
CAPITAL MARKETS BACK-OFFICE CERTIFICATION PROGRAMME (CAMBOC)
MASTERING SECURITIES BACK-OFFICE OPERATIONS

ORGANISATION SHEET

Objective

CAMBOC is a comprehensive programme that covers many aspects of securities back-office operations.

The main objective of CAMBOC is to provide participants with a good understanding of the diverse activities that are carried out in a securities back office, including settlement, custody, treasury, securities financing, collateral management, tax processing and payments. The programme also includes a section on managing risk in the back office.

Methodology

For this programme, the House of Training uses an innovative blended learning approach that combines the efficiency of E-Learning with the effectiveness of instructor-led training (ILT):

Part 1:

An **E-learning course** "International Financial Markets" (maximum duration: 12 hours) with a final non-eliminary test.

Participants are required to take this course and pass the test with a minimum recommended score of 60% before the beginning of the second part.

Part 2:

An **instructor-led training** (ILT) in Luxembourg. The ILT part of the programme is taught by industry experts, who effectively combine theory with practical examples, exercises and case studies.

The blended methodology used in CAMBOC 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.

Target group

The level of this course is intermediate to high. It focuses on improving the efficiency of **back-office staff** in banks and other financial institutions by covering different aspects of securities and cash operations in detail. Participants should have a **minimum of 3 years experience in back-office operations or a similar area**.

Examination

Part 1: E-learning non-elimatory test: prerequisite for the participation in the Luxembourg course.

Part 2 in Luxembourg: Participants have their newly acquired knowledge validated through a group presentation and a written exam.

Participants who succeed the group presentation and the exams will receive a certificate of achievement issued by the House of Training and ICMA, Luxembourg region.

Experts

The different units of the CAMBOC programme are delivered by industry experts in the respective fields, all of who have many years of experience in back-office operations.

Language

English

Participants

25 **participants** from House of Training partner countries and Luxembourg based banks.

Participants will be selected by a committee of experts from the House of Training according to the relevance of their profiles and work experience

Dates

From Monday, June 26 to Tuesday, July 4, 2017 (7 days)

Arrival: Sunday, June 25

Departure: Wednesday, July 5, 2017

**CAPITAL MARKETS BACK-OFFICE CERTIFICATION PROGRAMME (CAMBOC)
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PROGRAMME**

**PART 1:
E-LEARNING *International Financial Markets***

The objective of this part is to provide the participants with a good understanding of financial markets, the financial instruments traded in them, the key players in financial markets and the activities that they perform.

Participants will have access to the E-learning course on a 24/7 basis through the Internet for a period of 6 months from the selection date onward. They will be able to log-on and log-off the course as many times as they would like.

The instructor-led part will start where the E-learning finishes. Completing the E-learning course with a score of at least 60%, therefore, is **a prerequisite for the ILT part** of the programme.

The specific content of the E-learning course is the following:

- Financial Markets
- Financial Instruments: Securities
- Financial Instruments: Derivatives and Investment Funds
- Market Activities
- Market Players
- Future Trends

The estimated duration of the E-learning course is approximately 10 hours, which are typically divided into sessions of 30-40 minutes each. The last chapter of the E-learning course is a test, which participants are expected to pass to confirm the knowledge that they acquired before beginning the ILT course.

**PART 2:
*INSTRUCTOR-LED PART in Luxembourg from June 26 to July 4, 2017***

Day 1

Definitions

- ISO standards
 - ISO codes
 - Classification scheme for financial instruments (ISO 10962: 2015)
- Players in financial markets
- SWIFT as a back-office standard
- Financial markets
 - Primary market

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- Secondary market

Overview of the Transaction Chain of Securities Processing

- Front office
 - Pre-trade
 - Trading
- Middle office
 - Functions of the middle office
 - Importance of the middle office
- Back office

Back-Office Operations

- Matching
 - Trade matching
 - Pre-settlement matching
 - ICMA rules
- Clearing
 - Gross clearing
 - Net clearing
 - Central counterparties

Day 2

Settlement

- Settlement criteria
 - Instrument type
 - Payment method
 - Currency, multi-currency
 - Settlement cycle
- CSDs vs. ICSDs
- Settlement models
 - Domestic
 - Cross-border
 - ICSD internal
 - Net settlement
- Role of central banks in settlement
- Target 2 Securities

Custody for equities

- Corporate actions
 - Classification of corporate actions
 - Initial public offerings (IPOs)
 - Dividends

Day 3

Custody for equities (cont.)

- Annual general meetings/extraordinary general meetings (AGMs/EGMs), proxy voting
- Splits/reverse splits
- Exchanges
- Capital increases
- Mergers, acquisitions, de-mergers
- Anti-takeover defences
- Tenders, Dutch auctions
- Legal/regulatory issues regarding equities

Custody for debt instruments

- Interest payments
- Conversions
- Restructuring
- Redemptions, early/partial redemptions

Tax processing for securities

- Withholding tax
- Capital gains tax
- Other types of taxes
- Tax reclamation

Custodian fees

- Transaction fees
- Custody fees
- Other types of fees

Day 4

Treasury and Cash Management

- Treasury
- Placements, borrowing
- Foreign exchange
- Hedging, derivatives
- Reconciliation
- Cash correspondents
- Payments
- Payment systems
- Market practice

Securities Financing

- Securities lending and borrowing
- Repurchase agreements ("Repos")
- Sell/buybacks

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Collateral Management

- Uses of collateral
- Managing different types of collateral
- Haircuts and margins
- Marking to market
- Legal/regulatory issues

Fund Custody

- Functions of a fund custodian/depositary
- Responsibilities of a fund custodian/depositary
- Variations for standard ("UCITS") and alternative funds

Day 5

Managing Risk in the Back Office

- Types of risk in financial services
- Basics of risk management
- Risk in the back office
- Counterparty/settlement risk
- Operational risk
 - Processes
 - People
 - Systems
 - External events

Regulatory Issues in the Back Office

- International standards
- European regulations
- Prevention of money laundering and terrorist financing in the back office

Technology in the Back Office

Day 6

Case Studies and Group Projects

- Day 6 of the course will be dedicated to running simulations and analysing case studies involving failed transactions, fraud and human errors. The different cases will be analysed by groups of course participants, who will present their findings to the other participants and to a jury of experts. An evaluation of the quality of the presentations will be included in the overall score of each participant.
- Examples of the case studies to be analysed include:
 - Settlement failures
 - Missed deadlines on corporate actions
 - Wrong information received

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- Mispriced securities
- Fraud in the back office
- Money laundering through the use of securities

Day 7

Review and Exam

- Review of the entire programme
- Exam