

What's new

- AMCT qualification moving to a modular system.
- Papers are structured into two levels – Foundation and Associate.
- Foundation Papers consist of four papers which replace the current syllabus papers I – IV. These have been written for the ACT by ICAS – The Institute of Chartered Accountants of Scotland.
- Associate Papers provide the building blocks for the modern treasurer. Students are able to tailor the qualification to their specific needs. Each student must choose three of the five Associate Papers, adhering to the rules of combination.
- Associate Papers include two Certificate papers – International Cash Management and Financial Risk Mathematics. These are standalone Certificates as well as options within AMCT. Two more Certificate papers will be launched in the coming year.

Since its launch the AMCT has become highly regarded. The qualification combines theoretical knowledge, practical skills and strategic insight into treasury and risk management. It has now become a prerequisite for treasury appointments with most leading employers.

CHANGING ENVIRONMENT The environment in which companies operate is evolving. New corporate governance requirements, the need for active working capital management and shifts in hedging policies driven by the transition to IFRS result in new demands from professional qualifications. To reflect the evolving business imperatives, the ACT this month is unveiling a dynamic new syllabus for the AMCT qualification. The revised AMCT introduces choice and flexibility, whilst encompassing the core principles of treasury, risk management and corporate finance.

The new syllabus supports treasury professionals in providing knowledge, depth of expertise and insight in dealing with daily treasury issues, as well as how to contribute to strategic decisions on risk and return in the business. Corporate treasurers – senior business professionals who deal with global risk issues on a daily basis – are positioned to manage treasury-specific issues and to contribute to the broader strategy of the board.

Richard Raeburn, Chief Executive, said: "The skills acquired by treasurers and their crucial involvement in financial risk management, particularly from a global perspective, make them ideally qualified as finance directors and destined to operate at board level in the future."

NEW SYLLABUS The current syllabus, which will run until April 2006, has successfully provided a unique treasury qualification and forms the basis of the new syllabus. The new syllabus has been developed in response to feedback from existing AMCT holders, consultation with employers and the evolving needs within business and the finance sector as a whole. Existing papers have been updated to reflect, for example, the impact of IFRS, and new papers are being introduced from which students can make a choice in order to support both their personal and their employer's objectives. The launch of the new AMCT also develops cohesion amongst the ACT's qualifications as holders of the highly successful Cert ICM qualification will be able to credit their Cert ICM pass as an AMCT paper.

