

ICMA Executive Education

For many years ICMA has made investment in executive education for the financial markets a priority. ICMA courses are administered and overseen by the ICMA Centre at Henley Business School, University of Reading.

ICMA Certification Programmes

- Financial Markets Foundation Certificate (FMFC)
- Operations Certificate Programme (OCP)
- International Fixed Income and Derivatives Certificate (IFID)
- Primary Market Certificate (PMC)

All are recognised as certificates of competence in the capital markets and are successfully completed by large numbers of international participants each year.

ICMA offer a number of specialist courses including:

- Collateral Management
- Commodities – An Introduction
- Commodities – Investment Solutions
- Corporate Actions
- Derivative Operations
- Global Custody
- Inflation-linked Bonds and Structures
- Investment Funds Administration
- Securities Lending and Borrowing
- Securitisation – Understanding the Mechanics
- Technical Analysis – An Introduction

Contact Us

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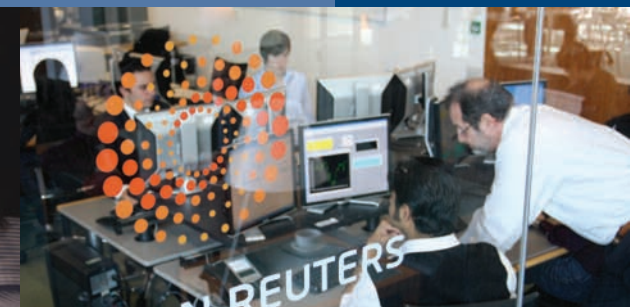
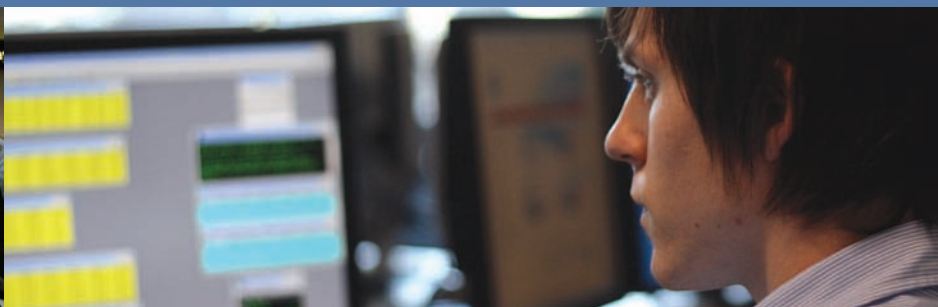
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Derivative Operations ICMA Executive Education

ICMA CENTRE THE BUSINESS SCHOOL
FOR FINANCIAL MARKETS





Objectives

The course is aimed at developing a fundamental grounding in the operations-focused activities and responsibilities when a firm trades in derivatives, both exchange-traded and over-the-counter and is equally relevant to the buy-side and sell-side of the business.

This training course explores the processing steps and events that will (or may) occur for a number of the common transaction types, and highlights both primary risks and mitigating measures.

Target Audience

This course is suitable for staff that are new to derivatives, and those that are currently working within derivative operations and require a broad understanding of the end-to-end processing flow. This course is an extension of the ICMA Operations Certificate Programme (OCP) but there are no formal pre-requisites to taking this course.

Length and Structure of the Course

The course consists of two days of lectures, case studies and group exercises. Each day typically consists of four 90 minute sessions with coffee breaks in the morning and afternoon and lunch break in the middle. There is no exam for this course but candidates will receive a certificate of attendance.

Course Tutor

Mike Simmons – Mike is an independent training consultant and has been involved with the capital markets and operations throughout his career, focusing originally upon securities operations and in recent years on derivative operations. Mike is the author of two books on Operations “Corporate Actions: A Guide to Securities Event Management” and “Securities Operations: A Guide to Trade & Position Management” both published by Wiley Finance. Mike is also a regular instructor on the ICMA Operations Certificate Programme.

Course Outline

Session 1

Introductory Session

- The investors need
- Brief history of derivatives
- Responsibilities overview of Derivative Operations

Session 2

The Derivatives Marketplace

- Characteristics of exchange-traded derivatives
- Characteristics of OTC derivatives
- Similarities & differences between ETD & OTC

Session 3

Basic Derivative Types

- Futures
- Options
- Swaps

Session 4

Exchange Traded Derivatives

- Definition of a futures contract
- Margin accounts and the purpose of margin
- The role of the clearing house

Session 5

OTC Derivatives #1

- Definition of an OTC Derivative trade
- The generic OTC derivative trade lifecycle
- Description of operation's responsibilities

Session 6

OTC Derivatives #2

- Purpose & importance of legal agreements
- Content of legal agreements
- Legal agreements and day-to-day responsibilities

Session 7

OTC Derivatives #3

- Lifecycles of interest rate swaps & credit default swaps
- Operations responsibilities for each
- Processing risks & controls
- Variations of interest rate and credit derivatives

Session 8

Collateral in OTC Derivatives

- Definition of collateral & application in OTC derivatives
- Circumstances giving rise to collateral
- Legal agreements and collateral
- Collateral lifecycle in OTC derivatives