

2024 Predictions Understanding the F&A Landscape

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The Association of
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in Business



Featured Presenters



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Agenda

1. Introduction

2. 2023: The Road So Far..

3. 2024 F&A Predictions

- GPT
- GMT
- CBDC

4. Q&A





2023

The Road So Far..

What we predicted ...



BLACKLINE

What we predicted ...



Talent retention

Upskilling necessary to keep
top talent



Artificial Intelligence (AI)

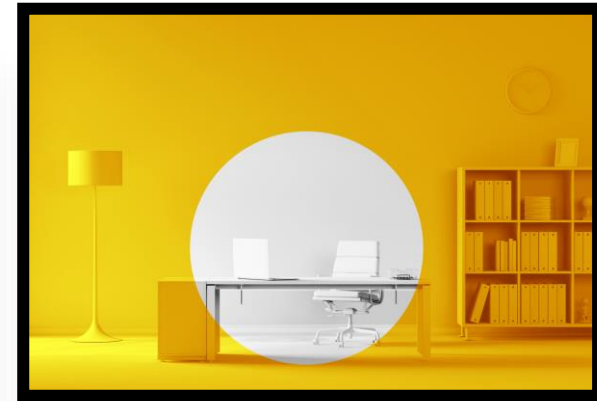
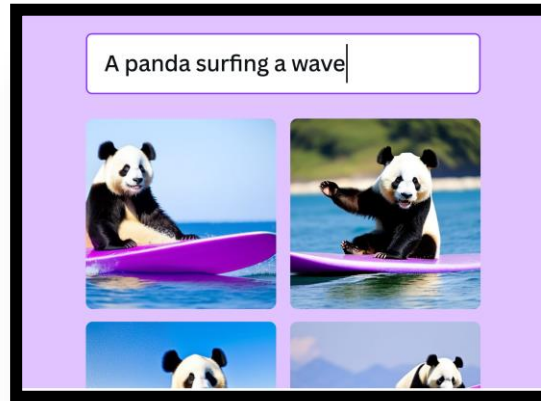
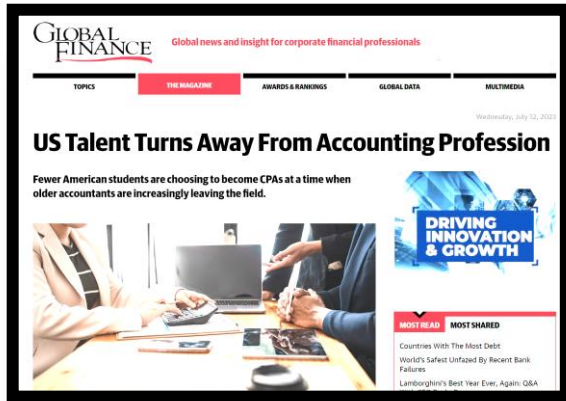
New technologies will
change how we work.



Hybrid Workforce

Hybrid work will dominate
2023.

What we got ...



Poll Question 1:

Where do you work today?

- a. Slippers on - still fully remote!
- b. Flip flops - Hybrid work model
- c. Laces tied - Back in the office full time

Poll Question 1 Results: (Placeholder)

SAFE HARBOR

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2024 Predictions

For Finance & Accounting

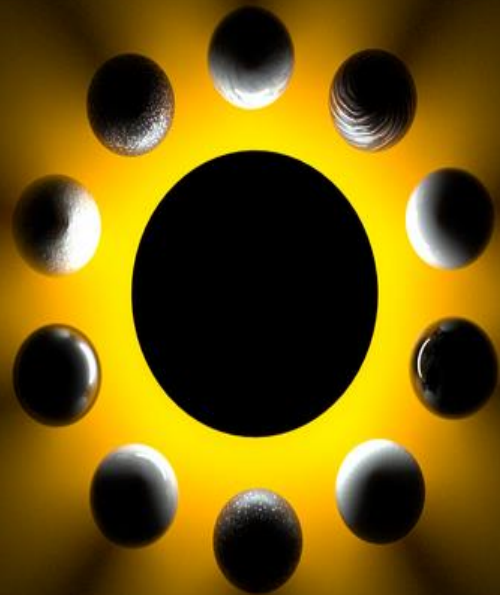


Chat GPT

The Rise of AI in Finance & Accounting

What is Chat GPT?

