

This document provides an overview of the AMCT syllabus. For detailed contents please see the individual course syllabus.

## Stage one – foundation papers (exemptions available)

- Financial & Management Accounting
- Economics & Statistical Analysis
- Corporate Taxation
- Business Law

## Stage two (compulsory)

- Certificate in International Treasury Management

## Stage three (select two electives)

- Certificate in Corporate Finance & Funding
- Certificate in Risk Management
- Certificate in International Cash Management
- Certificate in Financial Mathematics & Modelling
- Certificate in Risk Management for Pensions

# AMCT stage one – foundation papers (exemptions available)

TREASURY, RISK  
AND FINANCE  
PROFESSIONALS

ACT

## Financial & Management Accounting

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### Chapter 1 – The background to accounts

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- 1.1 The purpose of accounts
- 1.2 Financial and management accounts
- 1.3 The balance sheet, income statement and cashflow statement
- 1.4 Statutory and regulatory requirements
- 1.5 The role of auditing
- 1.6 Corporate governance

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### Chapter 2 – The framework of company accounting

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- 2.1 The structure of accounts
- 2.2 The accounting life cycle
- 2.3 Receipts and payments
- 2.4 Double entry book-keeping
- 2.5 The accruals concept

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### Chapter 3 – The main financial statements

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- 3.1 IASB framework
- 3.2 True and fair view
- 3.3 Form and content of financial statements
- 3.4 Income statement disclosure requirements
- 3.5 IAS 7 cashflow statements
- 3.6 IAS 37 provisions, contingent liabilities and contingent assets
- 3.7 IAS 10 events after the balance sheet date
- 3.8 Comparison UK GAAP, US GAAP and IAS

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### Chapter 4 – Group financial statements

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- 4.1 Investment in other companies
- 4.2 Consolidated balance sheet – acquisition of a subsidiary
- 4.3 Goodwill on consolidation
- 4.4 Consolidation in years after acquisition
- 4.5 Consolidation of subsidiaries not wholly owned
- 4.6 Acquisition accounting – consolidated income statement
- 4.7 Consolidated income statement – partly owned subsidiary
- 4.8 Equity method of accounting – associates
- 4.9 Equity method of accounting – income statement
- 4.10 Accounting for joint ventures
- 4.11 Intra-group transactions
- 4.12 Accounting standards and group financial statements

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### Chapter 5 – Reporting standards for financial instruments

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- 5.1 Foreign currency translation

- 5.2 Financial instruments
- 5.3 Accounting for leases and hire purchase contracts

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## **Chapter 6 – The management of working capital**

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- 6.1 Main principles
- 6.2 Stock
- 6.3 Trade debtors
- 6.4 Trade creditors
- 6.5 Cash
- 6.6 The effects of poor working capital management

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## **Chapter 7 – Planning, budgeting and control**

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- 7.1 Management planning
- 7.2 Purpose of budgets
- 7.3 Types of budgets
- 7.4 Key steps in the preparation of budgets
- 7.5 Practical problems in the budgeting process
- 7.6 Zero based budgeting
- 7.7 Cost behaviour
- 7.8 Management accounting
- 7.9 Flexible budgeting

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## **Chapter 8 – Financial analysis**

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- 8.1 Accounting ratios
- 8.2 Limitations of ratio analysis

# AMCT stage one (cont.)

TREASURY, RISK  
AND FINANCE  
PROFESSIONALS

ACT

## Economics & Statistical Analysis

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### Chapter 1 – Statement of the economic problem

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- 1.1 The scope of economics
- 1.2 Scarcity – the economic problem
- 1.3 Economics systems

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### Chapter 2 – Elementary theory of demand & supply, price equilibrium, monopoly and oligopoly

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- 2.1 The theory of demand
- 2.2 The theory of supply
- 2.3 The market mechanism
- 2.4 Demand elasticities
- 2.5 Supply elasticity
- 2.6 Profit maximisation
- 2.7 Market forms

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### Chapter 3 – Macroeconomics

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- 3.1 The difference between macro and microeconomics
- 3.2 The circular flow of income
- 3.3 Aggregate demand

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### Chapter 4 – Monetarism versus Keynesianism

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- 4.1 Introduction to macroeconomics monetarist theory and Keynesian theory
- 4.2 The impact of monetary policy
- 4.3 The impact of fiscal policy
- 4.4 The impact of supply side policy
- 4.5 Macroeconomics
- 4.6 Government policy through time

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### Chapter 5 – Interaction between government, business and corporate treasury environment

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- 5.1 Financial markets
- 5.2 Central banks
- 5.3 Inflation
- 5.4 Measuring unemployment
- 5.5 Major central bank announcements
- 5.6 Interest rates and exchange rates
- 5.7 The transmission mechanism

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### Chapter 6 – Business statistics

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- 6.1 Introduction
- 6.2 Sources

