash inflows

were significantly reduced, while fixed costs like salaries and rent remained constant. This created a cash flow crunch for many organizations, especially those in sectors like retail, hospitality, and travel. Treasurers had to respond quickly by renegotiating payment terms, deferring capital expenditures, and optimizing receivables management to maintain cash flow stability. The pandemic triggered extreme volatility in financial markets, affecting interest rates, currency values, and commodity prices. This volatility posed a substantial risk to organizations with significant exposures in these areas. Treasurers had to adjust hedging strategies rapidly to protect against adverse movements, ensuring that the organization's financial position remained secure. As credit conditions tightened and banks became more cautious in extending loans, organizations faced challenges in securing short-term funding. Treasury managers were tasked with optimizing liquidity sources by drawing on existing credit lines, accessing government support programs, or tapping into alternative financing options (Yadav, 2021). Maintaining sufficient liquidity became a top priority to ensure that businesses could weather the storm and sustain operations.

The role of treasury operations has never been more critical in safeguarding financial stability and ensuring business continuity, particularly in a post-pandemic world. Treasury managers must continuously adapt their strategies to optimize cash flow, secure funding, and manage risks effectively. By leveraging innovative financial instruments and focusing on sustainability, treasurers can not only navigate current challenges but also position their organizations for future growth (Morrison and Misener, 2021). The lessons learned from the COVID-19 crisis will continue to shape the future of treasury management, driving a more proactive and resilient approach to financial stewardship.

Major Regulatory Changes Affecting Treasury Operations

The landscape of treasury operations has undergone significant transformation in recent years, driven by major regulatory changes, particularly in the aftermath of the COVID-19 pandemic (Tomic and Heims, 2022). These changes span across financial reporting, capital and liquidity requirements, taxation policies, cross-border regulations, and the increasing importance of digital regulatory frameworks. This explores these regulatory changes, with a focus on how they impact treasury operations, and the role of financial institutions in navigating this evolving landscape.

The global financial system experienced profound disruption due to the COVID-19 pandemic, prompting governments and regulatory bodies to introduce new financial regulations aimed at bolstering resilience and ensuring market stability. Among these changes, enhanced reporting requirements and compliance measures have been central to the post-pandemic regulatory framework. In response to the economic fallout from COVID-19, financial institutions were required to meet stricter reporting standards to ensure transparency and accountability (Zaring, 2020). These regulations focused on improving the disclosure of financial risks, including credit, liquidity, and market risks, to prevent future systemic shocks. For example, the Basel Committee on Banking Supervision (BCBS) has stressed the importance of more robust and frequent stress testing and reporting in the wake of the pandemic. Furthermore, financial institutions must provide more detailed information about their liquidity positions and capital buffers to maintain market confidence. The Basel Committee, the Financial Stability Board (FSB), and the International Financial Reporting Standards (IFRS) have been instrumental in shaping post-COVID financial regulations (Kassem *et al.*, 2023). These bodies have collaborated to ensure that financial institutions maintain stability by enforcing capital and liquidity requirements. The implementation of IFRS 9 and IFRS 16 has further complicated treasury reporting by introducing stricter rules on loan provisioning and lease accounting, increasing the need for accurate financial reporting and stress testing.

The regulatory framework for capital and liquidity has evolved significantly, especially with the implementation of Basel III updates, which have had a profound impact on treasury

operations (Pervez *et al.*, 2022). Basel III, an international regulatory framework for banks, was updated to address the weaknesses revealed during the 2008 global financial crisis and further refined during the COVID-19 pandemic. One of the major updates includes higher capital adequacy ratios, which require banks to hold more capital in reserve to absorb potential losses. This has directly affected treasury functions by increasing the focus on capital preservation and ensuring sufficient buffers are available during economic downturns. The introduction of stress testing and liquidity coverage ratios (LCR) has placed significant pressure on treasury operations to ensure that banks are prepared for periods of financial stress. The LCR requires banks to hold enough high-quality liquid assets (HQLAs) to survive a 30-day stress scenario, while the NSFR requires stable funding for a one-year period (Ogbewele *et al.*, 2024). These requirements necessitate a strategic overhaul in how financial institutions manage their liquidity positions, with a greater focus on securing longer-term funding sources to reduce vulnerability to market shocks.