- “Chat Generative Pre-Trained Transformer”
- An artificial intelligence chatbot developed by OpenAI
- With broad general knowledge and domain expertise, GPT can follow complex instructions in natural language and solve difficult problems with accuracy



Stats on Chat GPT

100M

Active users of ChatGPT

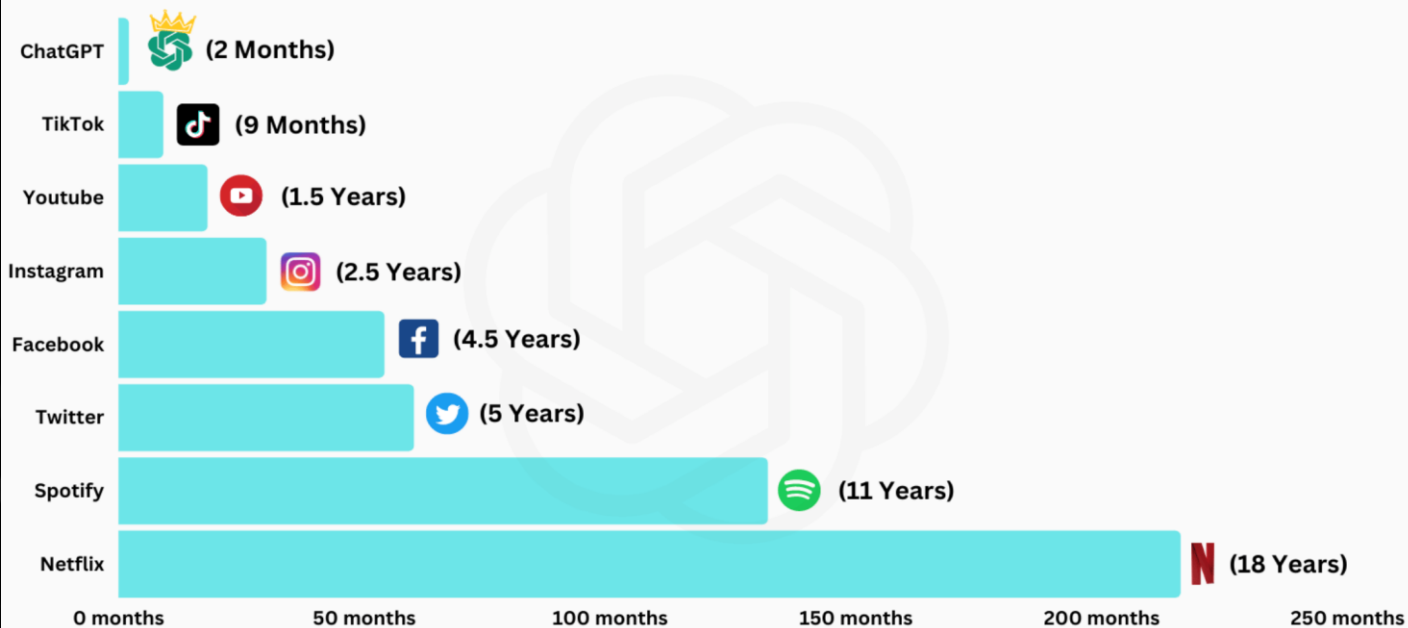
\$1B

Estimated revenue generated
in 2024

14B

Visits to ChatGPT webpage

Road To 100 Million Users For Various Platforms



What ChatGPT can do for F&A:

- Shortcuts in Excel and programming
- Research and email
- Item categorization
- Reporting
- Audit process
- Fraud detection



Beware of the Pitfalls

- It can be inaccurate
- Math is an issue
- Can introduce false ideas
- Security risks
- Sensitive data

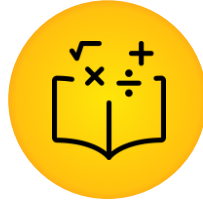


Predictions 2024



Use will increase

Growth will continue



More functions for F&A

Additional use cases will
surface



Data risks

Something is bound to
happen

Poll Question 2:

Have you used ChatGPT?

- a. No, I have not
- b. I've used it occasionally
- c. I'm using it right now!