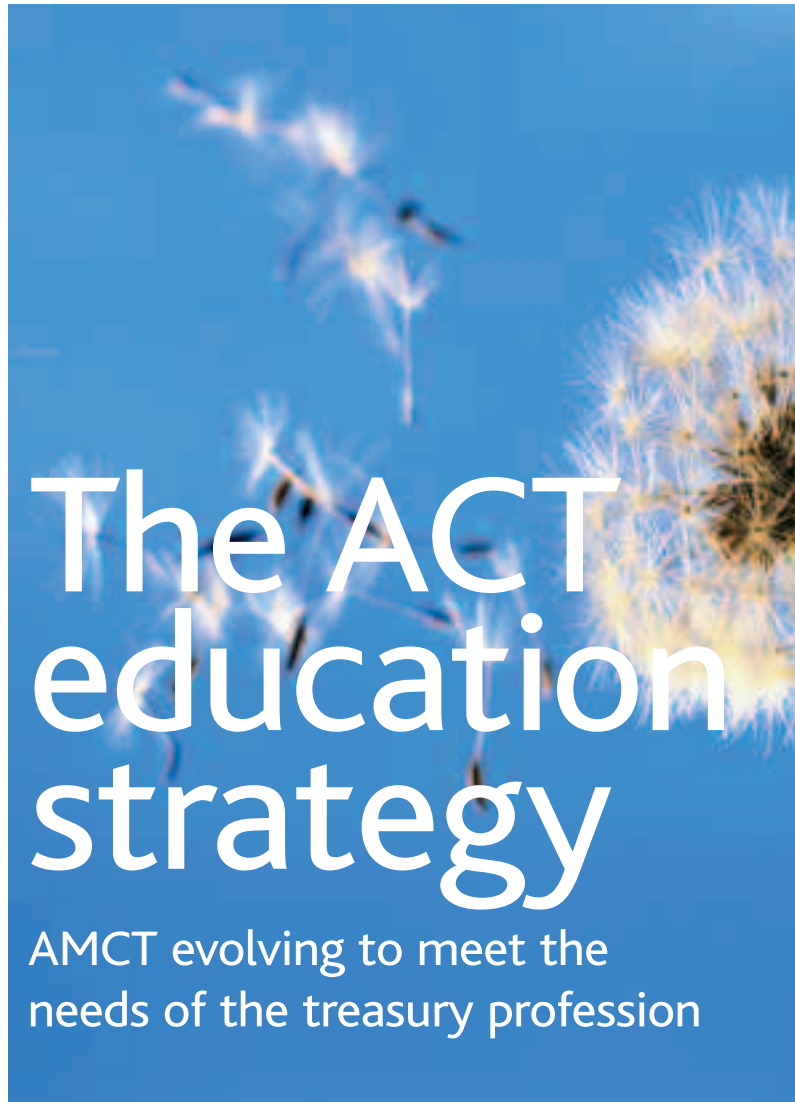



Fig 1. The AMCT qualification

| | | | |
|--------------------|-------------------|---|---|
| AMCT qualification | Foundation Papers | <ul style="list-style-type: none"> • Financial & Management Accounting • Economics & Statistical Analysis • Corporate Taxation • Business Law | Four papers |
| | Associate Papers | <ul style="list-style-type: none"> • Liquidity Management • Risk Management • Corporate Finance & Funding • Financial Risk Mathematics (Certificate) • International Cash Management (Certificate) | Three papers chosen in one of the stated combinations |



2005 SEES THE INTRODUCTION OF A NEW STRUCTURE FOR THE AMCT SYLLABUS – ONE OF THE BIGGEST CHANGES TO HAVE TAKEN PLACE AT THE ACT. NOT ONLY HAVE THE EXAMINATIONS BEEN UPDATED TO REFLECT THE BROADENING ROLE OF THE CORPORATE TREASURER, BUT THE ACT HAS LAUNCHED A MODULAR SYSTEM FOR AMCT, INTRODUCING THE ELEMENT OF CHOICE AND ENABLING INDIVIDUALS TO TAILOR THE PROGRAMME TO THEIR INDIVIDUAL NEEDS. READ MORE ABOUT THE EXAM CHANGES AND TRANSITIONAL ARRANGEMENTS BY VISITING www.treasurers.org/amctnewsyllabus

CHOICE This choice is a key feature of the new syllabus and reflects the fact that the skills derived from AMCT in treasury, risk and corporate finance apply to a wide range of diverse finance roles and environments. By introducing an element of choice, each individual will be able to tailor the qualification to their specific needs whilst ensuring all students have a fundamental understanding of core treasury topics.

The AMCT qualification is therefore suited to a broad range of finance-related roles including corporate treasurers, financial analysts who want to develop their career in corporate finance, risk management and specialist treasury activities, bankers and relationship managers wishing to understand the needs of their corporate clients and accountants wishing to extend and differentiate their skills base. The new syllabus provides an excellent way to improve individual performance, broaden career opportunities and enhance promotion prospects.

The ACT recognises that a number of the new and soon-to-launch papers that form a part of the modular AMCT qualification will have a far broader appeal and benefit beyond those taking AMCT. For example, new papers in Financial Risk Mathematics and Pensions will be beneficial to those wishing to extend their knowledge and

encourage career progression. These papers are being launched as independent Certificates and as a valuable contribution to Continuing Professional Development (CPD) for existing AMCT and MCT holders.

Enrolment onto the new syllabus will commence in June 2005 and the study programmes will equip students to sit the new syllabus papers for the first time in April 2006.

NEW MODULAR STRUCTURE The AMCT syllabus has been structured into two levels: Foundation Papers that are core to the understanding of treasury and accountancy principles; and Associate Papers that provide the building blocks for the modern treasurer, examining and analysing the principles of corporate treasury concepts. (*Figure.1*)

