

Capital Markets Back-Office Certification Programme (CAMBOC)

Level I: Fundamentals in Securities settlement, Clearing and Global Custody

ORGANISATION SHEET

<p>Objectives</p>	<p>To gain a good understanding of:</p> <ul style="list-style-type: none"> ➤ Financial markets, their characteristics and their operations ➤ The differences between primary and secondary markets ➤ The transaction chain for securities processing ➤ The activities conducted in the front office, middle office and back office ➤ Back office activities, i.e., matching, clearing, settlement and custody ➤ Cash management and payments ➤ Investment funds ➤ Risk and risk management in the back office ➤ Regulatory environment of the back office.
<p>Methodology</p>	<p>The IFBL has developed an innovative blended learning approach that combines the efficiency of E-learning with the effectiveness of instructor-led training (ILT):</p> <p>Part 1: An E-learning course "International Financial Market" (approx. duration: 10 hours) with a <u>final test</u>.</p> <p>Participants are required to take this course and <u>pass the test</u> before the beginning of the second part</p> <p>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.</p> <p>The training is ending with a <u>final written exam</u>.</p> <p>The theoretical aspects of the programme are based on the latest market standards, while examples, case studies and exercises are used to present and apply the CAMBOC material to realistic situations in a back-office environment.</p>
<p>Target group</p>	<p>This foundation level course covers the fundamentals of back-office operations and targets professionals with maximum 5 years of experience in back-office, who want to improve or update their knowledge of back-office operations.</p>
<p>Assessment</p>	<p>Part 1: E-learning test = prerequisite for the participation in the Luxembourg course.</p> <p>Part 2 (in Luxembourg): the participants will have their newly acquired knowledge validated through a written exam.</p>

Experts	IFBL and ICMA experts. All different training units are held by carefully selected experts in the respective fields of activity. All of them are active professionals and have a long-term experience in banking and finance.
Language	English
Participants	15 participants selected among candidates from the following invited countries: Albania, Armenia, Azerbaijan, Bosnia & Herzegovina, Bulgaria, Cape Verde, China, Croatia, Cyprus, Czech Republic, Egypt, El Salvador, Estonia, Georgia, Hungary, Kazakhstan, Kosovo, Latvia, Lebanon, Lithuania, Macedonia, Malta, Moldova, Mongolia, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Tunisia, Turkey, Ukraine, Vietnam and the West African Economic & Monetary Union.
Dates	From Monday 2 March to Friday 6 March 2015 (5 days) Arrival: Saturday 28 February - Departure: Saturday 7 March 2015



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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. 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, therefore completing the E-learning course is **a prerequisite for the ILT part**.

The specific material that the E-learning course will cover is the following:

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

The estimated duration for 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. Participants are allowed to redo the course and to retry the test as often as they want.

INSTRUCTOR-LED PART (Luxembourg, 2-6 March 2015)

Monday 2 March 2015

- Review of the E-Learning Course
- Primary Market
- Primary market for debt instruments vs. equities
- Players in the primary market
- Primary market settlement in Clearstream and Euroclear
- Secondary Market
- Front office and how it impacts the back office
- Middle office and how it impacts the back office



Tuesday 3 March 2015

- Back-Office Operations for Securities
- Matching - Trade matching vs. pre-settlement matching
- Clearing - Gross clearing vs. net clearing; central counterparty; clearing risks
- Settlement
- CSDs vs. ICSDs - Development, key differences, role of central banks in CSDs
- Settlement models - ICSDs, CSDs, U.S. model
- Settlement criteria - Type of instrument, against payment vs. free of payment, fungible vs. non-fungible securities, multi-currency
- Variations on settlement flows - Within one (I)CSD, between two (I)CSDs, The Bridge, cross-border settlement
- Settlement failure - Causes, results, claims

Wednesday 4 March 2015

- Back-Office Operations for Securities (continued)
- Custody
- Debt instruments - Coupon payments, debt restructuring, conversions, warrant exercises, early redemptions (drawings), final redemptions
- Equities - Characteristics of corporate actions, AGMs, EGMs, proxy voting, dividends, splits, reverse splits, exchange offers, mergers and acquisitions, other corporate actions
- Securities financing
- Securities lending, repos, sell-buybacks
- Collateral management
- Need for collateral, marking collateral to market, collateral (margin) calls, legal aspects of collateral
- Tax
- Types of tax on securities transactions (withholding tax, capital gains tax, others), double taxation treaties, tax reclamation
- "Back-Office" Operations for Investment Funds
- How does the fund market operate?
- Transfer agency
- Fund accounting
- Fund custody

Thursday 5 March 2015

- Cash Management and Payments
- Managing cash - Time value of money, treasury function, foreign exchange, placements, reconciliation
- Payments - Payment systems (TARGET, FedWire, CHIPS, CHAPS), SWIFT, CLS, issues in payments
- Managing Risk in the Back Office
- Types of financial risk - Market risk, credit risk, operational risk, secondary risks



- Managing operational risk in the back office - Internal processes, people, systems and external events
- Regulatory Environment of the Back Office
- Regulations impacting back-office operations - International regulations and recommendations (EMIR, Basel III, G30, Giovannini Group, AIFMD, UCITS IV, T2S), domestic regulations, banking regulations
- Prevention of money laundering & terrorist financing in the back office - Basic principles, GAFI/FATF, back-office threats, indicators ("red flags"), handling suspicious transactions, obligations of back-office staff

Friday 6 March 2015

- Review of all material
- Written exam
- Certificates Ceremony