



Credit Default Swaps (CDS) – Operations

ICMA EXECUTIVE EDUCATION



Objectives

The course is aimed at developing a foundation in the secure and controlled processing of Credit Default Swaps within a financial institution. This course is equally relevant to the buy-side and sell-side of the business. The programme explores the life cycle of a CDS transaction, the events that can occur during the lifetime of a CDS contract, the embedded risks associated with such events, and the methods employed to process such transactions in a secure manner. The course also focuses on current initiatives and trends in the processing of CDS transactions.

Target Audience

This course is suitable for staff that are new to the subject of CDS operations, and for those that are currently working within a CDS operations function who require an understanding of the overall life-cycle (and associated events) relating to such transactions. The course is also suitable for anyone wishing to gain a thorough understanding of CDS processing, including regulators, clearing organisations, risk managers and lawyers. Attendees of this course will possess a basic understanding of credit derivative products, in particular Single Name CDS and Index CDS.

Length and structure of the course

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

Course Outline

Session 1

Pre-Trading

- Legal Documentation: Necessity, Coverage
- Static Data: Purpose, Importance, Use

Session 2

The CDS Trade Life-cycle

- Trade Execution
- Trade Capture: Methods & Components
- Trade Confirmation: Issuers & Receivers, Confirmation Terms
- Trade Confirmation: Methods, Matching Status

Session 3

Post-Trade Events

- Settlement of Premium
- Trade Compression
- Credit Events
- End-of-Life

Session 4

Collateral Management for CDS

- Collateral: Purpose & Importance
- Collateral Management Processing Overview

Regulatory & Market-Practice Initiatives/Trends

- T+0 Trade Processing
- Centralised Clearing

Mike Simmons: Mike is an operations specialist and independent training consultant and has been involved with the capital markets and operations throughout his career, focusing originally upon securities settlement and more recently on the broader aspects of operations (derivatives, trade finance, payments, corporate finance and corporate lending). Mike is the author of two books

on Operations – “Securities Operations: A Guide to Trade & Position Management” and “Corporate Actions: A Guide to Securities Event anagement”, both published by Wiley Finance. Mike is also a Course Director for ICMA’s Securities Operations Foundation Course (SOFC) and Operations Certificate Programme (OCP), and teaches various specialist operations courses.



Course Information and Registration

Fees

The cost is GBP 625 for ICMA members and GBP 825 for non-members with further discounts as follows:

2 to 4 candidates – 5% discount each*

5+ candidates – 10% discount each*

*Please note that discounts are applied by way of a refund to the organisation when registration has closed and the final number of candidates from the firm has been determined.

Payment can be made by secure online credit card or by invoice. Please note that selecting invoice method will add GBP 50 (administration fee) to the course price.

Note that anyone requiring accommodation to take the course will be required to arrange this on their own; it is a class-based but non-residential course.

Further Information and Course Registration

To register please use our online registration system:

www.icmacentre.ac.uk/exec_registration

For any questions about the course, please contact:

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ICMA Executive Education

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

Five Certificate Programmes are offered:

- Financial Markets Foundation Course (FMFC)
- Securities Operations Foundation Course (SOFC)
- International Fixed Income and Derivatives (IFID) Certificate

- Operations Certificate Programme (OCP)
- 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 Centre

The ICMA Centre, University of Reading has an international reputation for providing quality teaching programmes tailored to the capital markets industry. Established in 1991 with funding provided by the International Capital Market Association (ICMA), the Centre is housed in a purpose-built modernist building with state-of-the-art

facilities including two dealing rooms. In 2008, ICMA enabled an expansion to the building that now includes an additional 50 seat dealing room, 170 seat lecture theatre as well as new seminar rooms and a dedicated research area.

The International Capital Market Association

The International Capital Market Association (ICMA) is a unique organisation and an influential voice for the global capital market. It represents a broad range of capital market interests including global investment banks and smaller regional

banks, as well as asset managers, exchanges, central banks, law firms and other professional advisers. ICMA's market conventions and standards have been the pillars of the international debt market for over 40 years.

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