

FIMCIR/2018-19/036

February 22, 2019

To All FIMMDA Members

Madam / Sir,

International Financial Reporting Standard-9 (IFRS-9) & an Introduction to Fundamental Review of Trading Book (FRTB) on 25th & 26th April, 2019 (Sixth batch)

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.

Our earlier four programmes announced had full participation. The suggestions that emanated from the earlier programmes are being incorporated in the subsequent sessions. To enable core teams at Banks / Primary Dealers to have an understanding of the migration process, we are announcing the schedule for the **6th 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 : **25th-26th April, 2019 (Thursday & Friday)**
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



Nurturing Markets,
Widening Horizons

Regd. Office: 2nd Flr, United India Bldg, Sir P.M. Marg,
Next to RBI Amar bldg. - Monetary Museum,
Fort, Mumbai - 400 001.
Tel: 022-22690321 - 26
Fax : 022-22626454

E-mail: training@fimmda.org

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. As per decision by the FIMMDA Board please note :

- *A seat booked for the training program will not be cancellable. If, for any reason, a nominee is unable to attend, the nominating institution must make alternative arrangements to ensure that the resources are not wasted, and*
- *All training programmes are paid in advance*

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)



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REGISTRATION FORM

Registration forms once submitted cannot be cancelled.

International Financial Reporting System (IFRS) & Introduction to Fundamental Review of Trading Book (FRTB) -25th & 26th April, 2019 (Thursday & Friday)

Organization:

Office Address:

Telephone Number:

Name of Participant/Designation	Department	Mobile No	E-mail ID

AUTHORISED SIGNATORY: _____

Date:

UTR NO:

Date:

Offline	Online
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Cheque /Demand Draft in Favor of "FIMMDA"	Account No	30782076282
	Name of Bank & Address	State Bank Of India Gresham House , Sir P.M. Road, Fort, Mumbai-400001
	IFSC CODE	SBIN0060113

Payment to be made along with registration form.

(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

(25th & 26th April, 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



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- 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 IFRS9

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

1. Overview of SA-CCR
2. Difference between CEM & SACCR
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



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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