Poll Question 2 Results: (Placeholder)

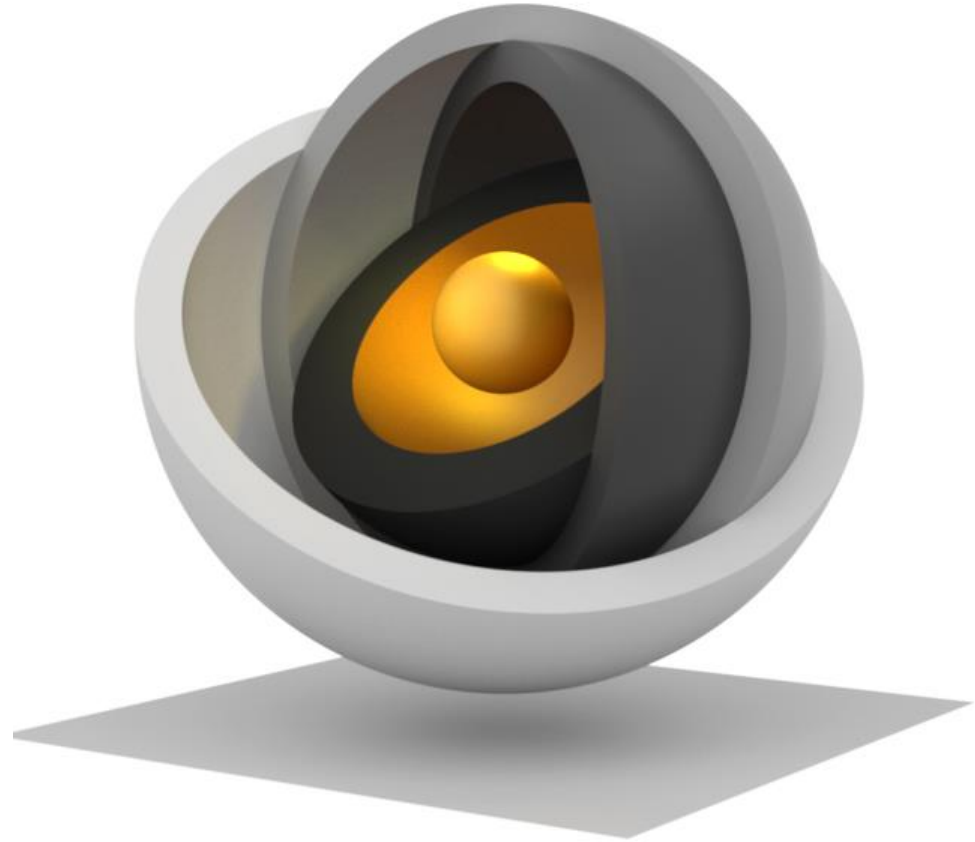


Global Minimum Tax

15%, anyone?

