



TREASURY ACUMEN: TREASURY MANAGEMENT SERIES

Understanding Foreign Exchange, International Risk and Payments

Page 1 of 2

COURSE LENGTH

Three 2-Hour Virtual Sessions or
One Full Day In Person

DESCRIPTION

This highly interactive course deals with topics crucial to the treasury professional who will be managing an international treasury. We start with a thorough understanding of the basics of foreign exchange—how to read the rates, apply forward points and perform currency conversions.

This leads into the topic of managing risk and the tools for managing global risks. Foreign exchange risk, as well as commercial and other types of risk are also covered.

Finally, we delve into the topic of international payments, where it is explained why cross-border payments and collections are still so inefficient and often prone to inexplicable delays and unexpected charges. We also examine how international payments are made and the ways in which payments and collections can be made more efficiently, including paper and electronic payments and the new SEPA instruments.

LEARNING OBJECTIVES

- Learn how to read and calculate spot and forward rates
- Understand how to manage and mitigate risk in international business
- Evaluate the options for making international and cross-border payments more efficiently

AGENDA

- Basics of foreign exchange
 - Why do cash managers need foreign exchange?
 - How to read foreign exchange rates
 - Spot
 - Forwards
 - FX premiums and discounts
 - Herstatt risk
 - Continuous Linked Settlement (CLS)
- International risk
 - Identifying risk
 - Determining a risk strategy
 - Types of international risk
 - Foreign exchange exposure
 - Interest rate risk
 - Country risk
 - Commodity risk
 - Commercial risk

Continued on next page



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Page 2 of 2

- Tools for managing risk
- Risk management strategy
- International payment systems
 - Payment system participants
 - The role of correspondent banks
 - The role of SWIFT
- Making international payments
 - Payment methods
 - How money moves across border
 - By check
 - By wire
 - Low-value options
 - Fees and charges