

)25(:25'

,Q , KDG WKH SULYLOHJH RI VSHDNLQJ DW D FRQI
9LFWRULD 8QLYHUVLW\ RI :HOOLQJWRQ WR PDUN WKH
1HZ =HDODQG¶V JRRGV DQG VHUYLFHV WD[*67 2
LQWURGXFWLRQ RI \$XVWUDOLD¶V *67 , DP DJDLQ SUL
D YDOXH DGGHG WD[9\$7 ZRUN LQ SUDFWLFH

\$V D IRUPHU WD[DGPLQLVWUDWRU DQG &RPPLVVLRQH
KDYH RQ WKH SROLWLFDO DQG SROLF\ SURFHVVHV IR
DUH DW EHVW SHULSKHUDO 7KHVH UHVW PDLQO\ LQ W
RQ WKH DGPLQLVWUDWLYH FKDOOHQJHV DVVRFLDWH

H-RXUQDO RI 7D[5HVHDFK

0DNLQJ WK

LQSXW WD[FUHGLWV H[FHHG WKH WD[SD\DEOH ,Q \$X
DQG VHUYLEFHV WD[WR EHWWHU GHVFULEH LWV FRYH

WKH UHFRPPHQGDWLRQ WR DGKHUH WR D VLQJ
H[HPSWZKQVUDWLRQDOH IRU WKLV DGYLFH ZDV D
DQG DGPLQLVWUDWLYH FRVWV :KLOH WKLV LVVX
UHIHUHQFH VXEPLVVLRQV WR WKH 3DQHO KDG DO
DQ DSSURDFK ,W ZDV FRQVLGHUHG WKDW PXOW
LQFUHDVH FRPSOH[LW\ ZKHUHDV D VLQJOH UDW
FRVWV RI DFFRXQWLQJ IRU WKH WD[DQG WKH FR

x WKH *67 &R RUGLQDWLQJ 2IILFH JUHZ QDWXUDOO
UHODWLRQV VWUDWHJ\ 7KH JRYHUQPHQW UHFRJQ
QHHGHG D YHU\ H[WHQVLYH LQIRUPDWLRQ HGXF
PDQ\ SHRSOH)RU H[DPSON FRRUGLQDWLRQ ZDY
PHVVDJLQJ IURP *RYHUQPHQW 0LQLVWHUV DQG WK

WD[V\ VWHP DQG D SXEOLF UHDVRQDEO\ ZLOOLQJ
D VPDOO FRPPLWWHG μSXEOLF SULYDWH† WHDP
RI HQHUJ\ DQG LPDJLQDWLRQ

7KH \$XVWUDOLDQ H[SHULHQFH D KLVWRULFDO SHUVSHFW

μ7KH 6HQDW\DWRF\DWHG ZLWK WKH \$XVWUDOLDQ
KDG DJDLQ KLJKOLJKWHG WKH IDFW WKDW WKH S
RSLQLRQ RI WD[DFDGHPLFV DQG SURIHVVLRQDOV
VXSSRUW IRU DQG RSSRVLWLRQ WR WKH *67 DPRQ

1RWKLQJ LQ UHFHQW WLPHV KDV GLYLGHG WKH R

2IWHQ LW FDQ WDNH D ORQJ WLPH WR PDNH VXEVWD

\$XVWUDOLDQ H[SHULHQFH ZLWK WKH LQWURGXFWRQ

W °HHQF V HKD μVORZ 6ESUQ†E XW D OVR 2D \$U H S H D W K D R H W , QD \$XVWUD

H-RXUQDO RI 7D[5HVHDFK

0DNLQJ W

7KH FRS\ERRN

μ:LWK LWV XQLFDPHUDO OHJLVODWXUH DQG PDM
XQIHWWHUHG E\ VHFRQG KRXVHV RI 3DUOLDPHQW
1HZ =HDODQG ZDV DEOH WR DGRSW ZKDW PDQ\ F
YDOXH DGGHG WD[¶

