

Professional Qualification in Capital Markets Back Office CAMBOC

IFBL has joined forces with its long-time partner ICMA, Luxembourg region, to create a comprehensive training programme for back office personnel, focusing on the necessity to improve accuracy and efficiency, while at the same time reducing operational errors.

This programme comprises 2 levels and provides participants with an in-depth look at back office operations in financial markets across the world.

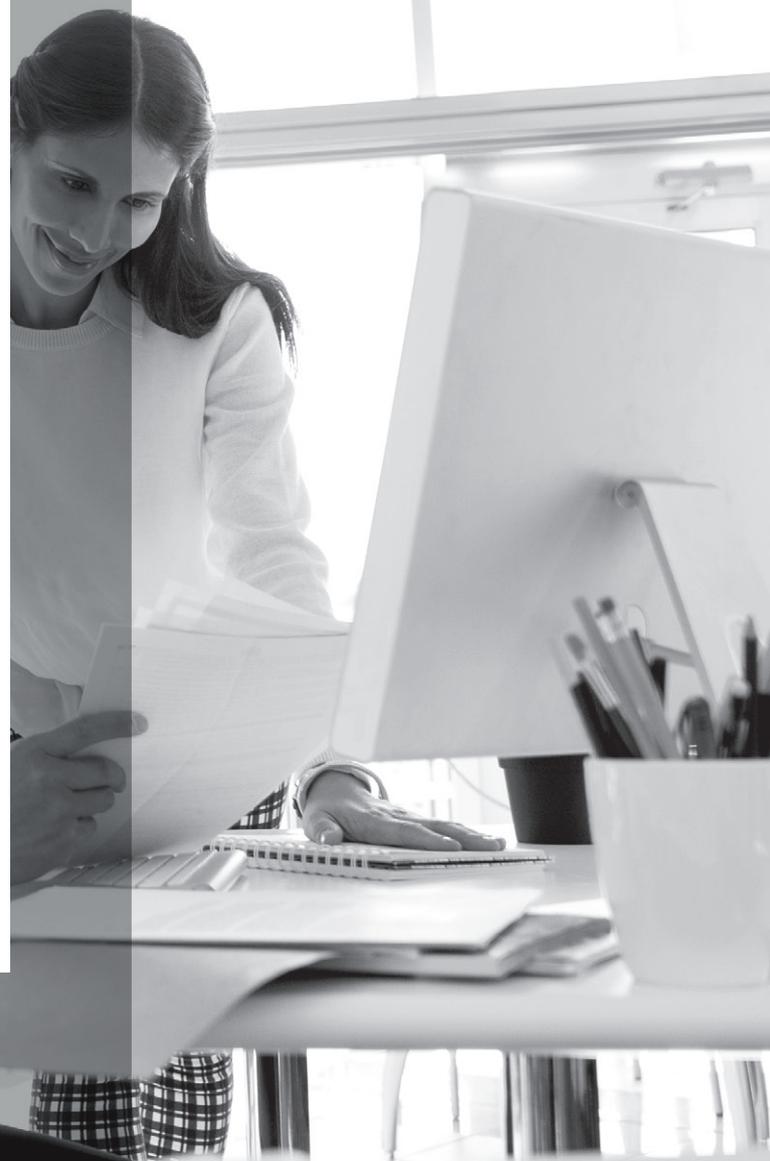


IN COLLABORATION WITH



HOUSE OF TRAINING
YOUR GATEWAY TO SUCCESS

PROFESSIONAL QUALIFICATION



PARTNERS

> 2

IFBL

IFBL-L'Institut (www.ifbl.lu) was created in 1990 as the training institute of the Luxembourg Bankers' Association (ABBL) with the distinctive mission to «prepare, create, develop and promote any training means, programmes or actions, in the interest of the financial centre of Luxembourg». The Institute thus provides wide-ranging programmes from industry basics to state-of-the-art highly specialised courses. Today, the Institute is proud to welcome each year well over twelve thousand participants and to provide them with the training, support and guidance they need in the development of their professional careers. Since 2010, the Institute has been offering not only training courses but also a wide range of options in the field of career and personal development. As of 2015, IFBL-L'Institut will act as the “financial pillar” of the newly created House of Training.

www.ifbl.lu

ICMA Luxembourg

is one of ICMA's (International Capital Market Association) regional committees throughout the world. Its mission consists in representing the interests of its members and in participating to the development of specific axes, such as e.g. local and international training activities. The International Capital Market Association (ICMA) is a unique self-regulatory organization and an influential voice for the global capital market. It represents a broad range of capital market interests including global investment banks and smaller regional banks, as well as asset managers, exchanges, central banks, law firms and other professional advisers amongst its member firms. ICMA's market conventions and standards have been the pillars of the international debt market for over 40 years.

Training overview

The offer comprises 2 levels of understanding. Each level is composed of a number of training sessions, each one covering a specific subject.

At each level the professional competences are validated by means of a written examination.