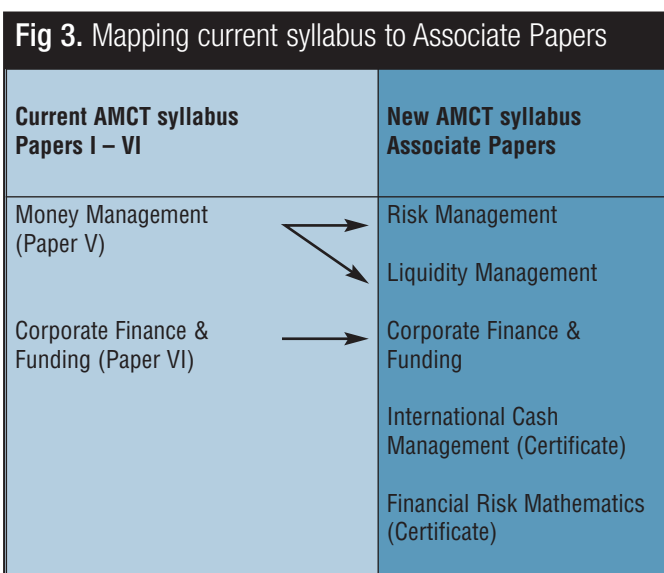
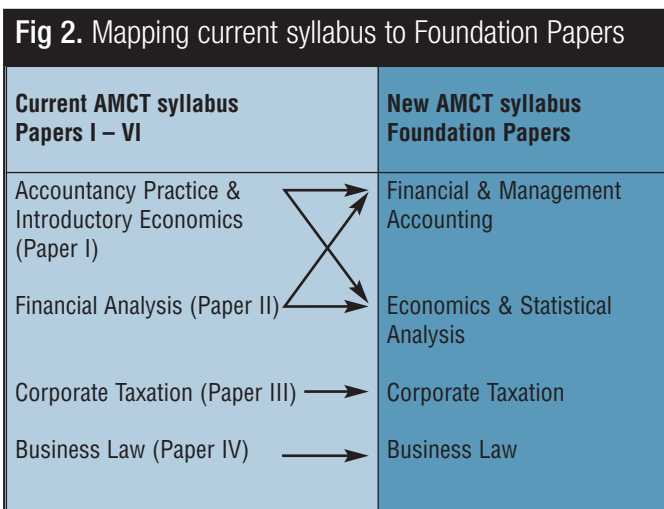
As with the current syllabus, we recognise that some students may have acquired a considerable understanding through previous qualifications. Most accountants are therefore automatically awarded a credit in lieu of study against each one of the four Foundation Papers, and there are also opportunities for students with other qualifications to claim credits for one or more of these papers. This will naturally considerably reduce a student's required study time.

We have retained the FastTrack route for ACCA members and affiliates, and CIMA students and members who in addition to the credits for the four Foundation Papers, sit a reduced (FastTrack) version of the Corporate Finance & Funding Associate Paper.

Looking ahead, areas of broad financial concern such as pensions and governance have become highly topical issues. The impact of a pension fund on the valuation and risk management requirements of the business mean that an understanding of pension management has become increasingly important for treasurers. With these issues in mind, the ACT will continue to increase the choice of papers available as part of the Associate Papers, ensuring that the AMCT qualification provides the necessary learning areas across the wider spectrum of treasury-related issues. A new paper in Pensions is currently due to be released in late 2005 to be followed with a paper on Corporate Governance & Regulations in 2006. These new papers will be available both as units within AMCT and as standalone certificates for all finance professionals, including existing AMCT and MCT holders. These will provide valuable opportunities for CPD and career progression.

FOUNDATION PAPERS These four papers replace the current syllabus papers I to IV and have been written for the ACT by the Institute of Chartered Accountants of Scotland (ICAS). The Financial & Management Accounting and Economics & Statistical Analysis papers will now independently cover the subjects that have hitherto appeared within both Papers I and II. This focus for each paper will allow the ACT to offer a credit opportunity to some students while improving the learning experience for others. (*See Figure.2*)

Financial & Management Accounting provides a general introduction to the basic techniques of financial analysis, including familiarity with accounting and investor measures of financial performance, working capital management and investment appraisal techniques. It provides the underlying knowledge and techniques that are the foundations of advanced and applied financial analysis, which is developed further in the Corporate Finance & Funding Paper.



Economics & Statistical Analysis provides the basic theoretical framework for analysis of commercial activity. It also provides a framework for the analysis of interest rate and foreign exchange markets. Combined with basic statistical analysis, its application to a treasury environment provides an understanding of economic history, current economic trends and a basis for forecasting economic trends.

Business Law provides a fundamental grounding in the structure and principles of English law as it relates to business. It also provides an understanding of EU law and its impact on UK law and principal US legislation impacting corporates. Legal issues are an integral part of treasury management; consequently the student needs to have a broad understanding of the application of relevant law.

Corporate Taxation provides a fundamental grounding in the structure and principles of UK and international taxation. It provides the framework within which more complex, applied taxation issues are discussed in subsequent papers.