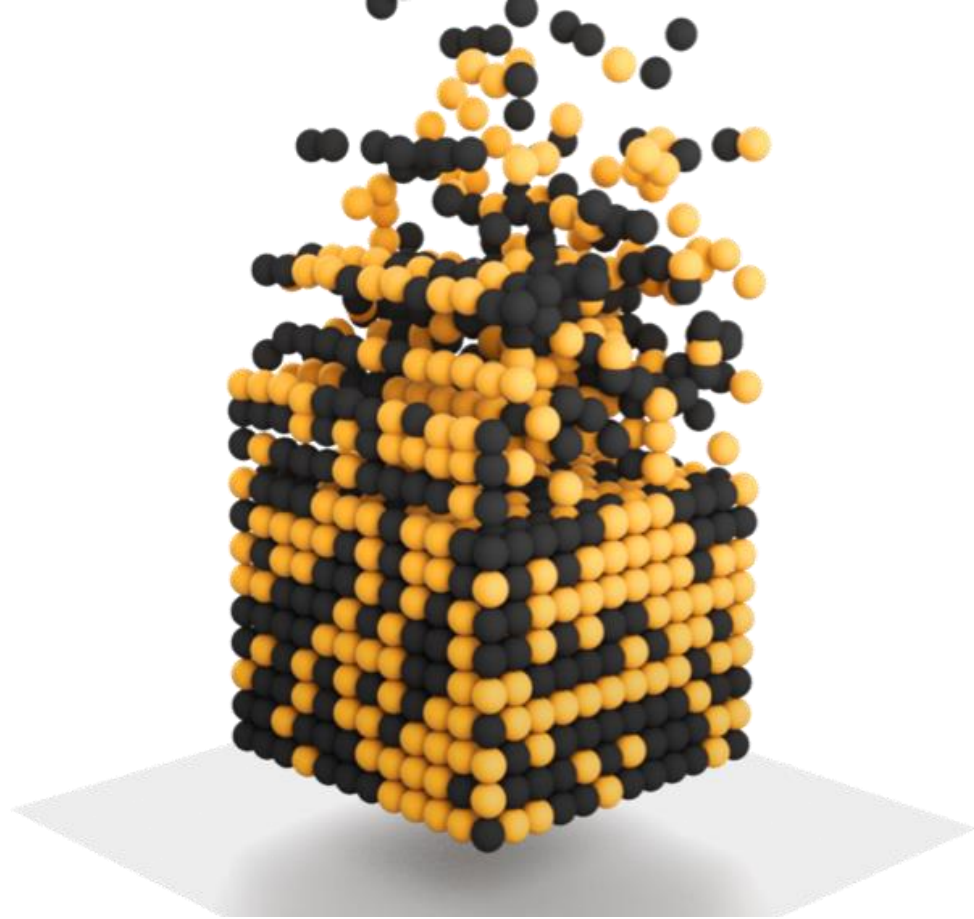
What is Global Minimum Tax?

- Two-Pillar solution to address tax challenges arising from digitization
- Joined by 138 out of 142 Inclusive Framework members, representing 94% of global GDP
- OECD has issued detailed guidance and model rules supporting the two initiatives



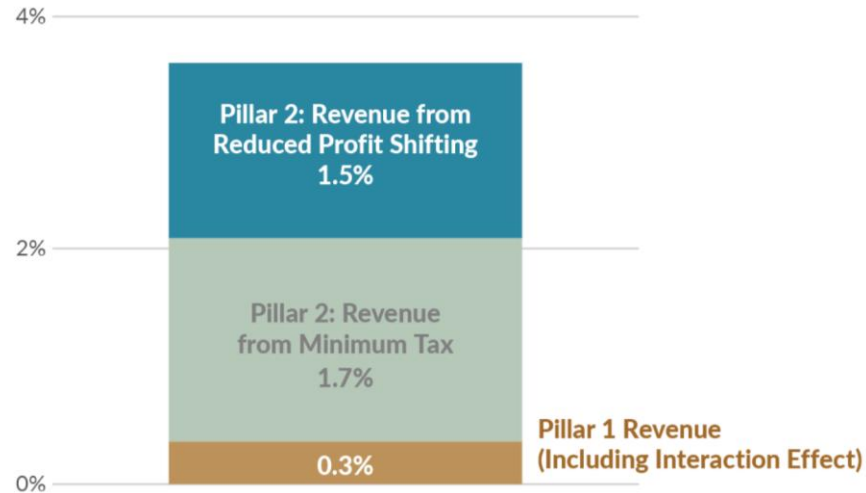
Pillar 2

- Creates a 15% minimum global effective tax rate for companies over 750M Euro
- Global Anti-Base Erosion Model (GloBE) Rules, allow the tax jurisdictions of parent entities to collect a “top off tax”
- Appears to be well on its way to implementation



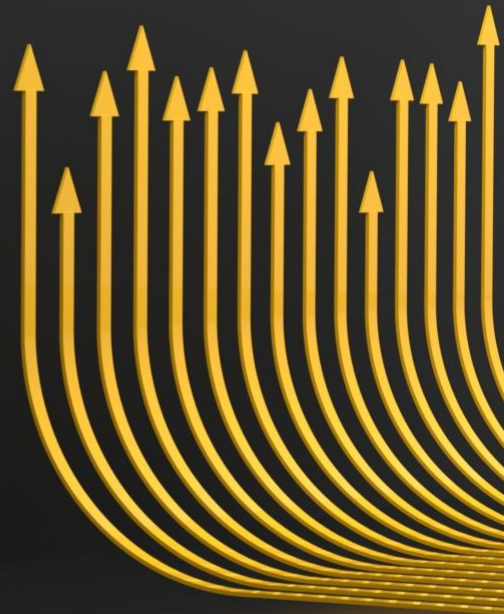
Pillar 2: Estimated Effect on Corporate Income Tax Revenues