- 6.3 Accuracy
- 6.4 Data presentation
- 6.5 Index numbers
- 6.6 Weighted indices
- 6.7 Graphs and charts
- 6.8 Sampling and significances testing
- 6.9 Frequency distributions
- 6.10 Computational techniques
- 6.11 Frequency distribution computations
- 6.12 Measures of dispersion
- 6.13 Measure of skew

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## **Chapter 7 – Planning, budgeting and control**

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- 7.1 Introduction
- 7.2 Purpose of budgets
- 7.3 Conditional probability and independence
- 7.4 Binomial distribution
- 7.5 Poisson distribution
- 7.6 Normal distribution
- 7.7 Estimation
- 7.8 Statistical decision making – hypothesis testing

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## **Chapter 8 – Statistical inference and econometric modelling**

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- 8.1 Overview
- 8.2 Modelling methods
- 8.3 Linear regression
- 8.4 Correlation
- 8.5 Moving averages
- 8.6 Exponential smoothing
- 8.7 Time Series

## Corporate Taxation

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### Chapter 1 – The UK tax system

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- 1.1 Overview of the UK tax system
- 1.2 Administration of direct taxation
- 1.3 Corporation tax self-assessment
- 1.4 Electronic filing
- 1.5 Statute and sources of tax
- 1.6 Current issues: simplification and avoidance

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### Chapter 2 – Principles of taxation

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- 2.1 Income tax
- 2.2 Principles of taxing trading income
- 2.3 Payroll taxes

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### Chapter 3 – Corporation tax

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#### Section 1 - Corporate Tax

- 3.1 Introduction
- 3.2 Accounting periods
- 3.3 The corporation tax computation
- 3.4 Loan relationships
- 3.5 Corporate tax rates
- 3.6 Advance corporation tax
- 3.7 Payment of corporation tax
- 3.8 Making corporation tax payments
- 3.9 Corporation tax self-assessment

#### Section 2 – Loss relief's

- 3.10 Introduction
- 3.11 Calculating a Schedule D Case I loss
- 3.12 Overview of use of trading loss
- 3.13 Carry forward of a trading loss
- 3.14 Use of loss in current and prior year
- 3.15 Choosing how to use a loss
- 3.16 Losses other than Schedule D Case I

#### Section 3 – Capital Allowances

- 3.17 Introduction
- 3.18 Effect of capital allowances
- 3.19 Plant and machinery expenditure
- 3.20 General system of allowances for plant and machinery
- 3.21 Writing down allowances and first year allowances
- 3.22 Pools of expenditure
- 3.23 Assets which are not pooled
- 3.24 Balancing adjustments
- 3.25 Layout for capital allowances
- 3.26 Industrial buildings allowances
- 3.27 Calculating industrial buildings allowance

- 3.28 Capital allowances and tax planning
- 3.29 Deferred tax
- 3.30 Corporate restructuring

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## Chapter 4 – Calculation of chargeable gains

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- 4.1 The charge of tax
- 4.2 Indexed gains – assets acquired after 31 March 1982
- 4.3 Indexed gains – assets brought pre-31 March 1982
- 4.4 Completing the computation
- 4.5 Other issues affecting the basic CGT computation
- 4.6 Shares and securities
- 4.7 Reliefs for chargeable gains
- 4.8 Land

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## Chapter 5 – Value Added Tax

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- 5.1 The 'value added' principle
- 5.2 Charging and reclaiming VAT
- 5.3 The VAT system
- 5.4 Output tax rules
- 5.5 Input tax rules
- 5.6 Registration
- 5.7 VAT returns
- 5.8 Payments of VAT and interest
- 5.9 Enforcement by HMRC
- 5.10 Recovery of input VAT
- 5.11 Partial exemption
- 5.12 Capital goods scheme
- 5.13 Group registration
- 5.14 Transfer of a going concern (TOGC)
- 5.15 Land and buildings
- 5.16 The single market

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## Chapter 6 – Taxation of UK groups

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- 6.1 Associated companies and group companies
- 6.2 Groups – areas of privileged tax treatment
- 6.3 Group relief
- 6.4 Consortia and consortium relief
- 6.5 Chargeable gains groups
- 6.6 Corporation tax self assessment and groups

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## Chapter 7 – International tax issues

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- 7.1 International tax environment
- 7.2 Principles of US taxation
- 7.3 Principles of European taxation
- 7.4 Company residence
- 7.5 Companies and income tax
- 7.6 Double taxation relief
- 7.7 Tax havens
- 7.8 Controlled foreign companies (CFC)
- 7.9 Transfer pricing

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## **Chapter 8 – Taxation and the treasury function**

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- 8.1 Loan relationships**
- 8.2 Accounting for annual interest and income tax**
- 8.3 Financial instruments**
- 8.4 Foreign exchange gains and losses**
- 8.5 VAT in the treasury environment**

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## **Chapter 9 – Transaction taxes**

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- 9.1 European property taxes**
- 9.2 European capital duties**
- 9.3 UK stamp duty**
- 9.4 Stamp duty land tax (SLDT)**