Candidates having successfully passed the foundation level (or being able to provide proof of equivalent competencies) as well as the master level will receive the diploma "Back Office Expert".

> 3

01. CAMBOC 1 Foundation Level	International Financial Markets Self-preparation by e-learning EN_ +/- 15 hours	Written examination 4 hours
	Fundamentals of Back Office Operations Classroom training sessions EN_ 36 hours	
02. CAMBOC 2 Master Level	Managing all Aspects of Back Office Operations Classroom training sessions EN_ 36 hours	Written examination 4 hours

Courses in detail

> 4

CAMBOC 1 Professional Qualification in Capital Markets Back Office Foundation Level

01.

For CAMBOC 1, the IFBL has developed an innovative blended learning approach that combines the efficiency of e-learning with the effectiveness of instructor-led training (ILT). The objective of the e-learning part in the programme is to provide participants with a good understanding of the wider context in which back offices operate. It is a systematic description of financial markets, the financial instruments traded in them, the key players and the activities they perform. The instructor-led part will start where the e-learning finishes.

By the end of CAMBOC 1, participants will have a good understanding of:

- › Financial markets and their characteristics
- › The standards used in financial markets
- › Securities and their characteristics
- › The transaction chain of securities processing
- › Matching, clearing, settlement custody and securities financing
- › Central securities depositories
- › Risk management in the back office
- › Prevention of money laundering and financing of terrorism in the back office
- › The regulatory environment in the back office

TARGET AUDIENCE

This level covers the fundamentals of back office operations and targets people with less than five years experience in the back office, who want to improve or update their knowledge of back office operations.

CONTENTS

Financial Markets

- › Types of financial instruments
- › Regulatory environment - Exchange trading vs. over-the-counter (OTC) transactions
- › Geographical criteria - Domestic, cross-border, international
- › Currencies
- › Activities - Primary vs. secondary market

Financial Instruments (based on ISO 10962)

- › Securities - Debt instruments, equities, entitlements
- › Derivatives - Exchange-listed vs. OTC
- › Investment funds - «Long only» funds vs. alternative funds

E-LEARNING:

International Financial Markets

INSTRUCTOR-LED
TRAINING:
**Fundamentals
of Back office
operations**

Activities in Financial Markets

- › The transaction chain of securities processing
- › Front office - Middle office - Back office

Market Players

- › Issuers, investors, regulators, financial intermediaries (public and private)
- › Players in the back office - Cash correspondents, CSDs/ICSDs, custodian banks, depositories

The e-learning course has a total duration of approximately 15 hours. Participants will have access to the e-learning course for six months through the internet, during which they can log-in or log-out as often as they wish.

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
- › Matching - Trade matching vs. pre-settlement matching
- › Clearing
 - Gross clearing vs. net clearing
 - central counterparty
 - clearing risks Settlement
- › Settlement
 - CSDs vs. ICSDs
 - Settlement models
 - Settlement criteria
 - Variations on settlement flows
 - Settlement failures
- › Custody
 - Debt instruments
 - Equities
- › Securities Financing
 - Securities lending
 - Repos
 - Sell-buybacks

>> Cash Management and Payments

> Managing cash

- Time value of money
- Treasury function
- Foreign exchange
- Placements
- Reconciliation

> Correspondent banking

- Nostro/Vostro accounts
- Payment routing

> Interest rates

- Importance
- LIBOR, EURIBOR, EONIA

> Cash placements

- Treasury
- Call accounts
- Term-deposits

> Payments

- Payment systems (TARGET, FedWire, CHIPS, CHAPS)
- SWIFT
- CLS
- Issues in payments

Investment Funds

> Fund characteristics

> Asset types

> Domicile

> Management methods

> Legal structures

> How does the fund market operate?

**Prevention of Money Laundering
& Terrorism Financing in the Back Office**

> Basic principles, GAFI/FATF

**> Back office threats, indicators («red flags») and handling
suspicious transactions**

> Obligations of back office staff

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 and banking regulations

Managing Risk in the Back Office

> Types of financial risk

> Managing operational risk in the back office

Conclusion and review of all the material

EXAMINATION

The examination is in writing and consists of +/- 100 closed questions covering all the subjects dealt with in the courses. To be successful, the candidates must score at least 50% of the total points.

- 
- › **Comprehensive training programme for back office personnel, focusing on the necessity to improve accuracy and efficiency, while at the same time reducing operational errors**

CAMBOC 2 Professional Qualification in Capital Markets Back Office Master Level

02.

CAMBOC 2 uses a practical approach to reinforce and apply the knowledge acquired in CAMBOC 1. The main focus of CAMBOC 2 is to provide participants with a realistic context that allows them to gain a good understanding of the operations in a securities back office. The method for achieving this objective is to use examples, case studies and simulated situations that recreate a real back office environment.

