

ACI Dealer Certificate (New Version)



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Objectives:

This course covers the syllabus for the ACI Dealing Certificate (New Version) introduced on 27th July 2020.

During this programme participants will:

- Cover basic interest rate calculations
 - See how to calculate rates at different parts of the yield curve and look at various indices
- Explore cash money markets
 - The workings of short-term funding and investment instruments: T-Bills, CDs, Repo, Islamic Money Markets and Bankers Acceptances
- See how the foreign exchange (FX) markets function and run through the uses and maths behind different hedging tools
 - Spot, forward, NDFs, FX swaps
- Look at the working of the precious metals markets
- Examine tools to manage interest rate risk, including swaps, futures, options and forward-forwards
- Analyse the uses and mechanics of option structures to manage market risk
 - Pricing, structures, payoff diagrams
- Run through the principles of asset and liability management (ALM), defining responsibilities, metrics and Basel III requirements.
- Understands principles of risk, covering Credit, Operational, Legal and Liquidity aspects
 - Discuss the LBMA Precious Metals code, UK Money Markets Code, Market Abuse Regulation, MiFID II and MiFIR

Training Methodology:

The programme is highly interactive and it will encourage participation through exercises and case studies, which the delegates will solve individually or in small work-groups.

ACI sample questions will be regularly used to prepare the participants for the exam.

The agenda specifically follows the content set out in the latest 21 April 2020 Syllabus from the ACI.

The course will be conducted via MS Teams. Course material will be distributed via google drive inks.

Who Should Attend?

The programme is designed for:

- Front and Middle Office Treasury staff
- Audit
- Risk Management

Course Dates and Session Duration

Ten half-days sessions will be conducted starting on Monday 14th March, 2022. The final session will be on Friday 25th March, 2022.

There will be no sessions on Saturday or Sunday.

The sessions will start at Midday and finish at 4 p.m. UAE time.

Exam Information

The organization and cost of the exam is the responsibility of the individual. The exam may be taken as often as required.

Currently the exam costs EUR 280. Exam bookings should be made online at www.acifma.com/exam-centers.

Session 1

Introduction

The Programme Director will introduce the course and what it will achieve.

The Markets

- Economic agents impacting financial markets
 - Economic agents for a country
 - The role of central banks
 - Regulated and OTC markets
 - Treasury & trading
 - Following a trade
 - Borrowing and lending habitats
 - Foreign exchange markets and systems
 - Brokers

Interest Rates & Calculations

- Financial market conventions
 - Day counts
 - Compounding / discounting
 - Business days
 - Rate interpolation
- Key benchmarks
 - Libor / Euribor / Overnight rates

Session 2

Money Market Instruments

- Treasury Bills / Certificates of Deposit / Banker's Acceptances / Commercial Paper / Repo
- Secondary market values and yields
- Stock & securities lending
- Islamic financing

Cash Money Markets

- Investor habitats and funding alternatives
 - Covenants and rating agencies

Session 3

Foreign Exchange

- Spot FX conventions
 - ISO conventions
 - (In)Direct Quotations
- Cross rates
- Settlement conventions
 - (Pre) Settlement risk
 - Value dates
- Calculating profit & loss
- Brokers
 - Dealing methods

Session 4

Forward Foreign Exchange

- Finding the best quotes

- Foreign exchange risk in the working capital cycle
 - Deriving the forward FX rate
 - Interest parity theorem
 - Forward points
 - Interpolating points
 - Non-Deliverable Forwards (NDFs)
- Covered interest arbitrage
- FX Swaps
 - Short date swaps
 - Ante spot
 - Quoting a forward swap
 - Historic rate rollovers

Precious Metals

- Metals ISO codes
- Gold markets and conventions
- Quoting gold prices via cross rates

Session 5

- Regulatory approaches
- MiFID II & MiFIR
- Benchmark regulation (BMR)
- The concepts of ALM
 - Areas of responsibility
 - ALCO reportage
 - Earnings at risk / Gap risk