## Business Law

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### Chapter 1 – Nature and sources of law

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- 1.1 The nature and purpose of law
- 1.2 The sources of law
- 1.3 Parliamentary legislation
- 1.4 Delegate legislation
- 1.5 European Union ('EU') Law
- 1.6 Human rights
- 1.7 Application of legislation
- 1.8 Judicial precedent
- 1.9 The UK court structure

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### Chapter 2 – Company law

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- 2.1 Companies Act 2006 ('The Act')
- 2.2 Business associations
- 2.3 Legal personality
- 2.4 A company's constitution
- 2.5 Company formation
- 2.6 The administration of companies
- 2.7 Directors
- 2.8 The company's capital
- 2.9 Debentures
- 2.10 Maintaining capital
- 2.11 Raising capital
- 2.12 Establishing an overseas presence

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### Chapter 3 – Company constructions, schemes of arrangement and takeovers

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- 3.1 Methods of reconstruction
- 3.2 Schemes of arrangement under Part 26 CA 2006
- 3.3 Reconstruction under section 110 Insolvency Act 1986
- 3.4 Takeover offer
- 3.5 The City Code on Takeovers and Mergers
- 3.6 Monopolies and merger control

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### Chapter 4 – Liquidation, administration and receivership

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- 4.1 Introduction to corporate insolvency
- 4.2 Company voluntary arrangement
- 4.3 Administration orders
- 4.4 Administrative receivership
- 4.5 Liquidation
- 4.6 Directors
- 4.7 Insolvency practitioners
- 4.8 Employees
- 4.9 Statement of affairs

- 4.10 UK insolvency and the foreign company
- 4.11 Overview of US bankruptcy law

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## **Chapter 5 – Contracts**

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- 5.1 What is a contract?
- 5.2 The essential elements of a valid contract
- 5.3 Consensus in idem
- 5.4 Consideration
- 5.5 Consent – intention to contract
- 5.6 Capacity
- 5.7 Form of a contract
- 5.8 No legal prohibition
- 5.9 Privity of contract
- 5.10 Misrepresentation
- 5.11 Other factors affecting the validity of a contract
- 5.12 The terms of a contract
- 5.13 Exclusion clauses
- 5.14 Interpreting a contract
- 5.15 Discharging a contract
- 5.16 Remedies for breach of contract

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## **Chapter 6 – Agency and partnership**

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- 6.1 The law of agency
- 6.2 Creation of agency
- 6.3 Duties of an agent
- 6.4 Rights of an agent
- 6.5 Authority of an agent
- 6.6 Disclosed and undisclosed agency
- 6.7 Termination of agency
- 6.8 The law of partnership
- 6.9 Partnership defined
- 6.10 Formation of partnership
- 6.11 The mutual rights and duties of partners
- 6.12 Partners' authority
- 6.13 Partners' liability
- 6.14 Dissolution of partnership
- 6.15 Limited liability partnerships
- 6.16 Limited partnerships
- 6.17 Agency and partnerships – the international dimension

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## **Chapter 7 – Guarantees, warranties and indemnities**

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- 7.1 The obligation of guarantee
- 7.2 Extent of guarantor's liability
- 7.3 The rights of a guarantor
- 7.4 Terminating the contract of guarantee
- 7.5 Implications of guarantees on the borrowing by companies
- 7.6 Letters of comfort
- 7.7 Warranties and disclosures
- 7.8 Indemnities

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## **Chapter 8 – Banking law**

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- 8.1 UK banking regulation**
- 8.2 Negotiable instruments**
- 8.3 Promissory notes**
- 8.4 Bills of exchange**
- 8.5 Presentment**
- 8.6 Dishonour**
- 8.7 Avals and forfeiting**
- 8.8 Forgery**
- 8.9 Business usage of negotiable instruments**
- 8.10 Cheques**
- 8.11 Electronic Fund Transfers ('EFT')**
- 8.12 Uniform Commercial Code and EFT**
- 8.13 Lien**
- 8.14 Appropriation and set-off**

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## **Chapter 9 – Compliance**

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- 9.1 The London Stock Exchange**
- 9.2 The Alternative Investment Market (AIM)**
- 9.3 Regulation of the financial services industry**
- 9.4 Financial crimes**

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## **Chapter 10 – EU and US financial and banking law**

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- 10.1 International law**
- 10.2 European capital duties**
- 10.3 Money laundering – the international dimension**
- 10.4 The US Securities framework**
- 10.5 Offshore havens**

# AMCT stage two (compulsory)

## Certificate in International Treasury Management

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### Study Unit 1 – Cash and Liquidity Management

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#### Section 1 – Cash, Liquidity and the Business

- 1.1 Cash and Liquidity Management
- 1.2 Cashflow Forecasting
- 1.3 Working Capital Management

