



Global Securities Back Office Operations Master Class

An intensive and interactive program which will furnish novice to intermediate level staff with the most recent securities services solutions and capabilities being expected by the international investment community.

1. PARTICIPANTS, THEIR ROLES & RESPONSIBILITIES

- Investors
 - Institutional
 - Retail
- Securities market intermediaries
 - Brokers
 - Prime brokerage
 - Dealers
 - Intermediaries
- Banks
 - Custodians
 - Trustees
- Industry support organisations
- Depositories
- Regulators

2. HOW THE FINANCIAL MARKETS WORK

An introduction to the different capital markets products and instruments

- Analysis of different asset classes
- How different securities/assets are issued and why:
 - Bonds
 - Commodities
 - Currencies
 - Derivatives
 - Equities
 - Funds
 - Trusts
- Types of 'hybrid' instruments - convertibles, warrants and other structured products
- Futures and options
- OTC Vs exchange traded derivatives
- Credit derivatives

3. OPERATIONS & SECURITIES MANAGEMENT

Managing and developing the operations structure

- Role of operations teams in securities.
- Relationship with front and middle office
- Key challenges in the operations environment

The role and impact of technology in the operations environment

- Using technology
- System implementation and migration projects
- Problems and benefits associated with technology

- Managing static data

Securities Clearing & Settlement

- Principles of securities settlement
- Demystifying the jargon
- G30, IOSCO and ISSA directives
- Describing the steps in a typical trade cycle
- Industry initiatives driving change in the market

The role of the exchanges and clearing houses

- What is the role of exchanges
- What is the role and function of the clearing house
- Assessing the impact of the consolidation of exchanges and clearing houses across markets

The role of the settlements department

- Importance of settlement
- Relationship and responsibilities
- Management information: management reports
- Explaining the relationships with counterparties dealt within the settlement of typical trades

Settlement conventions

- What are they and how do they differ by securities class in major markets?
- International market conventions

Processes in settlement

- Investment decision
- Order flow from Investor to Broker/Dealer
 - Order/Execution management
 - Client trade reporting
 - Regulatory reporting
- Pre-settlement
 - Input of settlement instructions
 - Input scenarios
 - Matching
 - Monitoring transactions
 - Changing transaction input
- Settlement
 - Priorities and queues
 - Circle processing
 - Monitoring transaction settlement
 - Electronic transfer of title (ETT)
 - Bad deliveries
- Overcoming problem areas
- The importance of timing
- Cash management and FX - timing and importance
- Netting
- Settlement for residual securities
- The importance of reconciliation

Clearing & Settlement Market Service Options

- Straight Through Processing (STP) options

- Role of third party organisations
 - Central Counterparties (CCP)
 - CHAPS/CHIPS
 - Euroclear/Clearstream (ICSDs)
 - CREST
 - DTCC
- Legal requirements

4. ASSET SERVICING

- Margin
- Collateral
- SMAC

Corporate actions: Selection of corporate action types, including:

- Coupon payments (fixed & floating rates)
- Principal payments
- Bond conversions
- Bond redemptions

Mandatory & voluntary event lifecycle, including:

- Sources of information
- Announcement capture
- Ascertaining entitlements
- Counterparty claims
- Calculation of resultant entitlements
- Updating books and records
- Settlement with custodian and counterparties

5. GLOBAL SECURITIES SERVICES & DEVELOPING TRENDS

- Types and development of markets
- Common structures
- Withholding tax and Double Taxation Treaties (DTT)
- Principal custody service providers
- Risks associated with global markets

The foreign exchange market

- The role of the Forex market
- How they are used - the exchanges and trading techniques
- Relationships between the spot, forward and interest rate markets
- Relationship with the money markets
- Settlement with custodian and counterparties

Industry trends and the future

- Changes taking place in the industry
- RTGS
- STP
- Alliances
- Other industry initiatives

<p>Case studies, exercises and short multiple-choice examinations will be included in components of the program. In-depth securities market profiles will be produced for markets covered in the case studies.</p>
