Certificate in Treasury Management

Syllabus

Module 1: The Treasury Function

- Role and objectives of treasury management.
- Evolution of treasury from cost centre to strategic partner.
- Corporate treasury and bank treasury compared.
- Treasury organisation: centralised, decentralised and hybrid models.
- Front office, middle office and back office.
- Treasury policy and the treasury mandate.
- Relationship of treasury with finance, tax, risk and the board.
- Skills and careers in treasury.

Module 2: Regulatory Framework for Treasury

- Role of RBI in money, debt and foreign exchange markets.
- Foreign Exchange Management Act, 1999 and related regulations.
- RBI directions on risk management and inter-bank dealings.
- Role of SEBI in debt and derivatives markets.
- Self-regulatory bodies: FIMMDA and FEDAI.
- Clearing and settlement through CCIL.
- Companies Act, 2013: borrowings, deposits, loans and investments.
- Corporate treasury centres in GIFT IFSC.
- Basel III and its impact on bank treasury.

Module 3: Financial Markets Overview

- Structure of financial markets in India.
- Money markets.
- Government securities and corporate bond markets.
- Foreign exchange markets.
- Equity markets.

- Derivatives markets: exchange-traded and over-the-counter.
- Commodity markets.
- Interest rate benchmarks: MIBOR, SOFR and the transition from LIBOR.
- Monetary policy and its impact on treasury.

Module 4: Cash and Liquidity Management

- Principles of cash management.
- Cash flow forecasting: methods, horizons and accuracy.
- Cash visibility and bank account management.
- Cash concentration, sweeping and notional pooling.
- In-house banks and payment factories.
- Liquidity planning and buffers.
- Managing liquidity in a crisis.
- Trapped cash and its management.

Module 5: Working Capital Management

- Working capital cycle and cash conversion cycle.
- Receivables management and collections.
- Payables management and supplier relationships.
- Inventory management.
- Working capital financing.
- Supply chain finance and TReDS.
- Measuring and benchmarking working capital performance.

Module 6: Payments, Banking and Treasury Operations

- Payment systems: RTGS, NEFT, IMPS, UPI and cheques.
- Cross-border payments and SWIFT.
- ISO 20022 and payment message standards.
- Bank relationship management and bank selection.
- Bank charges and service-level management.
- Deal processing, confirmation and settlement.
- Reconciliation and treasury accounting entries.
- Payment fraud prevention and controls.

Module 7: Money Markets and Short-Term Investments

- Call, notice and term money.
- Repo, reverse repo and TREPS.
- Treasury bills and cash management bills.
- Commercial paper and certificates of deposit.
- Investment policy for surplus funds.
- Bank deposits, liquid funds and money market funds.
- Balancing safety, liquidity and yield.
- Counterparty and concentration limits.

Module 8: Fixed Income Securities

- Types of fixed income securities.
- Government securities: dated securities, SDLs and auctions.
- Corporate bonds and debentures.
- Bond pricing and yield measures.
- Yield curves and term structure of interest rates.
- Duration and convexity.
- Credit spreads and credit ratings.
- Bond portfolio management strategies.
- Day count conventions and accrued interest.

Module 9: Interest Rate Risk Management

- Sources of interest rate risk.
- Measuring interest rate exposure.
- Fixed versus floating rate debt mix.
- Forward rate agreements.
- Interest rate swaps and overnight indexed swaps.
- Interest rate futures.
- Caps, floors and collars.
- Designing an interest rate hedging strategy.

Module 10: Foreign Exchange Markets

- Structure of the foreign exchange market.
- Exchange rate quotations and cross rates.
- Spot and forward transactions.

- Forward premium and interest rate parity.
- Factors influencing exchange rates.
- RBI intervention and exchange rate management.
- Offshore markets, NDFs and the rupee.
- Currency trading in GIFT IFSC.