#### Section 2 – Discounted Cash Flow Analysis

- 2.1 Interest Rates
- 2.2 Discounted Cash Flow Analysis and the Time Value of Money
- 2.3 The Yield Curve

#### Section 3 – Borrowing and Investing Markets and Instruments

- 3.1 The Money Markets
- 3.2 Banks and Bank Accounts
- 3.3 Payment Instruments
- 3.4 Bank Loans and Deposits
- 3.5 Non-Bank Instruments

#### Section 4 – Foreign Exchange

- 4.1 The Foreign Exchange Market
- 4.2 Forward FX Markets and Swap FX Markets
- 4.3 Linking Spot, Forward and Future Spot Rates

#### Section 5 – Managing Cash in Practice

- 5.1 Banking Systems
- 5.2 Notional Pooling and Cash Concentration
- 5.3 Efficient Cash Flow Management

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### Study Unit 2 – Capital Markets and Funding

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#### Section 1 – Equity

- 1.1 Equity Capital
- 1.2 Equity Issuance and Private Equity

#### Section 2 – Debt Instruments

- 2.1 Introduction to Debt
- 2.2 Debt Capital Markets
- 2.3 Bank Lending
- 2.4 Managing Bank Relationships

#### Section 3 – Practical Aspects of Debt Management

- 3.1 Loan Documentation
- 3.2 Credit Ratings

#### Section 4 – Intercompany Funding and Alternative Funding Solutions

- 4.1 Intercompany Funding
- 4.2 Alternative Funding Solutions

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## Study Unit 3 – Corporate Financial Management

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### Section 1 – Financial Accounting and Reporting

- 1.1 Introduction to Financial Statements
- 1.2 Financial Ratio Analysis and Financial Profiling
- 1.3 IFRS and the Treasurer
- 1.4 Tax and International Tax Planning

### Section 2 – Investment Decision Making

- 2.1 Investment Appraisal using DCF
- 2.2 Business Valuation

### Section 3 – Capital Structure and Investment Returns

- 3.1 Capital Structure
- 3.2 Dividend Policy
- 3.3 Risk, Return and Cost of Capital

### Section 4 – Shareholder Value and Efficient Markets

- 4.1 Shareholder Value Management
- 4.2 Efficient Capital Markets

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## Study Unit 4 – Risk Management

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### Section 1 – Risk and its Management

- 1.1 Risk Definitions
- 1.2 Risk Management
- 1.3 Types of Risk

### Section 2 – A Risk Management Framework

- 2.1 Risk Identification and Assessment
- 2.2 Risk Evaluation
- 2.3 Responses to Risk and Hedging
- 2.4 Risk Policy and Reporting

### Section 3 – Financial Risk and Instrument Types

- 3.1 Treasury Risks Checklist
- 3.2 Fixing Instruments
- 3.3 Options

### Section 4 – Derivatives for Hedging

- 4.1 Interest Rate Risk Management
- 4.2 Foreign Exchange Risk Management

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## Study Unit 5 – Treasury Operation and Controls

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### Section 1 – Treasury Organisation and Operations

- 1.1 The Treasury Function
- 1.2 Treasury Structure
- 1.3 Outsourcing Treasury
- 1.4 Treasury Organisation

### Section 2 – Treasury Systems

- 2.1 Role of Technology
- 2.2 Treasury Management Systems
- 2.3 Systems Selection Process
- 2.4 Security Disaster Planning

### **Section 3 – Treasury Policy and Objectives**

- 3.1 Treasury Policy
- 3.2 Treasury Procedures
- 3.3 Performance Measurement

### **Section 4 – Corporate Governance and Treasury Controls**

- 4.1 Corporate Governance
- 4.2 Operational Risk and Control
- 4.3 Treasury Reporting
- 4.4 ACT Ethical Code

## Certificate in Corporate Finance & Funding

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### Study Unit 1 – The Financial World

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#### Section 1 - The Financial World

- 1.1 The Objectives of the Firm
- 1.2 Corporate Governance
- 1.3 The Role of Finance within the Firm
- 1.4 The Importance of the Financial Sector

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### Study Unit 2 – Valuation

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#### Section 1 - Valuation of a Project

- 1.1 TVM and DCF
- 1.2 NPV and IRR
- 1.3 Relevant Cash Flows
- 1.4 Payback and Accounting Rate of Return
- 1.5 Applications of Project Appraisal Techniques

#### Section 2 - Practical Project Appraisal

- 2.1 What Techniques do Managers use
- 2.2 The Investment Process
- 2.3 PI, Tax and Inflation
- 2.4 Risk and Project Appraisal
- 2.5 Real Options

#### Section 3 - Valuation of a Business

- 3.1 Valuation using Net Asset Value
- 3.2 Dividend Valuation Models
- 3.3 Valuation using Earnings
- 3.4 Valuation using Cashflow
- 3.5 Valuation when Control is achieved

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### Study Unit 3 - Risk, Return and Capital Structure

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#### Section 1 - Capital Structure and Dividend Policy