Global Tax Revenue Gains (% of CIT Revenues)



What this means:

- Additional workload that will result from the implementation of the 15% GMT
- Require an inventory of data elements and a strategy for how to obtain and store
- Estimates of 100+ data points per entity, including legal entity, accounting, and tax reporting data
- Technology across the organization is critical



Predictions 2024



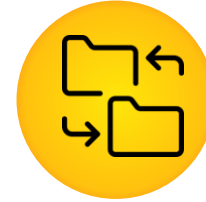
P2 Enacted

Countries will continue to adopt and implement



US Delays

Will address post 2024 elections



Data Needs

Businesses will adopt technology to address

Poll Question 3:

Where are you with Pillar 2?

- a. Not even thinking about it
- b. Work is well underway
- c. Bring on all the Pillars!

Poll Question 3 Results: (Placeholder)



Central Bank Digital Currency

What is CBDC?

- Digital currencies issued by central banks.
- Their value is linked to the issuing country's official currency.



Not the same as Crypto



Also,

CBD



≠

CBDC



CBDC by the numbers

130

Countries

19

Of the G20 are in advanced
stages

11

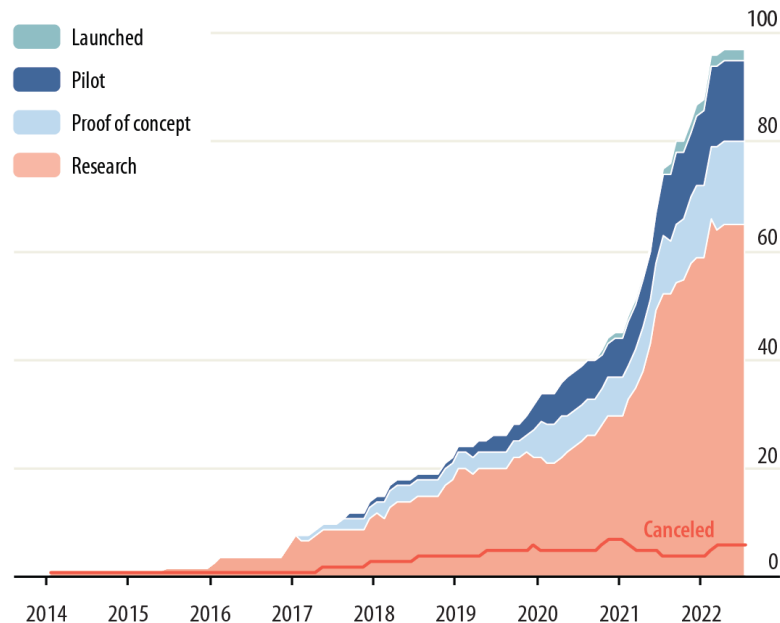
Countries have launched CBDC

Rapid Rise

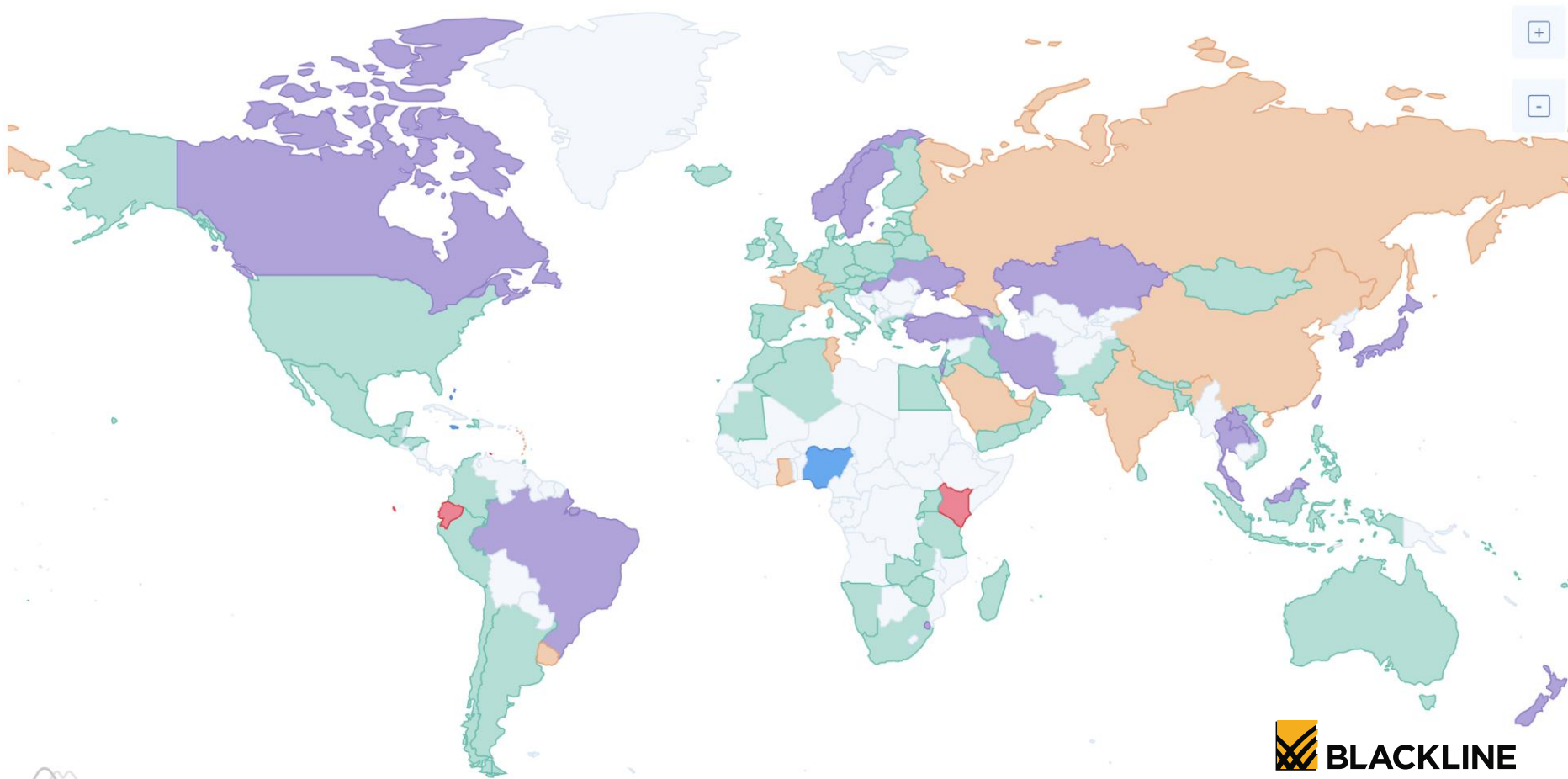
- Exponential rise since 2016
- Many still in research stage

Gaining currency

The number of CBDCs under research and development has recently exploded.



