

Annexure 18

CERTIFIED TREASURY MANAGER (CTM)-

Certificate In Treasury Management (CTM)

The Certificate in Treasury Management (CTM) is a comprehensive global certification exam designed to assess a candidate's expert level understanding of treasury functions. This program tests a candidate on his capability to develop a disciplined and systematic approach to managing all financial affairs of the business such as maintaining corporate liquidity, raising funds for the business from various sources, currency management, cash flows and various strategies and procedures of corporate finance.

In the current business landscape, the importance of treasury management really can't be understated. As regulation and technology in the financial sector changes at an ever-increasing pace, and the business landscape becomes increasingly competitive, there is more pressure on corporates to efficiently manage cash. The responsibility for making sure that this strategic money management is carried out effectively falls to the business' treasury department, who must plan, organise and control the cash assets in order to meet the financial goals of the business, whatever they may be.

Treasury Management is the planning, organizing and controlling holding, funds and working capital of the enterprise in order to make the best possible use of the funds, maintain firm's liquidity, reduce the overall cost of funds, and mitigate operational and financial risk. It covers working capital management, currency management, corporate finance and financial risk management. The end goal of any for-profit enterprise is to maximize owner's wealth. For corporations, this translates into maximizing shareholder wealth. Treasury management drives value creation through maximizing cash liquidity for companies that often have fluctuating cash flow and needs. It achieves this through cash flow management, short-term financing and medium-term financing. Treasury management plays a critical role by ensuring that a company has the cash it needs at all times to run its business.

The Certificate in Integrated Treasury Management (CTM) is designed to prepare an all-round treasury professional.

INTRODUCTION:

Currently, the Treasury Professional are provided with hands on training within the organization followed by bourse programmes conducted by training bodies. It is also noticed that in the absence of an appropriate course, the competence level of the Treasury Professional varies significantly which at times impact the overall Treasury functioning in the financial sector. The Institute has therefore launched a blended certificate programme in this area which will address the issues related to Treasury Professional comprehensively and help to bring about standardization and uniformity among the market players.

REMOTE PROCTORED MODE

Remote proctoring allows candidates to take an examination at a location of his/her choice while ensuring the integrity of the examination. These systems require students to confirm their identity, and, during the examination, the system monitors students through video, mic, etc. looking for behaviour that could indicate unfair practices (cheating). Examinations are conducted over internet using a Desktop/Laptop. Taking examination using any other device is not permitted e.g. mobile, tabs, etc.

OBJECTIVES:

To create a cadre of well-trained Treasury Professional to handle the front office treasury operations in banks/ financial institutions

COVERAGE:

The course will cover the treasury functions in detail under seven modules, as annexed.

TARGET GROUP:

- Newly posted officers in the Treasury department
- Persons identified for posting in the Treasury department
- Persons aspiring to become Treasury professionals in future

METHODOLOGY:

Course has two components viz.,

a) Online examination for 100 marks based on a specially designed courseware on

Treasury Operations.

b) Classroom Training for 3 days at pre-announced centres. For details of Classroom Training, Course Structure & Delivery,.

ELIGIBILITY:

1. Members and Non-Members of the Institute

2. Candidates must have passed the 12th standard examination in any discipline or its equivalent.

SUBJECT OF ONLINE EXAMINATION:

Treasury Operations

Please Note: Candidates are required to Register for every attempt separately.

While registering online for the examination candidates will have to choose examination date /

time slot of his/her choice, the exam date/time will be allotted on first-cum-first-serve basis.

Candidates are required to take utmost care and precaution in selecting Exam Date and Time slot, as there is no provision to change the Exam date and Time slot in the system. Hence no request for change of Exam date and time slot will be entertained for any reason.

MEDIUM OF EXAMINATION:

Examination will be conducted in English only.

PATTERN OF EXAMINATION:

(i) Question Paper will contain 100 objective type multiple choice questions including situation

analysis/ problem-based questions for a total of 100 marks

(ii) The examination will be held in Online Mode only

(iii) There will NOT be negative marking for wrong answers.

DURATION OF EXAMINATION:

The duration of the examination will be of 2 hours.

PASSING CRITERIA:

1. Minimum marks for pass in the subject is 50 out of 100 for online examination.
2. Minimum 25 marks for pass out of 50 marks in the Classroom training.