- 1.1 Theory of Capital Structure
- 1.2 Beyond the Theory of Capital Structure
- 1.3 Accounting Measures for Gearing
- 1.4 Dividend Policy

#### Section 2 - Cost of Capital

- 2.1 Required Rate of Return and WACC
- 2.2 Cost of Debt
- 2.3 Cost of Equity
- 2.4 How Managers actually Calculate WACC
- 2.5 Practical Issues

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### Study Unit 4 - Managing for Value

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## **Section 1 - Value Based Management**

- 1.1 Shareholder Value
- 1.2 Earnings-based Management
- 1.3 Creating Value
- 1.4 Measuring the Value Created by the Whole Firm
- 1.5 Creating Value
- 1.6 Efficient Market Hypothesis
- 1.7 The implications of Efficient Market Hypothesis

## **Section 2 - Value Strategy and Metrics**

- 2.1 Overview of the influence of Value Principals
- 2.2 Strategic Business Unit Management
- 2.3 Corporate Strategy
- 2.4 Targets and Motivation
- 2.5 Measuring Value using Cashflow
- 2.6 Shareholder Value Analysis
- 2.7 Economic Profit (EVA)

## **Section 3 - Mergers and Acquisitions**

- 3.1 Background to Mergers
- 3.2 Motives for Mergers
- 3.3 Financing Mergers
- 3.4 Transaction Stage
- 3.5 Who Benefits from Mergers
- 3.6 Managerial Failure and Mergers

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# **Study Unit 5 - Sources of Finance**

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## **Section 1 - Equity Capital**

- 1.1 Shareholders Funds, Debt and Hybrid Instruments
- 1.2 Share Capital
- 1.3 Equity Markets
- 1.4 Rights Issues
- 1.5 Other Equity Issues
- 1.6 Private Equity

## **Section 2 - Corporate Debt**

- 2.1 Introduction to Debt
- 2.2 Bank Lending
- 2.3 Debt Capital Markets (bonds)
- 2.4 Private Placements
- 2.5 MTN
- 2.6 Commercial Paper

## **Section 3 – Debt Investor Management**

- 3.1 Documentation
- 3.2 Bank Relationship Management
- 3.3 Credit Ratings

## **Section 4 - Other Funding Solutions**

- 4.1 Intercompany Funding
- 4.2 Trade Finance
- 4.3 Project Finance
- 4.4 Asset Backed Finance
- 4.5 Leasing
- 4.6 Islamic Financing

# AMCT stage three (cont.)

TREASURY, RISK  
AND FINANCE  
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## Certificate in Risk Management

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### Study Unit 1 - Risk and its Management

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#### Section 1 - Risk and Risk Management

- 1.1 The Concept of Risk
- 1.2 Risk Management
- 1.3 Treasury and Risk Management

#### Section 2 - Types and Classifications of Risk

- 2.1 Types of Risks
- 2.2 The Corporate Classification of Risk

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### Study Unit 2 - A Risk Management Framework

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#### Section 1 - Risk Identification and Assessment

- 1.1 Business Analysis
- 1.2 Risk Identification
- 1.3 Risk Assessment

#### Section 2 - Risk Evaluation

- 2.1 Probability, Statistics and Standard Deviation
- 2.2 Portfolio Theory and VaR
- 2.3 Sensitivity and Scenario Analysis

#### Section 3 - Responses to Risk and Hedging

- 3.1 Responses to Risk
- 3.2 Managing Risk Internally
- 3.3 Financial Markets Solutions
- 3.4 Insurance Solutions

#### Section 4 - Risk Policy, Control and Reporting

- 4.1 Risk Management Policy
- 4.2 Risk Management Controls
- 4.3 Risk Management Reporting
- 4.4 Governance and International Financial Reporting Standards

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### Study Unit 3 - Managing Interest Rate and Foreign Exchange Risks

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#### Section 1 - Interest Rate Risk

- 1.1 Sources of Interest Rate Risk
- 1.2 Derivatives to Manage Short Term Interest Rate Risk
- 1.3 Derivatives to Manage Longer Term Interest Rate Risk
- 1.4 Controlling and Reporting Interest Rate Risk

#### Section 2 - Foreign Exchange Risk

- 2.1 Sources of Foreign Exchange Risk
- 2.2 Derivatives to Manage Short Term Foreign Exchange Risk
- 2.3 Derivatives to Manage Longer Term Foreign Exchange Risk

2.4 Controlling and Reporting foreign exchange risk

### **Section 3 - Liquidity Risks**

- 3.1 Sources of Liquidity Risk
- 3.2 Internal Management
- 3.3 External Management
- 3.4 Controlling and Reporting Liquidity Risk

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## **Study Unit 4 - Managing Liquidity and Other Financial Risks**

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### **Section 1 - Liquidity Risks**

- 1.1 Sources of Liquidity Risk
- 1.2 Internal Management
- 1.3 External Management
- 1.4 Controlling and Reporting Liquidity Risk