Module 11: Foreign Exchange Risk Management

- Types of exposure: transaction, translation and economic.
- Identifying and measuring currency exposure.
- Foreign exchange risk management policy.
- Natural hedging and netting.
- Hedging with forwards.
- Hedging with currency futures and options.
- Cross-currency swaps.
- Regulatory requirements for hedging by residents.
- Unhedged foreign currency exposure and its implications.
- Case studies.

Module 12: Derivatives and Commodity Risk Management

- Forwards, futures, options and swaps.
- Option pricing and the Greeks.
- Structured products and exotic options.
- Commodity price risk for corporates.
- Hedging commodity exposure.
- Credit derivatives.
- Margining, collateral and ISDA documentation.
- Lessons from derivative losses.

Module 13: Short-Term Financing

- Cash credit, overdrafts and working capital demand loans.
- Bill discounting and factoring.
- Commercial paper issuance.
- Trade finance: letters of credit and bank guarantees.
- Pre-shipment and post-shipment export credit.
- Buyer's credit and supplier's credit.

- Choosing the right short-term financing mix.

Module 14: Medium and Long-Term Financing

- Term loans and syndicated loans.
- Non-convertible debentures and bond issuance.
- External commercial borrowings.
- Foreign currency and masala bonds.
- Green, social and sustainability-linked financing.
- Lease financing.
- Loan covenants and documentation.
- Refinancing and debt maturity management.

Module 15: Corporate Finance for Treasurers

- Cost of capital.
- Capital structure decisions.
- Credit ratings and rating agency relationships.
- Dividend policy and share buybacks.
- Capital budgeting and investment appraisal.
- Funding acquisitions and growth.
- Investor and lender relations.

Module 16: Bank Treasury and Asset Liability Management

- Functions of a bank treasury.
- Cash reserve ratio and statutory liquidity ratio.
- Asset liability management framework and the ALCO.
- Liquidity gap and interest rate sensitivity analysis.
- Liquidity coverage ratio and net stable funding ratio.
- Interest rate risk in the banking book.
- Funds transfer pricing.
- Classification and valuation of bank investment portfolios.
- Net interest margin management.
- Merchant and customer foreign exchange business.

Module 17: Treasury Risk Management and Controls

- Market, credit, liquidity and operational risk in treasury.
- Value at Risk and stress testing.
- Dealer limits, stop-loss and counterparty limits.
- Segregation of duties and internal controls.
- Treasury audit.
- Rogue trading and lessons from treasury failures.
- Business continuity and cyber risk.

Module 18: Treasury Accounting, Tax and Reporting

- Accounting for financial instruments under Ind AS 109.
- Hedge accounting.
- Foreign currency accounting under Ind AS 21.
- Fair value measurement.
- Disclosures of financial risk.
- Tax treatment of treasury income and derivatives.
- Treasury reporting and dashboards for management and the board.
- Key performance indicators for treasury.

Module 19: Treasury Technology, Digital and AI

- Treasury management systems.
- ERP integration and bank connectivity through APIs.
- Real-time treasury and instant payments.
- AI and machine learning in cash forecasting.
- Robotic process automation in treasury operations.
- Blockchain, tokenisation and digital currencies.
- Data, analytics and treasury dashboards.
- Selecting and implementing treasury technology.

Module 20: Global and Cross-Border Treasury

- Treasury in multinational groups.
- Regional and global treasury centres.
- Intercompany lending and multilateral netting.
- Cross-border cash pooling.
- Transfer pricing for treasury transactions.

- Repatriation of funds and tax considerations.
- Managing treasury across multiple currencies and jurisdictions.
- Overseas investment and its treasury implications.

Module 21: Treasury Governance and Ethics

- Board oversight of treasury.
- Treasury committees and delegation of authority.
- Ethical responsibilities of treasury professionals.
- Codes of conduct for dealers.
- Conflicts of interest and personal dealing.
- Handling confidential and price-sensitive information.
- Case studies.

Module 22: Emerging Trends in Treasury

- Treasury in volatile and uncertain markets.
- Sustainable finance and ESG in treasury.
- Embedded finance and new banking models.
- Internationalisation of the rupee.
- Central bank digital currencies.
- The future role of the treasurer.