ASSOCIATE PAPERS The five Associate Papers comprise the existing Certificate in International Cash Management, a new Certificate entitled Financial Risk Mathematics, and the current papers in Corporate Finance & Funding and Money Management - the latter of which has been split into two new papers based on its two main component subjects, Liquidity Management and Risk Management (See Figure.3).

Of the five Associate Papers, students must select three papers in one of the combinations illustrated in Figure 4. These 'rules of combination' ensure that each student's learning includes fundamental treasury knowledge. For example, each combination dictates that all students will have studied either one or both of the Corporate Finance & Funding and Risk Management papers. As outlined earlier, some of the Associate Papers (and those to be launched in the future) are 'Certificates' that may be sat independently of the AMCT qualification and will be recognised as a qualification in their own right. The Certificate in International Cash Management is an established ACT qualification and holders of this qualification will now be able to credit their Cert ICM pass towards the AMCT qualification.

Risk Management analyses the important principles for managing financial risk and the practical issues that impact on corporate treasurers. It explores the impact of interest and currency rates on the value of a firm, hedging decisions and financial instruments and how these are reported in the financial statements.

Liquidity Management sets out in detail how a treasury department operates. Topics covered include the responsibilities and structure of treasury, relationships with banks, management of bank accounts, the day to day skills required to run a treasury department and the key management controls. An overview is also given of both banking and treasury systems.

Corporate Finance & Funding covers financial statement analysis, efficient markets theory, the Capital Asset Pricing Model, shareholder value, capital structure, dividend policy and valuation. It also covers the main aspects of funding: the various methods of raising finance, loan documentation and credit ratings.

International Cash Management (Certificate) explores the instruments, infrastructure and techniques of managing cash from the basics of payments and collections to foreign exchange swaps and outright. It explains the links with working capital management together with the effects of legal, tax, technology and regulatory issues on cash management and banking relationships.

Financial Risk Mathematics (Certificate) provides the tools to calculate, understand and interpret interest rate and currency risk from a mathematical viewpoint and analyses how these can be applied to practical situations. Techniques such as duration, convexity and portfolio analysis, including the trade-off between risk and return are discussed. It explores option theory and the powerful ideas behind option pricing. It provides an insight into Value at Risk measures and its potential value and limitations as a useful risk measure.

LEARNING SUPPORT The AMCT is a distance learning qualification supported with comprehensive manuals, tuition and revision for each

Fig 4. Associate Paper combinations

| Associate Paper | Each column represents one combination of three papers | | | | | | |
|---|--|---|---|---|---|---|---|
| Risk Management | ✓ | ✓ | ✓ | ✓ | ✓ | | |
| Liquidity Management | ✓ | | | ✓ | | ✓ | |
| Corporate Finance & Funding or Corporate Finance & Funding (FastTrack) | ✓ | ✓ | ✓ | | | ✓ | ✓ |
| International Cash Management (Certificate) | | | ✓ | | ✓ | | ✓ |
| Financial Risk Mathematics (Certificate) | | ✓ | | ✓ | ✓ | ✓ | ✓ |

paper and e-learning tools. An expert technical support service also provides students with individual support on each paper. Typically, there are between two and three days' tuition and one and two days' revision for each Foundation Paper and four days' tuition and three days' revision for each Associate Paper. Students are also able to practise exam technique using the sample exam questions provided in the form of either past papers or pilot papers.

INTERESTED IN FINDING OUT MORE? To find out more about the new AMCT syllabus, visit www.treasurers.org/amctnewsyllabus or call +44 (0)20 7213 9321 to request a brochure or for advice. All current students will have received a letter to explain how these changes affect them, but if you are a student and have not yet received your letter please call the above enquiries line or email amct@treasurers.co.uk.



The Association of
Corporate Treasurers

AMCT

Associate Membership Qualification

The essential qualification in Treasury, Risk and Corporate Finance

"When I recruit into my department I look for someone who has, or is prepared to invest in an ACT treasury qualification"

Andy Longden FCT,
Group Treasurer,
Shell International Ltd

The AMCT is a broad-based study programme offering skills applicable to a wide range of financial disciplines. Equally suitable for those working in corporate and banking treasuries, the qualification is ideal for those wishing to pursue a career in treasury or broader roles in finance. It is recognised as an established professional progression for accountants as well as a more flexible alternative to an accountancy qualification.

The course comprises:

- Comprehensive distance learning programme
- Excellent networking opportunities at recommended tuition and revision days
- Broad range of topics including risk management, corporate finance and other key elements of financial management

Exam enrolment deadlines:

- 31 May for October exams
- 30 November for April exams

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