

# Certificate in International Treasury Management Syllabus

TREASURY, RISK  
AND FINANCE  
PROFESSIONALS

ACT

## Overview

The Certificate in International Treasury Management covers the fundamentals of international treasury, risk and corporate finance and builds upon it in a practical, applied way. Content is delivered via five Study Units.

### Study Unit 1 – Cash and Liquidity Management

Study Unit 1 examines the context for international cash and liquidity management such as financial and banking systems and the time value of money. It introduces core tools such as money markets, bank loans and deposits and foreign exchange, plus operational aspects including cash and liquidity forecasting and management and optimisation of bank services.

### Study Unit 2 - Capital Markets and Funding

Study Unit 2 examines core concepts of equity and debt, and introduces their associated public and private markets. It covers both the raising of debt and equity and the associated legal, regulatory and documentary issues. It discusses practical aspects of debt management, as well as introducing alternatives to “vanilla” debt such as asset-backed finance.

### Study Unit 3 - Corporate Financial Management

Study Unit 3 reviews core corporate finance theory and examines the external perceptions of the organisation – financial reporting and related ratio analysis. It covers the fundamentals of decision making methodology, business valuations and capital structure before examining dividend policy and the payoff between risk and return for investors. It concludes with the concepts of shareholder value in the context of the wider market.

### Study Unit 4 - Risk Management

This Study Unit introduces the concept of risk, what is meant by risk management, the types of risks faced by the firm, and a framework for managing these risks. It then considers the development of risk management policy and how risk and its management are reported. Starting from this broad base, the study unit then goes on to consider the role of treasury in financial risk management. It discusses hedging, then explains key aspects of generic risk management instruments before considering instruments to manage the “classic” financial risks of interest rate and foreign exchange risks in particular.

### Study Unit 5 - Treasury Operations and Controls

This study unit describes the treasury function and organisation in the context of the firm. It looks at how treasury departments are set up to deliver against their objectives. It examines how systems are used to assist in managing or performing tasks and processes. It discusses how policy, objectives and controls are established within the context of the firm and of wider corporate governance requirements, so that treasury is able to manage significant risks and cash flows safely and securely.

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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 foreign exchange markets and swap foreign exchange 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 – Intra-group funding and alternative funding solutions

- 4.1 Intra-group 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 discounted cashflow forecast
- 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 The concept of risk
- 1.2 Risk management
- 1.3 Types and sources 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 management policy and reporting

### Section 3 – Financial risk and instrument types

- 3.1 Treasury financial 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