Curriculum

1. Financial Market and Role of Units 1, 2 and 3 of Treasury Management

Treasury book of IIBF*

2. Money Market Operations Units 4, 5 and 6 of Treasury Management

book of IIBF*

3. Investment and Fixed (1) Units 7,8,9,14,15,16,22,23,24,25 and

Income Securities 26 of Treasury Management book of IIBF*

(2) Chapter 1, 2, 7, 8 and 16 of Fixed Income

Securities by FABOZZI.***

4. Forex Dealings Units 10,17,18,19 and 21 of Treasury

Management book of IIBF*

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Module Topics Books and Units/ Chapters

5. Derivatives (1) Units 11, 12 and 13 of Treasury

Management book of IIBF*

(2) Chapters 59, 61, 62, 64, 65 snf 66 of

Fixed Income Securities by FABOZZI.***

6. Model Code and Dealing Ethics Unit 20 and Appendix A,B,C and D of Treasury

Management book of IIBF*

7. Time Value of Money and Chapter 6 of Fixed Income Securities by

Interest Rate Calculations FABOZZI.***

***** The Hand Book of Fixed Income Securities by Frank J Fabozzi and Steven V Mann**

(Eight Edition, McGraw Hill Education (India) Edition 2013).

*** Treasury Management, IIBF, published by Macmillan India Ltd.**

As banking and finance fields are dynamic, rules and regulations witness rapid changes.

Therefore, the books as mentioned above should not be considered as the only source of

information while preparing for the examinations.

Candidates are advised to go through the updates put on the IIBF website from time to time and

go through Master Circulars/ Master Directions issued by RBI and publications of IIBF like IIBF

Vision, Bank Quest, etc. All these sources are important from the examination point of view.

Candidates are also to visit the websites of organizations like RBI, SEBI, BIS, IRDAI, FEDAI etc.

besides going through other books & publications covering the subject/exam concerned etc.

Questions based on current developments relating to the subject/exam may also be asked.

E-LEARNING:

Institute facilitates e-learning to enhance the understanding of the concepts. Candidates can

access the e-learning (From Desktops and Laptops only) through our website www.iibf.org.in

at their convenience and from their place of choice.

At the time of registration, the candidate can register for e-learning/e-book, if required, by

paying the requisite additional fees.

The study material can be in the form of e-book and/or e-learning.

Based on the option selected (e-book/e-learning) the candidate will be provided login ID

password to access the study material.

DISCLAIMER:

The above said facility of e-learning offered to the candidates is solely at the discretion of the Institute and subject to such terms/ conditions as may be deemed fit by the institute from time to time. Hence no candidate has any right/ claim whatsoever against the institute by reason of any technical glitches or any shortcomings as the case may be and the decision of the institute in the event of any dispute there-under will be final and conclusive.

CUT-OFF DATE OF GUIDELINES/IMPORTANT DEVELOPMENTS FOR

EXAMINATIONS

The Institute has a practice of asking questions in each exam about the recent developments/

guidelines issued by the regulator(s) in order to test if the candidates keep themselves abreast

of the current developments. However, there could be changes in the developments/ guidelines

from the date the question papers are prepared and the dates of the actual examinations.

In order to address these issues effectively, it has been decided that:

(i) In respect of the examinations to be conducted by the Institute for the period February to

July of a calendar year, instructions/ guidelines issued by the regulator(s) and important

developments in banking and finance up to 31st December will only be considered for the purpose of inclusion in the question papers".

(ii) In respect of the examinations to be conducted by the Institute for the period August to January of a calendar year, instructions/ guidelines issued by the regulator(s) and important developments in banking and finance up to 30th June will only be considered for the purpose of inclusion in the question papers.

The table given below further clarifies the situation.

Particulars Cut-off Date of Guidelines/ Important

Developments for Examination/s Developments for Examination/s

For the examinations to be conducted by

TUTORIAL/ CONTACT PROGRAMMES

Tutorial/ Contact programmes may be organized by the Institute at various centres. For details in this regard candidates may visit Institute's website www.iibf.org.in.

COURSE STRUCTURE & DELIVERY

Certified Treasury Professional Course has two parts viz. written examination and class room learning. To be declared successful, a candidate has to secure a minimum of 50% marks in the online examination and 50% in class room training. The steps in completing the course are as under:

1. STUDY:

A minimum 3 months' study of the stipulated courseware is envisaged. Institute will accept application for examination up to a certain date before the dates of announced exams so as to ensure that the study period is adhered to.

2. EXAMINATION:

Candidates will have to appear first for the online examination conducted by IIBF (Multiple Choice Questions mode) and pass the examination.

3. TRAINING:

Candidates who have successfully passed the online examination have to undergo training. For this purpose, the candidate, on passing the examination should log on to IIBF website -

www.iibf.org.in and select his/her convenient slot for classroom/virtual classroom training (3days) from the pre-determined dates and venue (in case of classroom training) at select centres announced by the Institute. During the classroom/virtual classroom training, candidates will be assessed (Internal assessment) for training performance for a total of 50

marks. Marks for training will be awarded to candidates by faculty for their training participation, analytical skills, case discussions, dealing ability, presentation skills etc.

Evaluation Process:

4. TIME LIMIT FOR CLASSROOM TRAINING:

Classroom training is required to be completed within 15 months from the date of declaration

of the online examination results in which the candidate passes.