In the wake of global economic disruptions, taxation and cross-border regulations have also evolved to ensure more equitable and transparent financial practices. Governments have introduced new international tax policies and transfer pricing rules aimed at curbing tax avoidance and ensuring that multinational corporations contribute fairly to tax revenues (Mashiri *et al.*, 2021). These changes have impacted treasury operations by altering the way companies manage their international subsidiaries, their tax liabilities, and the repatriation of profits. As tax regulations become more stringent, treasuries must enhance their focus on managing the tax efficiency of cross-border transactions, including optimizing capital structure and considering tax consequences when planning international fund transfers. The OECD's Base Erosion and Profit Shifting (BEPS) initiative, which seeks to prevent tax base erosion and profit shifting by multinational companies, has had a significant impact on treasury operations. Financial institutions must now adhere to stricter documentation and reporting requirements on intercompany transactions to ensure tax fairness across borders. Treasury departments must carefully review their pricing policies, transfer pricing agreements, and structuring of intra-group financing to avoid risks of tax penalties and scrutiny by tax authorities (Mbata *et al.*, 2024).

The rapid growth of digital finance, including payments and cryptocurrencies, has led to the development of new regulatory frameworks that directly affect treasury operations. As digital payments and cryptocurrencies gain popularity, regulatory bodies have introduced guidelines to address risks associated with digital assets (Kochergin, 2022). Treasury operations must now comply with regulations governing cryptocurrency transactions, anti-money laundering (AML), and know your customer (KYC) requirements. The rise of central bank digital currencies (CBDCs) also has the potential to reshape treasury operations by providing a more regulated alternative to decentralized cryptocurrencies. In parallel with the growth of digital finance, data privacy regulations such as the General Data Protection Regulation (GDPR) and enhanced cybersecurity laws have been enforced to protect customer data and ensure secure financial transactions (Mokogwu *et al.*, 2024). These regulations place an added responsibility on treasury operations to implement robust data management systems and cybersecurity protocols. Financial institutions must prioritize the protection of sensitive financial data to maintain regulatory compliance and avoid potential legal and reputational risks.

The regulatory changes impacting treasury operations are multifaceted and wide-ranging, covering aspects of capital reserves, liquidity management, taxation, and digital finance. The post-COVID-19 era has ushered in new financial regulations that have significantly reshaped the responsibilities of treasury functions, with a stronger emphasis on risk management, compliance, and sustainability (Mbata *et al.*, 2024). As financial institutions navigate this complex regulatory environment, they must ensure that their treasury operations remain flexible and resilient, adapting to evolving standards while maintaining operational efficiency

and compliance. The ongoing evolution of global regulatory frameworks, particularly in the digital space, will continue to shape the future of treasury management and financial stability worldwide.

Impact on Strategic Treasury Operations

Strategic treasury operations are essential for maintaining financial stability, liquidity, and compliance in organizations, especially during periods of regulatory change (Kostyuchenko *et al.*, 2020). In the wake of post-pandemic economic disruptions and tightening regulations, treasury functions have undergone significant adjustments. Key aspects of treasury operations, including cash flow and liquidity management, risk management, and funding and capital allocation, have all been impacted. This explores the effects of these changes on treasury operations and highlights strategies that organizations can adopt to remain resilient in the face of evolving regulatory frameworks.

One of the most significant impacts on treasury operations has been the adjustment of cash flow strategies to comply with tightened liquidity regulations (Gül and Taştan, 2020). As a response to the economic fallout from the COVID-19 pandemic, regulators introduced more stringent requirements for financial institutions to hold higher levels of liquidity. These regulations, such as the liquidity coverage ratio (LCR) and net stable funding ratio (NSFR), are designed to ensure that banks and financial institutions have enough liquid assets to weather periods of economic distress. To comply with these regulations, treasuries have had to refine their cash flow strategies. This has involved closely monitoring daily liquidity needs, stress-testing cash positions, and ensuring that sufficient liquidity is available to meet both short-term obligations and long-term capital requirements. Cash flow forecasting has become more sophisticated, with enhanced focus on short-term liquidity management and longer-term cash requirements. In a regulated environment, organizations have also focused on enhancing their cash reserves. One method of optimizing cash flow is the use of cash pooling, which consolidates the cash balances of multiple subsidiaries into a single account (Mbata *et al.*, 2024). This allows the organization to reduce idle cash, optimize liquidity, and ensure that funds are available where needed most. Cash pooling helps in reducing the need for external borrowings and enhances the treasury's ability to manage liquidity more effectively.