### **Section 2 - Other Financial Risks**

- 2.1 Credit / counterparty Risk
- 2.2 Commodity Risk
- 2.3 Pension Risk
- 2.4 Tax Risk

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## **Study Unit 5 - Managing Operational Risks**

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### **Section 1 - Operational Risks**

- 1.1 Sources of Operational Risk
- 1.2 Managing Operational Risks
- 1.3 Controlling and Reporting Operational Risks

# AMCT stage three (cont.)

## Certificate in International Cash Management

### Section one: Reviewing the basics

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#### Chapter 1 – Introduction to cash management

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- 1.1 Introduction
- 1.2 The treasurer and cash management
- 1.3 The role of the treasurer
- 1.4 Corporate definition of cash management
- 1.5 Bank definition of cash management
- 1.6 Comparison of the definitions
- 1.7 Benefits of good cash management
- 1.8 Role of cash management in different types of companies

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#### Chapter 2 – Important cash management concepts

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- 2.1 Introduction
- 2.2 The nature of cash flows
- 2.3 The operating cycle and the cash flow cycle
- 2.4 The importance of liquidity
- 2.5 Other important cash management concepts
- 2.6 Float

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#### Chapter 3 – Introduction to the company

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- 3.1 Introduction to the company
- 3.2 Introduction to financial statements
- 3.3 Internal controls and governance
- 3.4 Accounting standards

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#### Chapter 4 – Introduction to working capital management

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- 4.1 Introduction to working capital management
- 4.2 The cash conversion cycle
- 4.3 Receivables management
- 4.4 Payables management

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#### Chapter 5 – Introduction to banking

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- 5.1 Introduction
- 5.2 Role of the central bank
- 5.3 The main duties of a bank
- 5.4 Types of bank
- 5.5 Types of bank account
- 5.6 Types of account holder and documentation
- 5.7 Understanding domestic interest calculations
- 5.8 Bank charges

- 5.9 Reducing bank charges
- 5.10 Bank risk and balance sheet management
- 5.11 The impact of anti-money laundering/ anti-terrorism legislation

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## Chapter 6 – Basic banking services

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- 6.1 Introduction
- 6.2 Domestic paper-based payment instruments
- 6.3 Cards
- 6.4 Comparison of payment instruments
- 6.5 Regional preferences
- 6.6 Banking services designed to control float
- 6.7 Impact of payment and collection instruments on cash flow

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## Chapter 7 – International payment vehicles

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- 7.1 Introduction
- 7.2 Complexities of international cash management
- 7.3 Non-electronic payments and collections
- 7.4 Foreign currency cheque payments
- 7.5 Electronic payments and collections
- 7.6 International trade terms

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## Chapter 8 – Settlement and clearing systems

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- 8.1 Introduction
- 8.2 Settlement and clearing systems
- 8.3 Settlement types
- 8.4 Net settlement systems
- 8.5 Developments in check clearing and processing
- 8.6 Real-time gross settlement systems
- 8.7 Hybrid clearing and settlement systems
- 8.8 Continuous Linked Settlement
- 8.9 Credit card clearing and processing
- 8.10 Currency settlement outside of the currency centre

## Section two: Cash management fundamentals

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## Chapter 9 – International banking infrastructure

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- 9.1 Introduction
- 9.2 Correspondent banking
- 9.3 SWIFT
- 9.4 International payments using SWIFT
- 9.5 Multi-bank reporting via SWIFT
- 9.6 Corporate access to SWIFTNet
- 9.7 Standardisation of international bank account numbers
- 9.8 Making international payments

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## Chapter 10 – Spotlight on international systems

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- 10.1 Introduction
- 10.2 U.S. payment and collection systems

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## Chapter 11 – Foreign currency accounts

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- 11.1 Introduction
- 11.2 When to open a foreign currency account
- 11.3 Foreign exchange options
- 11.4 Where to hold currency accounts
- 11.5 Terms and conditions for a currency account 14
- 11.6 Bank charges on currency accounts
- 11.7 Billing/account analysis
- 11.8 Multi-currency accounts
- 11.9 Regulatory issues
- 11.10 Account ownership

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## Chapter 12 – Treasury technology

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- 12.1 Introduction
- 12.2 Systems used in treasury
- 12.3 The role of the TMS
- 12.4 Electronic banking systems
- 12.5 E-Commerce: Portals and exchanges
- 12.6 E-Commerce: Working capital management
- 12.7 System security
- 12.8 Integration and standards

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## Chapter 13 – Liquidity management Part 1: Forecasting

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- 13.1 Introduction
- 13.2 Cash forecasting time horizons
- 13.3 Sensitivity
- 13.4 The process
- 13.5 Short and medium-term forecasting techniques
- 13.6 Long-term forecasts
- 13.7 Systems for cash forecasting

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## Chapter 14 – Liquidity management Part 2: Short-term investment