- Basel III overview
 - 3 pillar framework
 - Risk Weighted Assets (RWA)
 - Loss Given Default (LGD)
 - Probability of Default (PD)
 - Economic capital
 - Leverage ratio
 - Liquidity Coverage Ratio (LCR)
- Funds Transfer Pricing (FTP)
- Credit Risk Transfer
 - Credit Default Swap (CDS)
 - Securitisation
- FX Global Code
- EMSA
- UK Money Markets Code
- Global Precious Metals Code

Session 6

Capital Markets

- Overview of funding instruments
 - Day conventions for MM instruments
 - Rating agencies
 - Debt capital structure
- Floating Rates Notes
- Fixed income bonds
 - Sukuk structure
 - Pricing concepts
- Bond price sensitivity
 - Macaulay / Modified duration
- Bond types
 - Covered
 - Medium Term Notes
 - Convertibles
- Key benchmarks
 - Overnight indices
 - Libor transition
 - Yield curves

Session 7

Rates

- Forward Rate Agreements (FRAs)
 - Cash flows
 - Deriving a forward-forward rate
- Money market futures
 - Contract specifications
 - Margin requirements
- Interest Rate Swaps (IRS)
 - Basis swaps
 - Uses and constituents
 - Swap reporting
- Intuitive secondary market valuation
- Options
 - Caps, floors, collars
 - Swaptions

Session 8

Options

- Option terminology
 - Quoting option premium
- Option types
 - European, America, Bermudan, Asian, Path dependent
 - Calls & puts
 - "Moneyness"
- Option pricing
 - Using payoff diagrams
 - Option strategies
 - The Greeks
 - Delta hedging, Vega, Theta
- Value At Risk (VaR)
 - Conditional VaR / Stressed VaR
 - Calculation Methods

Session 9

Financial Markets Applications

- Value at Risk (VaR)
 - Use in market risk management
 - Influences on VaR
- Balance sheet risks
 - Central bank regulations
 - Large exposures
 - Market risk & the role of the Middle Office
 - Interest Rate Risk in the Banking Book (IRRBB)
 - Key Credit Issues
 - Loss given Default (LGD), Exposure at Default (EAD), Counterparty Credit Risk (CCR)
 - Risk mitigation methods
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Swap Documentation

- International Swaps & Derivatives Association (ISDA)
 - ISDA Schedule
 - Potential Future Exposure (PFE)
 - Central Counterparty Clearing (CCP)

Operational Risk

- Operational Risk and Legal Risk

Session 10

**Course Review And
Mock Exam**



Trainer Biography: Simon Rogers

Simon founded Swapskills, a financial markets training and consulting company, in 2002.



Simon joined ABN AMRO in January 1999 as the Head of Derivative Marketing & Structuring for Europe, Middle East & Africa.

In this role he was responsible for re-focusing the team's resources to a more value-added approach, as well as being responsible for the delivery of fixed income derivative product, including MTFX / LTFX and credit derivatives, into all of the European time zone (EMEA) to both asset and liability-side clients. One of his major roles encompassed delivering internal and external training courses on the practical applications of derivative products.

Prior to this Simon was an Executive Director for CIBC World Markets, where he was Head of Nordic coverage in the Financial Products group. The products sold by the Financial Products group included credit products (asset swaps / credit derivatives, asset-backed and high yield), equity-linked structures, commodity derivatives (from precious & base metals to energy products), interest rate products (with a focus to structures rather than vanilla liability business) and FX-linked products. Tax products were also put on the agenda with the appointment of a tax specialist.

Before CIBC Simon was appointed as an Assistant Director for HSBC Markets where he was Head of European Marketing, Derivative Sales with a team of 8 people. This was after a five-year spell at First Chicago, most of which was spent on the swaps desk. His career started in 1984 at Continental Illinois where he joined the graduate training scheme as an international Relationship Banker.

Financial Markets Training



Simon is now involved with full-time training in financial products and derivatives where his clients include major investment and commercial banks. He also organizes and delivers public courses, using his stable of trainers who cover interest rate, credit and commodity derivatives as well as corporate finance.