With the increasing complexity of regulations and the global focus on financial stability, treasury functions have had to bolster their risk management frameworks to ensure full compliance (Metrick and Tarullo, 2021). As new regulations emerge, financial institutions must adapt their risk management strategies to identify, assess, and mitigate various risks, including market, credit, and operational risks. Regulatory changes such as the Basel III framework, which includes more stringent capital requirements and stress testing, have forced treasuries to enhance their risk management capabilities. Effective risk management now involves not only identifying financial risks but also monitoring and mitigating them in line with regulatory expectations. Risk assessment and reporting processes have become more robust, focusing on the quantification and management of risk exposures to ensure compliance with both local and international regulations. In response to an increasing regulatory burden, treasury departments are increasingly adopting automated compliance solutions (Bakare *et al.*, 2024). These tools help streamline reporting and ensure that treasury operations meet the requirements of various regulatory bodies, including the Basel Committee, the Financial Stability Board (FSB), and others. Automated solutions help reduce human error, increase reporting efficiency, and ensure that financial institutions are able to meet evolving regulatory standards in real-time.

The regulatory changes in capital and liquidity requirements have also significantly impacted treasury operations, particularly in the areas of funding structures and capital allocation (Feng *et al.*, 2023). The introduction of updated Basel III regulations and other financial reforms has changed the way banks approach funding and capital management. One of the major

challenges treasuries face is adapting to new funding structures in a regulatory environment that demands higher capital reserves. Financial institutions are required to adjust their funding strategies, balancing short-term and long-term borrowing options. This has led to an increased reliance on more stable, long-term financing sources, such as issuing bonds and securities, rather than relying on short-term wholesale funding. Treasury departments are also leveraging the growing Islamic finance market, with instruments like Sukuk (Islamic bonds) gaining popularity due to their compliance with regulatory requirements. The revised capital requirements under Basel III have also necessitated a reevaluation of debt management strategies. Financial institutions must ensure they meet the minimum capital adequacy ratios while managing their debt efficiently (Dao and Nguyen, 2020). This involves optimizing the balance between equity and debt to minimize the cost of capital and improve financial flexibility. Treasuries are increasingly using sophisticated debt management techniques, such as liability management exercises (e.g., bond buybacks or refinancing), to ensure they meet these regulatory requirements without negatively impacting the organization's financial health. The evolving regulatory landscape has had a profound impact on strategic treasury operations. Cash flow and liquidity management have become more complex due to tightened liquidity regulations, leading to the adoption of enhanced cash pooling strategies. Risk management frameworks have had to evolve to address new regulatory compliance demands, with automated compliance solutions playing a crucial role in improving efficiency (Chakraborty, 2002). Furthermore, changes in funding structures and capital allocation, driven by new capital requirements, have required treasuries to adopt more long-term and stable financing strategies. To thrive in this environment, organizations must continue to innovate their treasury operations, ensuring they remain compliant, efficient, and resilient in the face of regulatory changes (Nkundabanyanga *et al.*, 2020).

Adapting Treasury Technology to Regulatory Changes

In recent years, treasury operations have been significantly impacted by regulatory changes. The evolving regulatory landscape, driven by both local and global financial bodies, has forced organizations to adapt their technology systems to ensure compliance, manage risks, and maintain operational efficiency (Zetsch *et al.*, 2020; Li *et al.*, 2023). In this context, digital transformation, data management, and the adoption of regulatory technology (RegTech) have become crucial for modern treasuries. This explores how treasury technology is adapting to meet these regulatory changes and how emerging technologies, such as AI, RPA, blockchain, and RegTech, are shaping the future of treasury operations.

Digital transformation has become a key focus for treasuries, enabling them to streamline operations and improve compliance in response to increasingly complex regulations. Leveraging technology in real-time regulatory reporting and compliance has become essential in meeting the demands of modern financial regulations (Prakash *et al.*, 2022). One of the core components of digital transformation is the ability to track and report financial data in real-time. With regulations becoming more stringent, especially in the wake of the COVID-19 pandemic, financial institutions must ensure timely reporting to meet the requirements set by regulatory bodies such as the Basel Committee and Financial Stability Board (FSB). Advanced technologies enable treasurers to automate the generation of compliance reports, ensuring they meet deadlines and avoid penalties (Stone *et al.*, 2022). Real-time reporting also allows for better visibility into liquidity, risk, and capital positions, helping treasuries make more informed decisions. Artificial Intelligence (AI), Robotic Process Automation (RPA), and blockchain technology play pivotal roles in enhancing treasury operations. AI can automate routine compliance tasks, enabling treasuries to focus on more strategic activities. For instance, AI-based tools can track regulatory changes, assess their impact on the organization, and help treasurers stay up-to-date with evolving requirements. RPA improves efficiency by automating manual processes, such as data entry and report generation, reducing

the risk of errors and the time spent on compliance tasks. Blockchain provides transparency and immutability, ensuring that transaction records are secure and verifiable, which is critical for regulatory audits and reporting (Javaid *et al.*, 2022).