Source: CBDC Tracker (cbdctracker.org). The chart shows the status of CBDCs worldwide by month. Proof of concept = advanced research stage. Updated July 2022.



Why?



Declining Cash Usage

Norway has 3% cash use!



Digital Asset Growth

Crypto fueled surge



Global Payment Systems

Banks see CBDC as
anchor of payment
systems

Wholesale CBDC vs. Retail CBDC

	Wholesale CBDC	Retail CBDC
Accessibility	Financial institutions	General public
Use cases	Interbank settlements, wholesale transactions	Retail transactions, peer-to-peer payments
Monetary policy tool	Less direct impact on the money supply and demand	Significant direct impact on the money supply and demand
Impact on traditional finance	Limited	Significant
Privacy concerns	Limited	Significant



A Closer Look at CBDC

Benefits

- Reduced Costs
- Faster Payments
- Greater Transparency
- Better Security

Risks

- Cyberattacks
- Privacy
- Financial Instability
- Centralization



What you can do today...

- Education is key
- Begin to research digital currency's impact on your business
- Banks, Financial services, merchant services first

Predictions 2024



Emerging Pilots

Twice as many pilots in progress



Research Continues

US and other advanced will continue to research impacts



Several Launches

3-5 more countries go live, including India and Brazil

Poll Question 4:

Thoughts on CBDC?

