



Securities Operations

(previously known as: **Clearing & Settlement, part of Fundamental CIP[®], Candidate CIP[®], CIP[®])**

This course is ideal for those who wish to update or increase their knowledge about Securities Operations. The learning concept couples directly the theoretical knowledge with the daily practice. In addition, this course forms part of the CIP program.

Training method

- Prior to the 1-day course on Securities Operations the participant will receive the Reader Securities Operations. The participant is required to study the Reader as preparation for participation in the course. The student that is well prepared for the 2 day course will be able to draw maximum result post the study so we strongly recommend to understand the Reader's content;
- After a 1-day intensive course where theory is illustrated with practical examples and current events, from the perspective learning-by-doing the student will be studying some real-life Cases and review the results directly with the trainer;
- Closing exam.

Topics

During the course 'Securities Operations' the following topics will be treated:

- **Clearing & Settlement:**
 - Position of Clearing and Settlement in the transaction life-cycle;
 - Positioning of the Clearing & Settlement department within an organisation and the various functions within this department;
 - Treatment of most important definitions about Clearing and Settlement;
 - Static data: treatment of relevant data like funds, prices and settlement instruction details;
 - Parties and Institutions involved in the Clearing and Settlement process and their specific roles: General- or Direct Clearing Member, Central Counter Party, Euroclear, Clearstream, Central Securities Depository, (central) Banks and custodians.
- **Clearing Topics:**
 - Definitions;
 - Basic principles of clearing;
 - Novation;
 - Clearing of listed transactions;
 - Clearing of OTC and derivative transactions;
 - Collateral;
 - Differences in clearing listed equities and derivatives.
- **Settlement – Equities:**
 - Methods: delivery versus payment/receipt versus payment and free of payment;
 - Contractual versus actual settlements: explanation about how these different settlement methods work and use of (stock-) borrow and lending;



- Pre-settlement activities: treatment of pre-matching and control on names of stock available for lending;
 - Instructions: create instructions, checks (on cum-ex transactions) and transaction enrichment. Transaction matching with counterparties;
 - Collateral: calculation and allocation of cash and credit necessary to enable settlement (both in euros, sterling or other currencies);
 - Execution of an instruction: batch or real-time transactions and the controls and checks necessary on trade-date;
 - Post-settlement activities: completeness and correctness checks including the reconciliation process. Treatment of trade fails and fail-process, non-settled transactions, resource management (repayment loans, FX conversions), check borrowed stock positions, collateral management and monitoring commissions and expenses;
 - Processing unsettled trades/transactions: we will go through reasons of non-settlement and especially the consequences, such as claims, buy-ins and counterparty risk.
- **Settlement – Derivatives:**
 - Methods: non-delivery: going through the difference of “delivery” and the contractual relationship to settle derivatives;
 - Treatment of derivatives listed on an exchange: various ways to settle listed derivatives;
 - Treatment of Over-The-Counter derivatives: “give-ups and take-ups”;
 - Collateral management.
- **Systems and Technology:**
 - Use of Omgeo;
 - Use of SWIFT.
- **General Developments:**
 - Project Target to Securities (T2S);
 - Various developments around Central Counter Parties.

Results

After completion of the course Securities Operations, the participant will be able to:

- ✓ Understand the position of the Clearing and Settlement department within the total organisation and its various functions;
- ✓ Recognise the various parties and institutions involved in the Clearing and Settlement process; describe their functions and responsibilities; name the interaction between them;
- ✓ Use the know-how about the various processes related to the Clearing and Settlement of listed equities and derivatives.



Course Particulars

The course materials of Securities Operations are offered in the English language. The relevant material will also be available in English. Classroom training can be offered in Dutch and English language (on request).

Literature

Reader Securities & Operations (English) 2017, 123 pages, Presentation Sheets, Practice Exam

Study, time and preparation:

	Hours
• Preparation (indication)	4 - 8
• Course 1 x 8 hours*	8
• Exam preparation (indication)	8
• Exam	1

Total

25 hours

**Optional*

This workload equals **1,5 European Credits (EC)**.

Note: this time is dependent on the experience of the participant and is only an indication.

Costs

Study material costs are € 325 (ex VAT) per person for the study materials and 1 exam. Classroom costs are € 350 (ex VAT) per person. Re-examination costs per module is € 75,-.

In-company training for this course is also available for groups from 5 up to 20 people, please contact us for further information.

For information on costs for the complete CIP programs please see our special 'Product Suite CIP' leaflet or check the website: www.foundationcip.com