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- 14.1 Introduction
- 14.2 Investment guidelines
- 14.3 The decision process
- 14.4 The yield curve
- 14.5 Investment strategies
- 14.6 Selecting an investment
- 14.7 Overview of the money markets
- 14.8 Short-term investment instruments
- 14.9 Money market funds
- 14.10 Comparison of investment instruments
- 14.11 How short-term funds are being invested
- 14.12 Investment calculations
- 14.13 Linking investment management with cash forecasting

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## Chapter 15 – Liquidity management Part 3: Short-term borrowing

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- 15.1 Introduction
- 15.2 The financing decision process
- 15.3 Availability of financing instruments
- 15.4 Internal funding
- 15.5 External short-term funding
- 15.6 Issues when selecting financing options 9
- 15.7 Debt instruments
- 15.8 Preferred borrowing methods
- 15.9 Factors that influence the cost of borrowing
- 15.10 Calculating the all-in cost of borrowing
- 15.11 Loan documentation

## **Section three: International cash management tools and techniques**

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### **Chapter 16 – Cross-border liquidity management Part 1: Netting Techniques**

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- 16.1 Introduction
- 16.2 The benefits of multilateral netting
- 16.3 Netting drivers
- 16.4 Quantifying the benefits of netting
- 16.5 Structural issues
- 16.6 Netting policies
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- 16.8 Netting service options
- 16.9 Foreign exchange matching
- 16.10 Leading and lagging
- 16.11 Which option is right?

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### **Chapter 17- Cross-border liquidity management Part 2: Pooling and cash concentration**

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- 17.1 Introduction
- 17.2 Notional pooling
- 17.3 Interest rates on notional cash pools
- 17.4 Notional pooling structures
- 17.5 Notional pooling considerations
- 17.6 How banks charge for pooling services
- 17.7 Implementing a notional pool
- 17.8 Notional pooling case study
- 17.9 Interest enhancement
- 17.10 Cash concentration
- 17.11 Zero balance accounts
- 17.12 Target balance accounts
- 17.13 Threshold accounts
- 17.14 Cash concentration considerations
- 17.15 Using reference accounts
- 17.16 Overnight sweeps
- 17.17 Location of the concentration account
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- 18.3 Double tax relief
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- 18.5 Transfer pricing
- 18.6 Arm's length principle
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- 18.8 Stamp duties
- 18.9 Permanent establishment
- 18.10 Thin capitalisation
- 18.11 Deemed dividends
- 18.12 Controlled foreign companies
- 18.13 Passive versus active income
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- 18.15 Summary of tax implications for pooling and concentration
- 18.16 Implications of treasury centre location

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- 19.1 Introduction
- 19.2 Business risk
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- 19.5 Foreign exchange risk management tools
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- 19.7 Reading foreign exchange rates: spot rates
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- 19.9 Reading money market rates
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- 20.2 Centralised versus decentralised treasury
- 20.3 Payment factories
- 20.4 Collection factories
- 20.5 In-house bank
- 20.6 Shared service centres
- 20.7 Application service providers
- 20.8 Outsourcing to a Business Service Provider
- 20.9 Future impact of ASPs and BSPs
- 20.10 Regional treasury centres
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## **Chapter 21 – Bank relationship**

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- 21.2 Types of banking relationship
- 21.3 Selecting a global/regional cash management bank
- 21.4 Selecting a local bank
- 21.5 The bank selection process

- 21.6 Service level agreements
- 21.7 Issues with bank tendering
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## Chapter 22 – Efficient account structures

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- 22.1 Introduction
- 22.2 Considerations when selecting account structure
- 22.3 FCY account structures
- 22.4 Liquidity management account structures
- 22.5 Other account structures
- 22.6 Variations on structures
- 22.7 Selecting the right bank
- 22.8 Systems

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#### **Case Study 1: Cash management at the local level**

United Kingdom: Country Profile

#### **Case Study 2: Cash management at the local level**

Japan: Country Profile

#### **Case Study 3: Cash management in a globally important country**

China: Country Profile

#### **Case Study 4: Cash management across a region – Scandinavia**

Scandinavia: Regional Profile

#### **Case Study 5: Cash management across a region – Europe**

Regional Profile – The Euro-Zone

#### **Case Study 6: Cash management across a region – Southeast Asia**

Southeast Asia – Regional Profile

#### **Case Study 7: Global cash management**

BP Case Study – The virtual treasury project

#### **Case Study country profiles**

- A. USA
- B. Germany
- C. Russia
- D. Central Europe
- E. Turkey
- F. India

# AMCT stage 3 (cont.)

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### Chapter 1 – Background review

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- 1.1 Interest rate mathematics
- 1.2 Probability and statistics

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### Chapter 2 – Debt instruments: short term

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- 2.1 Issuers and market players
- 2.2 Market conventions
- 2.3 Short-term financial instruments
- 2.4 Calculation of interest and pricing of short-term financial instruments