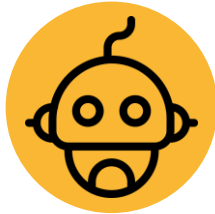
- a. Definitely worth it
- b. On the fence
- c. Too many risks

Poll Question 4 Results: (Placeholder)



Wrap Up

Key Takeaways



There will be expanded use of **ChatGPT** in F&A



Global Minimum Tax regulations will impact organizational data needs



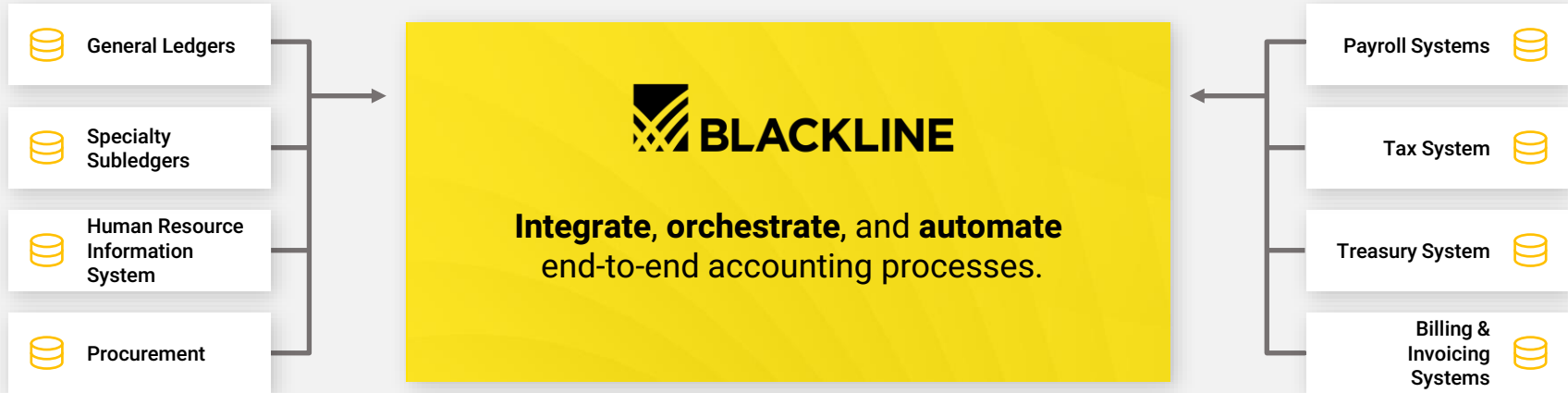
Central Bank Digital Currencies will continue to rise



