

FIMCIR/2018-19/025

24th Dec, 2018

To All FIMMDA Members

Madam / Sir,

**Introduction of New Training Program -
International Financial Reporting Standard-9 (IFRS-9) & an Introduction to Fundamental
Review of Trading Book (FRTB) on 21st & 22nd Jan, 2019 (first batch)**

In view of that 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 Board has approved introduction of a new training program which will be suitable for the Treasury, Risk Management and Accounts Department.

To get the core team ready to handle the migration process therefore, FIMMDA, in association with Deloitte Touche Tohmatsu India LLP (**Deloitte**) is launching the new program on IFRS, and the first of the two-day batch will be held from **21st to 22nd January 2019**. This will be followed by two more programs in February and March respectively during the rest of the financial year with the aim to impart necessary understanding / skills to the operating staff.

The course will be continued next year also on regular basis.

The brief details of the program are as under:

Program title : International Financial Reporting Standards- 9 (IFRS-9)

Course handled by : Subject experts from Deloitte Touche Tohmatsu

Course Fee : Rs 20,000 + 18% (GST) Rs 3,600 =Rs.23,600/-
Period : 21st-22nd Jan, 2019 (Monday & Tuesday)

Timing : 09.30 am to 05.00 pm including lunch break



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

**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) West,
Mumbai - 400 013**

**Training coordinators: At FIMMDA Mr Akash Surana (+919029590779 / +9122-22690326
At Deloitte: Mr Ankan Mondal (+919870118699 / +9122-61853500**

E-mail Id : training@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,

K Boovendran
Dy. Chief Executive Officer

Enclose: Registration Form

Annexure I (Program Schedule for IFRS and FRTB Course)



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REGISTRATION FORM

International Financial Reporting System (IFRS) & Introduction to Fundamental Review of Trading Book (FRTB) - From January 21 (Monday to January 22 (Tuesday), 2019

Organization:

Office Address:

Telephone Number:

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

AUTHORISED SIGNATORY: _____

Date:

UTR NO:

Date:

Offline	Online	
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.

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(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

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
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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. Case Study: Significant deterioration of credit risk under IFRS9

Session 2: Implementation challenges

1. Discussion of key challenges with implementation experts
2. Areas of significant judgment for IFRS 9
3. Interactive Session: Key industry perspectives on IFRS 9

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