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### Chapter 3 – Debt instruments: longer term

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- 3.1 What are bonds?
- 3.2 Pricing of coupon bonds
- 3.3 Practical aspects of bond arithmetic
- 3.4 The term structure and its use in bond pricing
- 3.5 Real interest rates and inflation indexing
- 3.6 Interest rate sensitivity and duration

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### Chapter 4 – Foreign exchange

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- 4.1 Spot foreign exchange rates
- 4.2 Foreign exchange forwards
- 4.3 Foreign exchange risk management

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### Chapter 5 – Interest rate derivatives: short term

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- 5.1 Nature of derivatives
- 5.2 Forward rate agreements (FRAs)
- 5.3 Futures
- 5.4 Pricing basis for fixed interest rate contracts

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### Chapter 6 – Interest rate derivatives: longer term

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- 6.1 Interest rate swaps
- 6.2 Deriving implied zero coupon rates and forward rates from swap data
- 6.3 Cross-currency interest rate swaps
- 6.4 Other swap structures
- 6.5 Swap spreads and why they move
- 6.6 Bond futures
- 6.7 Swapnote® futures

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## **Chapter 7 – Options: introduction**

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- 7.1 Options defined
- 7.2 Factors affecting option prices
- 7.3 American and European options
- 7.4 Building blocks
- 7.5 Trading strategies involving options

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## **Chapter 8 – Options: pricing models**

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- 8.1 Introduction
- 8.2 Binomial model
- 8.3 Continuous time
- 8.4 Black Scholes model
- 8.5 The 'Greeks'

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- 9.1 Portfolios
- 9.2 The trade off between risk and expected return
- 9.3 Capital asset pricing model
- 9.4 Cost of capital

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## **Chapter 10 – Treasury portfolio analysis**

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- 10.1 Duration
- 10.2 Convexity
- 10.3 Value at risk (VaR)

# AMCT stage 3 (cont.)

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### Chapter 1 – The pensions framework

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- 1.1 The historical context
- 1.2 The macroeconomic context
- 1.3 Education, work and retirement
- 1.4 Income in retirement
- 1.5 Funded and unfunded pension schemes
- 1.6 Occupational pension schemes and their sponsors
- 1.7 The nature of pension liabilities
- 1.8 The pension augmented balance sheet
- 1.9 Pension schemes and the cost of capital
- 1.10 Risk budgeting
- 1.11 Asset-liability management
- 1.12 Pension security and guarantee arrangements
- 1.13 Pension arrangements in different countries
- 1.14 The Pension Committee

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### Chapter 2 – Legislation and regulation

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- 2.1 Trusts, trust law and pension schemes
- 2.2 The Pensions Act 2004 and other legislation
- 2.3 The Myners Report and recommendations
- 2.4 Single and multi-employer pension schemes
- 2.5 Mergers and acquisitions
- 2.6 Effects of recent legislation and guidelines
- 2.7 Regulatory and other bodies
- 2.8 The European dimension

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### Chapter 3 – Scheme roles and responsibilities

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- 3.1 Scheme professional advisers
- 3.2 Pension support organisations
- 3.3 Conflicts of interest
- 3.4 Conflicts of interest overseas

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### Chapter 4 – Reporting, accounting, taxation and contributions

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- 4.1 Scheme reporting
- 4.2 Employer company accounts
- 4.3 Pension scheme taxation
- 4.4 Tax and funding strategy
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## **Chapter 5 – Defined benefit scheme valuations and funding**

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- 5.1 Actuarial assumptions and principles
- 5.2 Key liability valuation assumptions
- 5.3 Actuarial valuations
- 5.4 Principles of funding
- 5.5 Funding methods
- 5.6 Company creditworthiness considerations ('the Covenant')
- 5.7 Liability management
- 5.8 Comparative valuation and deficit bases

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- 6.1 Monetary, real and absolute return assets
- 6.2 Portfolio construction
- 6.3 Diversification
- 6.4 Fixed income securities
- 6.5 Index linked securities
- 6.6 Equities
- 6.7 Convertible securities and warrants
- 6.8 Property
- 6.9 Cash and floating rate notes
- 6.10 Hedge funds
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- 6.12 Annuities
- 6.13 Mortality bonds and longevity bonds
- 6.14 Derivatives
- 6.15 Investment management
- 6.16 Portable alpha
- 6.17 Liability Driven Investment ('LDI')
- 6.18 Securities lending
- 6.19 Legal issues and pensions investment
- 6.20 Globalisation

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## **Chapter 7 – Technical Aspects of pensions risk management**

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- 7.1 Fixed income securities basics
- 7.2 Portfolio diversification
- 7.3 Fundamental concepts of asset liability management
- 7.4 Cost of capital

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## **Chapter 8 – Integrated pensions risk management**

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- 8.1 Introduction
- 8.2 Financial risks
- 8.3 Insurable risks
- 8.4 Operational risks
- 8.5 Governance