In case a candidate fails to complete the Class Room Training either on account of not able to successfully complete the Class Room Training or by not attending the training for Class Room Training within the stipulated period of 15 months, the candidate would be required to RE-ENROLL himself for the Online examination foregoing credit for the subject/s passed in the Online examination earlier in case he wants to complete the course.

Award of Certificate:

Certificate will be issued to candidates by IIBF jointly with FIMMDA within 2 months on successful completion of both online examination and classroom training. No certificate will be issued for passing only the online examination.

Code of Conduct:

All the successful candidates will be encouraged to adhere to a code of conduct which will be issued along with the Certificate.

SYLLABUS FOR ONLINE EXAMINATION

The details of the prescribed syllabus which is indicative are furnished in the booklet.

However, keeping in view the professional nature of examinations, all matters falling within the realm of the subject concerned will have to be studied by the candidate as questions can be asked on all relevant matters under the subject.

4 Candidates appearing for the examination should particularly prepare themselves for answering questions that may be asked on the latest developments taking place under the various subject/s of the said examination although those topics may not have been specifically included in the syllabus. The Institute also reserves to itself the right to vary the syllabus/ rules/ fee structure from time to time. Any alterations made will be notified from time To time. Further, questions based on current developments in banking and

finance may be asked. Candidates are advised to refer to financial newspapers/ periodicals more particularly “IIBF

VISION” and “BANK QUEST” published by the Institute.

MODULE - I: FINANCIAL MARKETS AND ROLE OF TREASURY

Financial markets, participants and Instruments, operating environment, regulations and practices. Need for treasury and centralization Treasury management, Treasury organization Front Office, Back Office and Mid Office. Dealing systems and treasury operations, Treasury as Profit Centre.

MODULE - II: MONEY MARKET OPERATIONS

Fund management, CRR maintenance, liquidity management, money market operations, need for centralized funding operations, managing banks' surplus funds, bank level ALM and maturity gap analysis. Market quotes in money market products, trading opportunities in Money market, Repo trading. Arbitrage by running maturity mismatches - role of Treasury in resource mobilizations - Overnight call money market. Repos and Reverse repos, CBLOs, Marginal Standing Facilities, Certificate of Deposits, Inter-Bank Participation Certificate, Refinance as source of funding, export refinance, NABARD refinance, SIDBI refinance.

MODULE - III: INVESTMENTS

Objectives of investments, Types of investments, Coupon and YTM concepts, Bond market basics, bond pricing and yield calculation, accrued interest, clean and dirty price, interest rate risk measures like Duration, PV01 and Convexity and hedging products. Trading strategies and portfolio management. Dealing platforms and settlement systems. Regulatory guidelines, maintenance of SLR, investment classifications, valuations and provisioning.

MODULE - IV: FOREX DEALINGS

Exchange rates and linkage to macroeconomic factors like Balance of Payment, Current Account Deficit, Inflation, Interest Rate etc. Foreign exchange market participants, market

quotes - direct and indirect quotations, one way quote and both way quotes, dealing terminologies, Cash, Spot and forward rates, Concept of premium and discount in currency forward market, handling merchant transaction, cover operations, open positions, gap limits. Arbitrage through currency swaps operations. Dealing platforms and settlement procedures. Currency trading strategies, fundamental analysis, interpretation of market data, technical analysis. Role of brokers. Valuation of forex positions and gaps. Risk management in forex operations observance of NOOP limits, Gap limits, limits on overseas investments/ borrowings, funding rupee gaps through currency swaps, central bank intervention in Forex market.

MODULE - V: DERIVATIVES

Derivative: Nature, types, fundamentals, forwards, currency futures and options, interest rate swaps and futures, concept of margins, Interest rate swaps and FRAs. Basic understanding of duration, PV01 of swaps, Option Greeks. Use of derivatives to hedge currency and interest rate risks. Valuation of derivative products, Hedge accounting and Trading position in Derivatives. Credit derivatives - basic concepts and products. Risk managements of Derivative product, current exposure, potential future exposures, hedge effectiveness, RBI/ FIMMDA guidelines.

MODULE - VI: MODEL CODE AND DEALING ETHICS

Dealer's code of conduct, dealing through brokers, model market practices, dealing ethics. Customer suitability and appropriateness. Code of conduct for contribution to financial benchmarks, Code of Conduct for dealing on NDS-OM and the role of FEDAI and FIMMDA.

MODULE - VII: TIME VALUE OF MONEY AND INTEREST RATE CALCULATIONS

Calculation of present value, future value, discounting, compounding, simple interest, day 5 count conventions, money market and bond market basis, Forward rates, yield curves - YTM, par yield curve.

MULTIPLE CHOICE QUESTIONS (MCQS) AND ANSWERS

“The Institute conducts its examinations through Multiple Choice Questions (MCQs). These MCQs are part of the Question Bank of the Institute and its Intellectual Property. As a matter of policy, these MCQs and their answers will not be shared by the Institute with the candidates or others and no correspondence in this regard will be entertained.”

Thank you

BE WISE, BE RICH

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