By the end of CAMBOC 2, participants will have a good understanding of:

- › The different methods and variables of securities settlement
- › Market practice for different types of securities financing
- › Pricing and valuation for different types of securities
- › Custody operations for debt instruments
- › Corporate actions and the related market practice
- › Taxes applicable to securities operations
- › SWIFT and its use in the back office
- › Market practice for international payments
- › Collateral management
- › Operational risk in the back office

TARGET AUDIENCE

CAMBOC 2 – Master Level provides a detailed look at back office operations for people who either have more than five years of back office experience or who have completed the CAMBOC 1 programme.

- › **CAMBOC 2 provides detailed, practical information on various areas of back office operations in international financial markets.**

CONTENTS

Clearing and Settlement

To provide participants with insight into the clearing and settlement process, CAMBOC 2 analyses the following situations/issues:

- › Levels of risk in gross and net clearing
- › Settlement failures caused by various issues, such as use of wrong instruction types, counterparty failure, free-of-payment deliveries to the wrong account, failed back-to-back transactions
- › Internal vs. external settlement
- › Settlement models
- › Misuse of securities financing (e.g., Drysdale, Beaconwood, Lehman Brothers)
- › Use of securities for money laundering and terrorist financing

The examples cited will raise issues that enable a clear definition of best market practice for clearing and settlement.

Custody

Transactions in the area of custody are complex and can often go wrong. Particularly problematic for custody is the need to have complete and accurate information at the right time. To illustrate best market practice for custody, the following situations/issues will be analysed:

- › Managing deadlines for corporate actions
- › Delays in income (dividends, coupons, redemptions) payments
- › Client dependency for voluntary corporate actions
- › Managing taxes applied to corporate actions
- › Pricing of different types of securities
- › Message types for corporate actions
- › Differences in market practice between markets
- › Operational risk in custody operations

Real or simulated cases will be used to illustrate each of these situations and to define best market practice.

Payments

Cash payments are particularly delicate, because a late payment can result in a claim for lost interest, which can lead to significant financial losses. Some of the specific cases that will be analysed here include:

- › Late payments and claims
- › Payments sent in the wrong currency
- › Payments made to the wrong account
- › Instruction types used for payments
- › Anonymous payments
- › Accepting payments by cheque
- › Dangers of transaction chains (Herstatt risk)
- › Collateral management
- › Money laundering and terrorist financing through back office payments

The consequences of these payment errors/situations will be used to illustrate best market practice for payments and how to avoid costly errors.

Investment Funds

Market practice for investment funds can vary considerably from one fund or market to another. Rather than attempting to cover all aspects of fund operations, the focus here is primarily on the problems that can arise in processing fund orders. Specifically, the following cases/situations are considered:

- › Use of different order types
- › Differences in market practice according to fund type (e.g., hedge funds, money market funds)
- › KYC («Know your customer») issues in the fund industry
- › Settling fund orders
- › Impact of fees and charges on execution of fund orders
- › Reconciliation issues resulting from fund orders
- › Increased responsibilities for fund custodians
- › Operational risk in fund operations

Specific cases are used to illustrate these different scenarios and define best market practice.

Review of all the material and preparation for the examination

EXAMINATION

The examination is in writing and consists of +/- 55 closed questions covering all the subjects dealt with in the courses. To be successful, the candidates must score at least 50% of the total points.

Practical information

DURATION AND PRICES

COURSE	DURATION	PRICE + 3% VAT*
CAMBOC Foundation level	40 heures	€ 1.950,-
CAMBOC Master level	40 heures	€ 1.950,-

* Lunch is included in the price.

DATES

Please see our website:

CAMBOC - FOUNDATION LEVEL

www.ifbl.lu/training-offer/cam-boc-1-foundation-level



CAMBOC - MASTER LEVEL

www.ifbl.lu/training-offer/cam-boc-2-master-level



SCHEDULES

Courses day 1 – day 4:

9:00 am to 1:00 pm
2:00 to 6:00 pm

Courses day 5:

9:00 am to 1:00 pm

Examination:

2:00 to 6:00 pm

LANGUAGE

All the training courses are held in English.
The documentation is in English as well.

REGISTRATIONS

Registrations have to be submitted at the very latest 5 working days prior to the beginning of the course.

For registrations on a professional basis our registration form is to be downloaded from www.ifbl.lu ("outils-téléchargements" in the main menu).

Please note that registrations on a private basis are only acceptable through the IFBL Web site (online registration and payment).

TRAINING LOCATION

Centre de Formation IFBL/ Chambre de Commerce

7, rue Alcide de Gasperi | L-1615 Luxembourg

An underground parking (paying) is available in the building. Several buses stop nearby. Details are to be found on www.mobiliteit.lu

CONTACT

IFBL - Customer Service

customer@ifbl.lu

Tel.: +352 46 50 16 – 1 | Fax: +352 46 50 19

www.ifbl.lu

IFBL
L'INSTITUT



HOUSE OF TRAINING

YOUR GATEWAY TO SUCCESS

www.houseoftraining.lu

Our general conditions as indicated
on the registration form are applicable