His courses have been designed not only for markets and client-facing staff but also Credit functions, HR (Understanding Financial Markets) and Private Client / Banking divisions. The courses are oriented towards spotting opportunities and applying knowledge in a practical way as opposed to taking a mathematical and academic approach so that training can be more easily turned into revenue generation.

With complete access to Bloomberg, the courses use current market rates and conditions. Frequent participant interaction and the use of exercises and case studies reinforce the concepts under discussion.

Accreditation: Simon was assessed as an advanced facilitator by Standard Chartered Bank in October 2009.

Track Record



Simon has trained corporate and financial institutions on every continent. He is a preferred training provider for The Monetary Authority of Singapore, Standard Chartered Bank, Bank of Tokyo-Mitsubishi UFJ, UOB, Emirates NBD, Mashreq Bank and Standard Bank.

He has also successfully concluded consulting contracts for Emirates NBD, Commercial Bank of Dubai and Arab Banking Corporation.

His courses have included participants from the following blue chip institutions including ABN AMRO Bank, ABN AMRO Private Bank, Morgan Stanley, ANZ, Lloyds TSB, Royal Bank of Scotland, Merrill Lynch Investment Management, Arc Securities, Schroders Investment Management, Calyon, HSBC, Noble Asset Management, Adam and Company, Britannic Asset Management, Bank of Bahrain and Kuwait, Scottish Life, Clydesdale Bank, The Republic of Turkey Treasury team, South African Reserve Bank, BMW Finance, Nampak, Vodacom, JP Morgan Chase, Bank of Baroda, Bumiputra Commerce, Danske Markets, Dunfermline Building Society, Swedish Export Credit, Gordian Knot, Royal Asset Management, Central Bank of Nigeria, Central Bank of Zambia, Reserve Bank of Zimbabwe, United Kingdom Debt Management Office, ING Private Bank, Standard Chartered Bank, Permatabank, Saudi Hollandi, Standard Bank, BNP Paribas, Emirates NBD, Commercial Bank of Dubai, National Bank of Abu Dhabi, Commercial Bank International, Mashreq Bank, First Gulf Bank and Arab Banking Corporation.

Government bodies that have been trained by Swapskills include:

- The Monetary Authority of Singapore
- South Africa Reserve Bank
- Reserve Bank of Zimbabwe
- Central Bank of Zambia
- Swedish Export Credit (SEK)
- Central Bank of Nigeria
- The Republic of Turkey Treasury Team
- United Kingdom Debt Management Office

Simon has a BA from Bristol University, where he studied languages. He is the author of Euromoney's "Swaps in Practice: The products, pricing and applications" which was published in January 2005.

Simon is an accredited trainer for the ACI Dealing Certificate (see www.acifma.com).

Cost Structure

The 10-session course cost is GBP 1,500 per participant. Payment is due 7 days prior to the course.

This does not include the cost of the exam, registration responsibility and cost (EUR 280) for which lies with the participant.

Direct payment can be made using the following account details

Account Name	Swapskills Limited
Bank	Starling Bank
SWIFT Code	SRLGGB2L
Account Number	70677017
IBAN	GB87SRLG60837170677017

Additional Reading

Various booklets can be downloaded for free at www.swapskills.com.

The booklets cover:

- FX 101 – FX Market Fundamentals
- FX 102 – FX Rates and Arbitrage
- Options 101 – Fundamental Options
- Options 102 – The Greeks and Pricing
- Rates 101 – Forward Rate Agreements
- Rates 102 – Yield Curves & Yield Spreads
- Rates 103 – Duration & Interest Rate Risk
- Swaps 101 – Interest Rate Swaps, Basis Swaps & Cross Currency Swaps
- TVM 101 -Time Value of Money & Financial Maths

Online Training

Complimentary access to two online video-based courses on Options and Foreign Exchange is included. Each course contains 20+ three- to five-minute subtitled videos, with each module containing MCQ.