H-RXUQDO RI 7D[5HVHDFK

0DNLQJ WK

HGXFDWLRQ LQVWLWXWLRQV WR GHDO ZIZMEWLKHL

LQFOXGH LQFRPH WD[FXWV DEROLWLRQ RI WKH Z
LQFUHDVHV LQ ZHOIDUH EHQHILWV

x PDUNHWLQJ DQG FRPPXQLFDWLRQ RI WKH UHIRU
SDUWQHUVKLS ZLWK NH\ VWDNHNKROGHUV VXFK D
DQG FRPPXQLW\ JURXS

x ZLGH FRQVXOWDWLRQ ZLWK WKH FRPPXQLW\ D
FRPPXQLW\ DFFHSWDQFH RI D QHZ WD[DQG KDV W
FRPSOLDQFH FRVWV +HQFH WKH WKUHH μ&¶V RI
GHVLJQ ZLWK NH\ VWDNHNKROGHUV DUH GHVLUDE
LQWURGXFWRQ RI D 9\$7 RU UHIL+QZPHQW V WKH
FRQVXOWDWLRQ SURFHVV VKRXOG IRFXV RQ WKH
OHJLVODWLYH GHVLJQ EHWWHU UDWKHU WKDQ DV

x PDLQWDLQ SROLWLFDO ZLOO ± μGRQ¶W EOLQN¶ ±
FRQVLVWHQF\ RQ WKH SDUW RI WKH JRYHUQPHQW

DJHQWV EHFDXVH WKH\ JHQHUDOO\ KDYH WKH JUHDW
DQG VXIIHU GLVSURSRUWLRQDWHO\ KLJKHU VWDUW XS
WXUQRYHU HYHQ WKRXJK WKH\ PD\ QRW FRQWULEXW
H[LVWLQJ OHYHO RI VRSKLVWLFDWLRQ LQ WKH XVH EY
DQG SD\PHQW V\WHPV ZLOO LQIOXHQFH WKH HDVH ZI
7KH DYDLODELOLW\ RI WHFKQRORJLFDO WRROV DQG V
DV DFFRXQWLQJ SDFNDJHV WKDW IDFLOLWDWH UHFRO
FRPSOLDQFH FRVWV DQG WR HPEHG JRRG FRPSOLDQF
PRGHUQ WHFKQRORJ\ E\ EXVLQHVV DQG WKHLU SURSH
LQIOXHQFH RQ WKH VXFFHVV RI D 9\$7 V\WHP ,Q LQW

UHOHDVHG IRU FRPPHQW DQG FRQVXOWDWLRQ Z
LVVXHG DIWHU WKH HQDFWPHQW RI WKH *67 ODZ

x WKH \$72 UHVSRRGHG WR PRUH WKDQ PLOOLRQ
ZULWWHQ RU HPDLO HQTXLULHV μ5HSO\ LC
ZULWWHQ UHTXHVWV HPDLO ID[OHWWHUV IRU
UHVSRRGHG WR SLHFHV RI FRUUHVSRRGHQ
SUREOHPV WKDW DURVH ZHUH ODUJHO\ DW WKH
FULWLFLVP ZKHUH WKH ILYH GD\ WXUQDURXQG W
FRQFHUQV DERXW WKH FRQVLVWHQF\ RI UHSOLHV

x LQ WKH RUGHU RI VHPLQDUV ZHUH UXQ E\ W
E\ PRUH WKDQ SHRSOH

x UHOHYDQW HGXFDWLRQDO PDWHULDO ZDV DGGHG
KDG PRUH WKDQ PLOOLRQ KLWV 7UHDVXU\¶V
LQIRUPDWLRQ RQ WKH *67

x DQ H[WHQVLYH SURJUDP RI ILHOG YLVLWV ZDV
EXVLQHVVHV DQG WD[DJHQWV RQ VLWH ZLWK D
%XVLQHVV \$FWLYLW\ 6WDWHPHQW \$%1 DQG 3\$<*

