FIMCIR/2018-19/030

16th January, 2019

To All FIMMDA Members

Madam / Sir,


The Indian banking industry, along with the rest of the financial system is scheduled to move into the new accounting framework – IFRS 9 - with effect April 1, 2019 and considering the complexities involved in the new regime, FIMMDA introduced this program which would be suitable for the Treasury (Front & Back Offices), Risk Management and Accounts Departments.

Two programme announced for 21st-22nd January & 14th-15th February 2019 have full participation. To enable core team have an understanding of the migration process, we are announcing the schedule for the 4th batch as under.

**Program title** : International Financial Reporting Standards– 9 (IFRS-9) and Fundamental Review of Trading Book (FRTB)

**Course handled by** : Subject experts from Deloitte Touche Tohmatsu

**Course Fee** : Rs 20,000 + 18% (GST) Rs 3,600 =Rs.23,600/-

**Period** : 18th-19th March, 2019 (Monday & Tuesday)

**Timing** : 09.30 am to 05.00 pm including lunch break

**Venue** : Deloitte Touche Tohmatsu India LLP
Training Room Nos. 7 & 8, 25th Floor, Tower No. 3
India Bulls Finance Centre, Senapati Bapat Marg
Prabhadevi (Formerly Elphinstone Road), Mumbai – 400 013
Training coordinators:
At FIMMDA: Ms Shiraz (+9122-22690322-26)
At Deloitte: Mr Ankan Mondal (+919870118699 / +9122-61853500)

E-mail Id : training@fimmda.org
Cc: vp@fimmda.org; accounts@fimmda.org

Laptops will be provided by at the training venue

A tentative time - table (Annexure I) of the course is enclosed for your perusal. This is a non - residential course.

Please send your registration forms by mail, mentioning names of candidates you are sponsoring, followed by your detailed letter along with payment. Please attend after receiving our confirmation.

Due to logistic reasons, we can accept up to a maximum of 20 candidates on first come first serve basis

Yours faithfully,

D.V.S.S.V Prasad
Chief Executive Officer

Enclose: Registration Form

Annexure I (Program Schedule for IFRS and FRTB Course)
REGISTRATION FORM

Registration forms once submitted cannot be cancelled.

International Financial Reporting System (IFRS) & Introduction to Fundamental Review of Trading Book (FRTB) – 18th & 19th March, 2019 (Monday & Tuesday)

Organization:

Office Address:
Telephone Number:

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Payment to be made along with registration form.

FIXED INCOME MONEY MARKET AND DERIVATIVES ASSOCIATION OF INDIA
(Annexure 1)

IFRS & FRTB

Course Structure (Duration – 2 days)

Objectives:

- To make participants familiar with the background and development in reporting
- To explain framework under IAS 39
- To understand classification to Amortized cost, Fair Value through OCI and P&L Accounts

Methodology:

- Presentation by subject experts
- Interactive sessions
- Cases and examples

Key Takeaways:

- Business model & SPPI test
- Hedge Accounting
- Credit and Debit value adjustments
- Impairment Model and Expected Credit Loss Model
- Grasping Implementation Challenges
- Areas of Significant judgements
- Delineation of Trading Book and Banking Book
- Understanding Market Risk and Standardized Approach
CONTENTS

2-day Training Program on IFRS 9 and FRTB
(18th & 19th March, 2019)

Session-wise Detailed Approach of the Training

Day 1

Session 1: Background and development in reporting
1. Framework under IAS 39
2. Key developments under IFRS 9
3. Interactive Session: Need for revision in accounting framework

Session 2: Classification and measurement
1. Classification categories
   - Amortized cost
   - Fair value through OCI
   - Fair value through profit and loss
2. Business model and SPPI test
   - Characteristics of contractual cash flows
   - Hold to collect contractual cash flows
   - Hold to collect contractual cash flows and for sale
3. Initial recognition and ongoing measurement
   - Fair valuation
   - Effective interest rate
4. Case Study: What constitutes SPPI?

Session 3: Hedge accounting
1. Aligning hedge accounting with risk management
   Benefits of hedge accounting under IFRS 9
2. Hedge effectiveness testing requirements
   - Economic relationship
   - Credit risk
   - Accounting for cash flow hedges, fair value hedges
3. Case Study: Hedge Accounting of FX Forwards

Session 4: Other considerations
1. Fair valuation requirements (IFRS 13)
Credit and debit value adjustments

2. Impact assessment

3. Interaction with other Ind AS

4. **Case Study:** IFRS 9 applied to fixed income portfolio

### Day 2

**Session 1: Impairment**

1. Why a new impairment model?

2. Interaction with Basel

3. 3 stages expected credit loss model
   - Changes in credit risk
   - Probability of default
   - Loss given default
   - Exposure at default

4. Discussion of key challenges with implementation

5. Areas of significant judgment for IFRS 9

6. **Case Study:** Significant deterioration of credit risk under IFRS 9

**Session 2: Standardized Approach for Counterparty Credit Risk (SA-CCR)**

1. Overview of SA-CCR

2. Difference between CEM & SACCOR

3. Interactive Session: industry perspectives and impact areas

**Session 3: FRTB – Overview**

1. Primer on Market Risk

2. Scope of FRTB - delineation of Trading Book and Banking Book under FRTB

3. The concept of trading desk under FRTB

4. Interactive Session: Trading Book vs. Banking Book

**Session 4: FRTB – Standardized approach**

1. The concept of “risk factor”

2. Walkthrough of the sensitivities based method

3. Residual risk add-on

4. **Case Study:** Capital charge under SA for various portfolio structures