As regulatory complexity increases, treasuries are turning to advanced data management and analytics techniques to improve compliance, risk management, and decision-making. Big data, predictive analytics, and robust data security measures are becoming integral parts of treasury operations (Hasan *et al.*, 2020). Big data analytics allows treasuries to not only comply with regulations but also to predict potential compliance risks before they materialize. By analyzing large volumes of data from internal and external sources, treasury teams can model different scenarios to assess the impact of regulatory changes. Predictive analytics helps treasurers to proactively plan for future compliance needs, optimize liquidity, and ensure capital adequacy under various market conditions. This approach enables more agile decision-making and a quicker response to regulatory shifts. With the increasing threat of cyberattacks and data breaches, treasury departments must strengthen their data security protocols. Stricter cybersecurity regulations, such as the General Data Protection Regulation (GDPR) and industry-specific guidelines, require financial institutions to protect sensitive data from unauthorized access. Modern treasury systems use encryption, multi-factor authentication, and other advanced security measures to safeguard financial and personal data (Zisopoulos *et al.*, 2023). Additionally, compliance with these regulations is monitored using automated tools that ensure continuous protection against emerging security threats.

Regulatory technology (RegTech) has emerged as a key tool in helping treasuries navigate the complexities of compliance and regulation. RegTech solutions leverage advanced technologies to streamline and automate the process of compliance, reporting, and monitoring. The adoption of RegTech solutions is accelerating in treasury functions, with solutions tailored to meet the specific needs of financial institutions (Omarova, 2020). These tools automate regulatory reporting, monitor transactions for potential compliance issues, and provide real-time data analysis to detect any regulatory breaches. By utilizing RegTech, treasurers can simplify compliance processes, reduce manual intervention, and ensure that regulatory reporting is timely and accurate. Moreover, RegTech tools are designed to adapt quickly to regulatory changes, ensuring that treasury operations remain compliant even as the regulatory landscape evolves.

One of the key benefits of RegTech is the reduction of regulatory costs. By automating manual processes, organizations can significantly cut down on the time and resources spent on compliance activities. Automation reduces the likelihood of human error, improves the accuracy of compliance reports, and increases the efficiency of regulatory operations (Syed and ES, 2022). Furthermore, RegTech solutions help organizations avoid fines and penalties by ensuring that all regulatory requirements are met promptly and accurately, thereby enhancing operational efficiency and reducing the financial and reputational risks associated with non-compliance. Adapting treasury technology to regulatory changes is essential for modern financial institutions. The digital transformation of treasury operations, the use of big data for predictive compliance, and the rise of RegTech solutions have enabled organizations to meet regulatory demands more efficiently and effectively. As regulatory landscapes continue to evolve, leveraging technologies such as AI, RPA, blockchain, and RegTech will be critical for maintaining compliance, improving transparency, and enhancing operational efficiency in treasury functions (Liermann and Stegmann, 2021; Eluwole and Akande, 2022). By embracing these technological advancements, treasuries can navigate the complexities of regulatory change while ensuring long-term financial stability and resilience.

Future Trends and Strategic Considerations in Treasury Operations

The landscape of treasury operations continues to evolve in response to both regulatory shifts and economic challenges. As the global financial ecosystem faces increasing complexity, it is

crucial for organizations to anticipate future trends and strategically position their treasury functions (Loorbach *et al.*, 2020). This explores two key areas that will shape the future of treasury management: anticipating further regulatory changes, and preparing for economic uncertainty and market volatility. The integration of sustainable finance, environmental, social, and governance (ESG) factors, as well as the need for flexibility and resilience in treasury strategies, will play pivotal roles in navigating these challenges.

The regulatory environment governing treasury operations has been evolving rapidly, and it is expected that these changes will continue to shape treasury strategies in the coming years. Financial regulations across the globe are becoming more stringent, aiming to safeguard financial stability while encouraging sustainable economic practices. As global financial markets continue to face disruptions from crises such as the COVID-19 pandemic, financial regulators are likely to introduce further regulations to enhance market stability and consumer protection (Carletti *et al.*, 2020). It is anticipated that regulations will tighten in areas such as capital adequacy, liquidity management, and risk mitigation. The Basel III framework, for instance, has already been updated to strengthen capital reserves and liquidity requirements, and future revisions may further increase compliance burdens for financial institutions. Additionally, regulators are likely to focus more on systemic risks and the interconnectedness of financial institutions, with stricter requirements for stress testing and risk management strategies. These changes will require treasuries to adapt by enhancing their risk management frameworks and investing in technology for more efficient regulatory compliance. One of the most significant trends in global financial regulations is the increasing emphasis on sustainability and ESG (Environmental, Social, and Governance) factors (Mooneepen *et al.*, 2022). Regulators are starting to recognize the importance of integrating sustainability into financial practices, and this trend is likely to intensify in the future. Financial institutions will be required to disclose more information regarding their environmental impact, social practices, and governance structures. ESG considerations will not only be relevant for investment decisions but will also play a crucial role in regulatory frameworks. For treasuries, this means incorporating ESG factors into their funding, investment, and liquidity management strategies. Additionally, the rise of sustainable finance initiatives, such as green bonds and sustainable Sukuk, will drive the need for treasury teams to align their operations with these new frameworks (Dikau and Volz, 2021).