7KH \$72¶V IRFXV RQ FRPPXQLW\ UHDGLQHVV GLG QRW
ZRUNHG FORVHO\ ZLWK SHDN LQGXVWU\ RUJDQLVDWLR
PLQLQJ DQG HQHUJ\ PDQXIDFWXULQJ FRQVWUXFWLR
UHVWDXUDQWV FXOWXUDO DQG UHFUHDWLRQDO VSR
FRPPXQLFDWLRQV EDQNLQJ DQG ILQDQFH LQVXUDQFH
PRWRU YHKLFOHV SHUVRQDO EXVLQHVV DQG RWKHU
FKDULWLHV UHOLJLRXV RUJDQLVDWLRQV DQG SXEO
HGXFDWLRQ H WHDPV ZRUNHG WKURXJK WKRXVDQGV F
GHYHORSHG LQGXVWU\ VSHFLILF SXEOLFDWLRQV DV Z

7KH \$72 FRQFHQWUDWHG D JUHDW GHDO RI HIIRUW RQ
WKH QHZ WD[V\WHP PHDQW YLUWXDOO\ HYHU\ EXVLQ
ZRXOG KDYH WR EH UHFRUGHG DQG WKH UHFRUG NHH
ZHUH SRRUV PHDQW WKDW WKH\ IDFHG WKH GDXQWL
XSJUDGLQJ WKHLU EXVLQHVV V\WHPV WR GHDO ZLWK
DQG UHSRUWLQJ UHTXLUHPHQWV RI WKH *67 ,Q RUG
SURPRWH PRUH HIILFLHQW SURFHVVHV WKH \$72 DVV
NHHSLQJ DQG DFFRXQWLQJ SDFNDJHV GHVLJQHG WR
ZLWK WKH *67 DQG WR XSGDWH WKHLU VRIWZDUH SUR
,Q WKH LQWHULP ZKLOH WKHVH SDFNDJHV ZHUH EHLQ
DQG WR UHGXFH FRPSOLDQFH FRVWV IRU PLFUR EXVL
PLOOLRQ FRSLHV RI LWV IUHH UHFRUG NHHSLQJ VRIWZ

H-RXUQDO RI 7D[5HVHDFK

0DNLQJ WK

SXEOLF VFUXWLQ\ ± D UHIOHFWLRQ RI WKH LQV
DFFHSWDQFH UHGGLQHVV DQG DGPLQLVWUDWLRQ

)ROORZLQJ WKH LQWURGXFWRQ RI WKH QHZ WD[V
FRQILGHQFH RI WD[DJHQWV LQ WKH \$72 UHDFKHG D O
LVVXH DVVRFLDWHG ZLWK PDVV PDUNHWHG WD[DY
FRQILGHQFH LQ WKH \$72 ,Q UHVSRQMLVWHQ LQJ WKH
&RPPXQLV SURJUDP LQIOXHQFHG WKH \$72 V G
QHHG IRU QHZ LQIRUPDWLRQ WHFKQRORJ\ ,7 LQWR D
D PRUH XVHU FHQWULF RUJDQLVDWLRQ

\$Q HDUO\ VLJQLILFDQW GHOLYHUDEOERWWKH \$72 V Q
3RUWDO ZKLFK SURYLGHG WD[DJHQWV ZLWK D VHF
UHYROXWLRQLVHG WKH UHODWLRQV KLS EHWZH HQ WD
%XVLQHVV 3RUWDO DOORZHG EXVLQHVV WR LQWHU
FRVW

/HVVRQV

7KH HIIHFWLYHQHV RI LPSOHPHQWDWLRQ SURFHVVHV
UHGGLQHVV RI WKH EXVLQHVV FRPPXQLW\ HVSHFLDO
DWWHQWLRQ QHHGV WR EH JLYHQ WR VXSSRUWLQJ WK

