

## ACI DEALING CERTIFICATE PREPARATION COURSE

### ORGANISATION SHEET

<b>Objectives</b>	<p>The ACI Dealing Certificate is a foundation programme that allows candidates to acquire a working knowledge of the structure and operation of the major foreign exchange and money markets as well as their core products (cash, forwards and derivatives), and the basic skills required for competent participation, including the ability to apply the fundamental mathematics used in these markets.</p>
<b>Methodology</b>	<p>The methodology used is based on an optimal combination of theory and practice. Theoretical aspects are based on the latest market standards, while examples, case studies and exercises are used to present and reinforce the practical application of the material. The focus is put on the preparation to the ACI Dealing Certificate.</p>
<b>Target group</b>	<p>Bankers and employees from commercial banks, financial institutions, central banks and supervision bodies such as:</p> <ul style="list-style-type: none"><li>• Recent entrants and junior dealers (0-18 month's experience) in the dealing room</li><li>• Middle office and operations personnel</li><li>• Compliance and risk officers</li></ul>
<b>Lecturers</b>	<p>Lex VAN DER WIELEN Senior training expert in foreign exchange for the official ACI training programmes who has worked in the dealing room with ABN AMRO, ING and the Dutch State Treasury Agency. He has a large experience in training and has written a number of test books on Treasury, Derivatives and Corporate Finance.</p>
<b>Language</b>	<p>English, a <b><u>very good knowledge of financial English</u></b> (especially understanding) is required</p>
<b>Participants</b>	<p><b>Participants from Luxembourg and Great Region (bordering provinces of Germany, Belgium and France) plus participants selected among candidates from the following partner countries:</b> Albania, Armenia, Azerbaijan, Bosnia &amp; Herzegovina, Bulgaria, Cape Verde, China, Croatia, Czech Republic, Egypt, El Salvador, Estonia, Georgia, Hungary, Kazakhstan, Kosovo, Latvia, Lebanon, Lithuania, Macedonia, Moldova, Mongolia, Montenegro, Myanmar, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Tunisia, Turkey, Ukraine, Vietnam and the West African Economic and Monetary Union</p>
<b>Dates</b>	<p>5 working days From Monday 29 January to Friday 2 February 2018 Arrival on Saturday 27 Jan, departure on Saturday 3 Feb 2018</p>



HOUSE OF TRAINING



THE GOVERNMENT  
OF THE GRAND DUCHY OF LUXEMBOURG



## Preparation

Candidates are required to study an e-learning course and take an entrance test.



In collaboration with

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## ACI DEALING CERTIFICATE PREPARATION COURSE

### CONTENT

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#### **Day 1: Basic Interest Rate Calculations and Money Markets**

- Introduction to Financial Instruments
- Interest Rate Calculations
- Accumulation Factors and Discount Factors
- Yield Curves
- Calculation of Forward Yields
- Money Market
- Money Market Paper
- Repurchase Agreements

#### **Day 2: Foreign Exchange**

- FX Quotations
- Cross rates and FX Forward Rates
- FX Forwards and Ex Ante Trading
- FX Swaps
- O/N and T/N swaps, Forward forward swaps
- NDFs and time options
- Performance Measurement with FX Trading Positions
- Covered interest arbitrage
- Precious Metals

#### **Day 3: Interest Rate Derivatives and Options**

- FRAs
- Money Market Futures
- Interest Rate Swaps
- Features of Options
- The Greeks
- Delta position and delta hedging
- Strangles and Straddles
- Interest Rate Options

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#### **Day 4: Asset & Liability Management (ALM)**

- Overview of the Basel Rules
- Asset & Liability Management
- Capital requirements
- Liquidity Risk
- NSFR and LCR
- Securitisation and Credit default Swaps
- Interest Rate Risk
- Gap analysis and modified duration analysis
- Funds Transfer Pricing

#### **Day 5: Risk Management**

- Market Risk
- Sensitivity indicators, Var analysis and Stress tests
- Credit Risk
- Risk mitigating measures: CLS, netting, collateral
- CVA
- Standardized Approach and Internal Ratings Based Approach
- Operational Risk



### Examination Procedure

**Format:** The examination lasts 2 hours and consists of 90 multiple-choice questions. The **overall pass level** is 60% (54 correct answers), assuming that the minimum score criteria for each of the topic baskets is met. There is a **minimum score criteria** of 60% for topic basket 10 The Model Code and a 50% one for each one of the other topic baskets.

**Calculators:** Some questions will require the use of a calculator. A basic one will be provided on the computer screen. You may also use your own hand-held calculator, provided it is neither text programmable nor capable of displaying graphics with a size more than 2 lines.

	Topic basket	Number of questions	Minimum of correct answers	Minimum score level
1	Basic Interest Rate Calculations	6	3	50%
2	Cash Money Market	6	3	50%
3	Cash Money Market Calculations	6	3	50%
4	Foreign Exchange	12	6	50%
5	Foreign Exchange Calculations	6	3	50%
6	Forward-forward, FRAs and Money Market Futures & Swaps	12	6	50%
7	Options	6	3	50%
8	Asset & Liability Management	8	4	50%
9	Principles of Risk	8	4	50%
10	The Model Code	20	12	60%
	Total	90		

### Grades

Pass	60% - 69.99%
Merit	70% - 79.99%
Distinction	80% and above



## **ACI DEALING CERTIFICATE**

### **Reading List and Internet Links**

#### **General**

- **The Foreign Exchange and Money Markets: Theory, Practice and Risk Management** written by Bob Steiner. ISBN: 0750650257  
Publisher: Financial Times Prentice Hall
- **A Guide to the ACI Dealing Certificate** written by Lex van der Wielen. Publisher: The Financial Markets Academy (€70.00)  
available from <http://www.tfma.nl>
- **The ACI Dealing Certificate and How to Pass it** written by Philip J L Parker ACIB, ISBN 978-90-802323-9-6. (£40.00) available from  
[www.lywood-david.co.uk/mmtw4.htm](http://www.lywood-david.co.uk/mmtw4.htm)
- **Mastering Treasury Office Operations** written by Denis Nolan and Gordon Amos. ISBN 0 273 635794 Publisher - Pearson Education (£90.00). [www.pearsoned.co.uk](http://www.pearsoned.co.uk)
- **Treasury Operations Handbook** written by Philip J L Parker ACIB, ISBN 978- 1-4461-9450-8. Publisher [www.lulu.com](http://www.lulu.com) 2010 (£35.00) available from [www.lywood-david.co.uk/mmtw4.htm](http://www.lywood-david.co.uk/mmtw4.htm)
- **The ACI Dealing Certificate Study Guide** available from the ACI Global Education Centre online <http://aci.frankfurt-school.de>

#### **Repos**

- **Mastering Repo Markets** written by Bob Steiner ISBN10: 0273625896 ISBN13: 9780273625896

#### **Derivatives**

- **Mastering Derivatives Markets** A Step-by-Step Guide to the Products, Applications and Risks. 4th Edition. By Francesca Taylor. Dec 2010, Paperback, 432 pages (£50.00).