The global economy has become more unpredictable due to various factors, including geopolitical tensions, technological disruptions, and climate change. Treasury departments must be prepared to navigate this uncertainty by adopting resilient strategies that can withstand economic volatility and regulatory changes (Arestis, 2022). In response to economic uncertainty, treasuries must focus on building resilience into their operations. One critical element of this resilience is the ability to quickly adjust to regulatory changes, as financial regulations continue to evolve. To achieve this, treasury departments must prioritize flexibility and adaptability in their strategy. This includes the adoption of advanced technology for real-time reporting, scenario analysis, and stress testing. It also means developing contingency plans for managing liquidity under different regulatory environments. Treasuries must stay agile in their approach to funding and capital management, ensuring they can respond quickly to unforeseen financial challenges or changes in market conditions (Hu and Kee, 2021). Agility will be a key factor in how treasuries navigate future market volatility. In a fast-changing financial landscape, treasury teams must be able to adjust strategies quickly, whether in response to shifts in interest rates, currency fluctuations, or unexpected market events. One way to achieve this is through dynamic liquidity management, which allows treasuries to optimize cash reserves and funding in real time. Flexibility is also crucial in capital allocation, enabling organizations to prioritize investments that offer the best returns while maintaining compliance with emerging regulatory frameworks (Balantrapu,

2023). By fostering a culture of agility and flexibility, treasury departments can better mitigate risks and capitalize on opportunities, even in periods of economic uncertainty (Pring *et al.*, 2021).

As the financial environment continues to evolve, treasury functions must adapt to new regulatory changes and economic challenges (Logan, 2020). The increasing focus on sustainable finance and ESG factors will drive the need for treasuries to align their strategies with emerging regulations, while the uncertainty and volatility in global markets will require greater resilience and flexibility in treasury planning. By anticipating these trends and preparing for the challenges ahead, treasury teams can not only ensure regulatory compliance but also safeguard the financial stability and long-term growth of their organizations. Emphasizing adaptability and strategic foresight will enable treasuries to thrive in an increasingly complex and dynamic financial landscape (Tran and Truong, 2022; Molla and Biru, 2023).

CONCLUSION

The evolving regulatory landscape, particularly in the wake of the COVID-19 pandemic, is reshaping treasury operations globally. Enhanced compliance requirements, tighter liquidity management rules, and increased transparency measures are among the key changes that have emerged in recent years. The implementation of regulations like Basel III updates, liquidity coverage ratios (LCR), and stress testing frameworks are pushing treasuries to refine their strategies to ensure financial resilience. Furthermore, the growing emphasis on sustainable finance and ESG considerations is driving treasuries to incorporate these factors into their operations, aligning with both global financial regulations and stakeholder expectations.

Treasurers must adopt a proactive approach to adapt to the new post-pandemic regulatory environment. Key recommendations include the integration of advanced technology to meet real-time regulatory reporting and compliance needs, such as artificial intelligence (AI) and robotic process automation (RPA). Enhancing cash flow and liquidity management strategies is essential, particularly by optimizing cash reserves and utilizing digital platforms for seamless liquidity monitoring. Treasurers should also ensure flexibility in their funding and capital allocation strategies, preparing for potential market volatility and regulatory changes. Strengthening risk management frameworks and automating compliance processes will be crucial for minimizing operational risks and ensuring adherence to evolving regulatory standards.

The continuous evolution of global regulations demands that treasury operations be agile, adaptable, and resilient. Proactive adaptation to regulatory changes, coupled with ongoing monitoring of regulatory developments, will be key to sustaining financial stability. The treasury function must remain at the forefront of this shift, actively engaging with new regulations and technological advancements to maintain operational efficiency and compliance. By embracing change and strategically aligning operations with regulatory requirements, treasurers can ensure their organizations remain well-positioned for long-term success in an increasingly complex financial landscape.

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