W LV LPSRUWDQW WR JHW WKLQJV ULJKW XS IURQW

x WKHUH PXVW EH ERWK ZLGHVSUHDG DQG WDUJHV
IRFXV RQ 9\$7 UHJLVWUDWLRQ UHTXLUHPHQWV LV
WR WKH RSHUDWLRQ RI D 9\$7 V\ VWHP 7KH FRPPX
WKH EDVLFV RI WKH 9\$7 V\ VWHP VXFK DV WKUHV
LQ UHODWLRQ WR WD[LQYRLFHV UHFRUG NHHSL
LQFOXVLYH RU H[FOXVLYH UHTXLUHPHQWV DFWL
XVXDOO\ PRQWKO\ ZLWK HOHFWURQLF ORGJHPHQW
RWKHUV SD\PHQW DQG UHIXQG DUUDQJHPHQWV

x WKH H[WHQW RI WD[SD\HU HGXFDWLRQ LV RQ
FRPPXQLFDWLRQ FKDQQHOV VKRXOG EH XVHG

x WKH FRPPXQLFDWLRQ VKRXOG EH WDLORUHG WR
H[DPSOH GLIIHUHQW LQGXVWULHV ILUPV ZLWK

μ>D@Q LPSRUWDQW DGGHG FRPSOH[LW\ >ZDV@ WKH LQFUHDVHG S
SROBWEFBQSWLHV >GUHZ@ RQH RI WKHLU PDMRU EDWWOH OLQ
(GPRQGV DERYH Q

*UHJ)DUU IRUPHU 6HFRQG &RPLVLRQHWQRPHQW DWEKROVSH
&RQIHUHQFH LQ 0LFKDHO '\$VFHQ]R μ0RGHUQLVLQJ WKH \$
3HRSOH 6\ VWHPV DQG H-RXUQDO RI 7D[5HVHDFK DP@W p δ2 QH

GLFKRWRP\ EHWZHHQ ODUJH DQG VPDOO EXVLQH
IRU H[DPSOH JRYHUQPHQW DQG FKDULWLHV

x LQGXVWU\ SDUWQHUVKLSV VKRXOG EH HVWDEOL
VSHFLILFDOO\ WDLORUHG WR WKH UHOHYDQW LC

H-RXUQDO RI 7D[5HVHDFK

0DNLQJ WK

WKH VKDUH RI *67 UHYHQXH FROOHFWHG E\ WKH \$XVW
\HDU ZDV XQGHU SHU FHQLW RZDWRWDLQ 060 UHFMQXQ

H-RXUQDO RI 7D[5HVHDFK

0DNLQJ WK

UHOLDQFH E\ VPDOO EXVLQHVV RQ WD[DJHQWV DQ
SURIHVVLHQ

\$ IHDWXUH RI WKH EHGGLQJ LQ SKDVH RI WKH *67 LQ
JXDUDQWHH ZKLFK SURPLVHG WKH FRPPXQLW\ WKDW
ZRXOG KDYH D KHOS IRFXV ZLWK DQ\ RWKHU DFWLRQ
WKLV DSSURDFK WKH \$72 WRRN WKH RSSRUWXQLW\
FRPPXQLW\ :KHUH LQDGYHUWHQW HUURUV ZHUH PDG
UDWKHU WKDQ SHQDQGLVQZDWKWKEXDSSURDFK DGRSV

x LQ WKH EHGGLQJ GRZQ SHULRG IRU D 9\$7 D μVRIV
DFNQRZOHGJHV WKH QHZQHVV RI WKH WD[DQG L
DJDLQVW WKH WD[

x WR PLQLPLVH WKH JDS EHWZHHQ WKH WD[UHSRU
GXH D FRPSOLDQFH SODQ PXVW EH GHYHORSHG
LQFOXGH D ULVN EDVHG DXGLW FRYHUDJH RI WD[
VRSKLVWLFDFWHG DQDO\WLFDO DQG GDWD PLQLQJ

\$ V & R F R P E D W F R Q D H B H C W H G W L R Q H F R R P E S W E K W L Q @