Modernize Your Accounting Processes

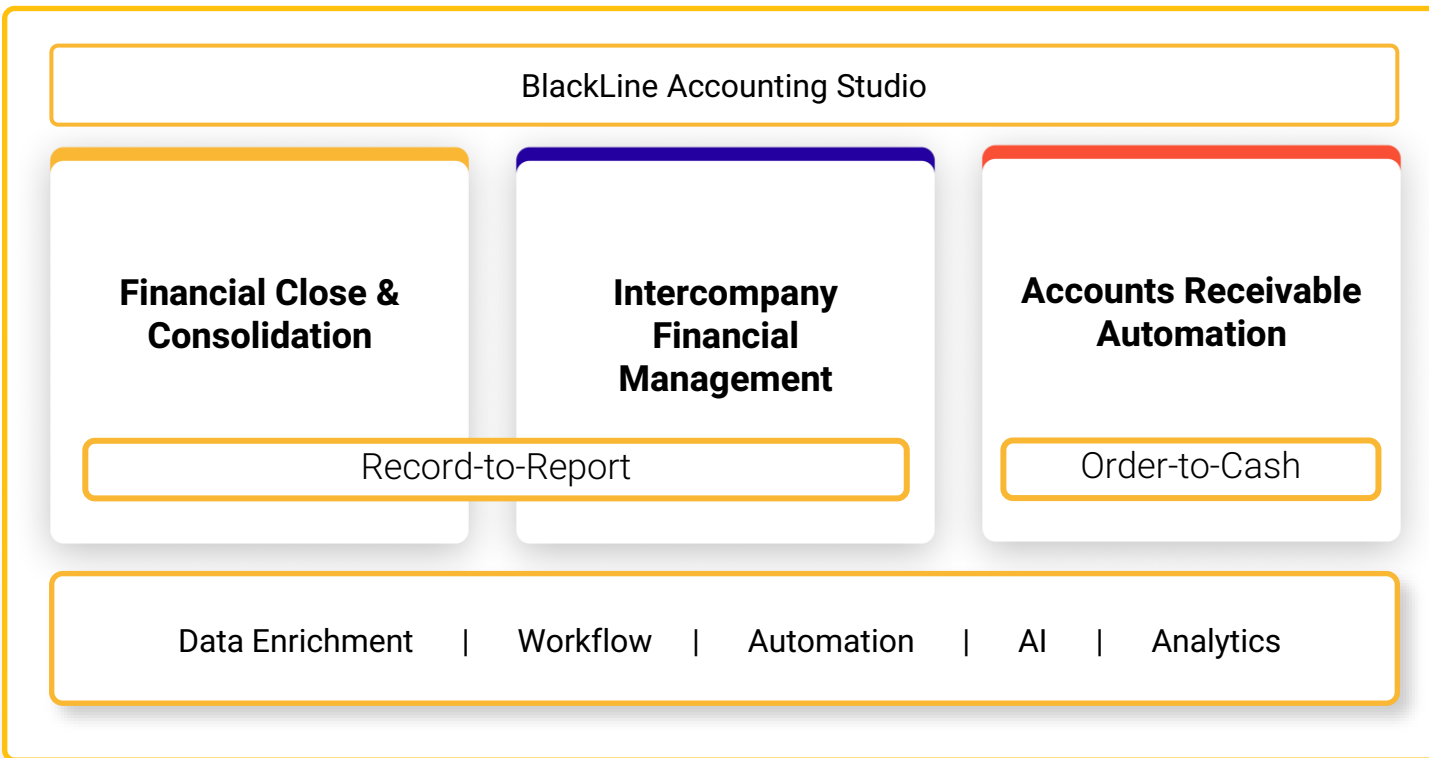
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Empowers Finance & Accounting to deliver strategic business value



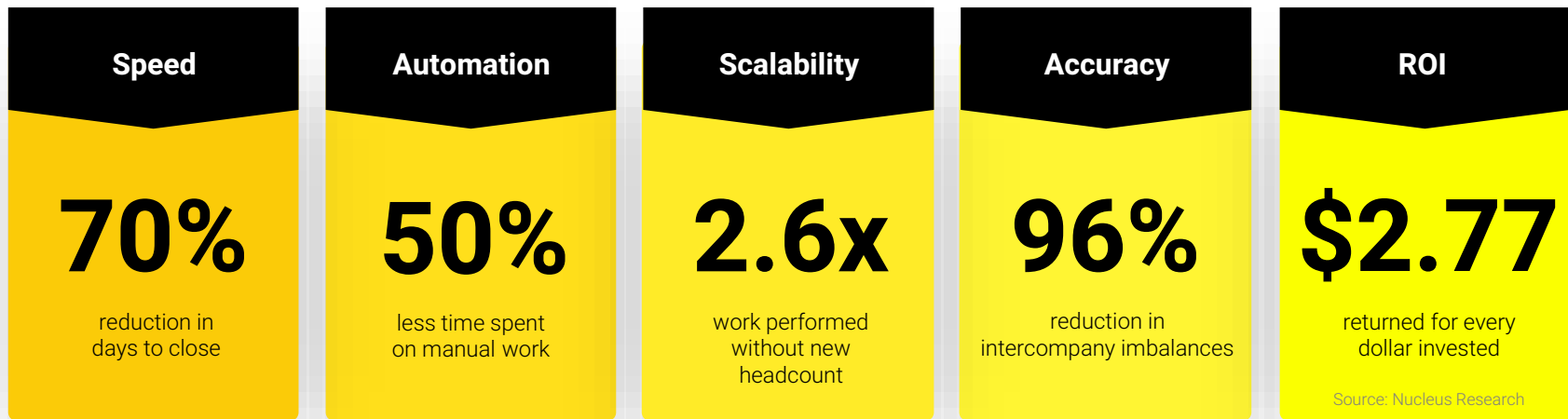
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Questions and Answers



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Thank you!

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