



# MONECO FINANCIAL TRAINING

## THE BASEL CONSOLIDATED FRAMEWORK

**December 9-11, 2019**

**Lecturer: Gary Dunn**

**Registration Deadline: November 25, 2019**

**MONECO**  
Financial Training

**Upcoming Seminar**

**How you will benefit:**

- **An understanding of the Basel framework and standards**
- **Gain familiarity with the BIS web site in this area**
- **Gain a deeper understanding on the topics:**
  - **Calculating RWAs**
  - **FRTB**
  - **Counterparty Credit Risk**
  - **LCR and NSFR**
  - **IRRBB**
  - **Leverage ratio**
  - **Margin requirements for non-centrally cleared trades**

The BCBS (Basel Committee of Banking Supervisors) establishes and promotes global standards for the regulation and supervision of banks. Since 1974 the BCBS has published dozens of documents setting out standards, minimum capital requirements, principles and guidance on best practice which are now embedded in bank regulatory regimes around the world. Perhaps most notable of these documents are the minimum capital requirements for banks which have evolved through Basel I , Basel II and the recently completed Basel III, published in 2017.

In April 2019 BCBS launched a new section on the BIS web site which provided a very useful consolidation of current standards together with a timeline that allows enquirers to view future scheduled regulations.

This course provides a high-level overview of the consolidated framework, making use of the BCBS web site to dive deeper into some of the standards as required by participants. The course will also look at progress in implementing current standards in different jurisdictions across the world with particular focus on European implementation.

**The course has three main objectives:**

- To provide a comprehensive overview of the Basel Framework and progress in implementation.
- Provide a deeper and more detailed look at some of the newer standards introduced in Basel III, for example LCR and NSFR, margin requirements for non-centrally cleared trades, IRRBB and a look at forthcoming standards, for example FRTB – the new market risk framework scheduled for 2022.
- Allow participants to explore the new section of the BIS web site by answering their own questions and suggestions for exploration put to them by the trainer

**Who should attend?**

Analysts, Vice Presidents, Directors, Senior Managers in:

- Treasury Functions
- Capital Management
- Regulatory Compliance
- Governance
- Audit
- Risk Analytics
- Market Risk Management

MONDAY, DECEMBER 9			
09 <sup>00</sup> -12 <sup>15</sup>	<b>Introduction</b>	Historical Background Basel I, Basel II and Basel III Need for Consolidation	
	<i>The Standards</i>		
	<b>Scope of application of the Basel Framework</b>	<ul style="list-style-type: none"> <li>• Banks covered</li> <li>• Determining global systemically important banks (G-SIBs)</li> <li>• D-SIBs</li> </ul>	
	<b>Definition of Capital</b>	<ul style="list-style-type: none"> <li>• Tier 1, Tier 2, regulatory adjustments and prudential valuation</li> </ul>	
12 <sup>15</sup> -13 <sup>15</sup>	<b>Risk based capital</b>	<ul style="list-style-type: none"> <li>• Risk weighted assets</li> <li>• The output floor for RWA based capital requirements</li> <li>• Banking Book/Trading book boundary including deep dive into FRTB revisions</li> <li>• Capital Buffers</li> </ul>	Deep dive on BB/TB
	<b>Lunch</b>		
13 <sup>15</sup> -17 <sup>00</sup>	<b>Capital requirements for credit risk</b>	<ul style="list-style-type: none"> <li>• Standardised approach</li> <li>• IRB</li> <li>• Counterparty credit risk                             <ul style="list-style-type: none"> <li>– SA-CCR</li> <li>– IMM</li> <li>– CVA Capital</li> <li>– Exposures to CCPs</li> </ul> </li> </ul>	Deep dive into revised framework and exposures to CCPs

# THE BASEL CONSOLIDATED FRAMEWORK

## TUESDAY, DECEMBER 10

<b>09<sup>00</sup>-12<sup>15</sup></b>	<b>Capital requirements for market risk</b>	<ul style="list-style-type: none"> <li>• Standardised approach</li> <li>• Simplified standardised approach</li> <li>• Internal models</li> <li>• Model validation (Backtesting and P&amp;L Attribution)</li> <li>• Computing capita</li> </ul>	Deep dive into forthcoming revised market risk standards (FRTB)
<b>12<sup>15</sup>-13<sup>15</sup></b>	<b>Lunch</b>		
<b>13<sup>15</sup>-17<sup>00</sup></b>	<b>Capital requirements for operational risk</b>	<ul style="list-style-type: none"> <li>• BIA</li> <li>• Standardised Approach</li> </ul>	
	<b>Leverage ratio</b>		BCBS web based
	<b>Liquidity coverage ratio</b>		Deep dive
	<b>Net stable funding requirements</b>		Deep dive
	<b>Large exposures</b>	Introduction	BCBS web based

## WEDNESDAY, DECEMBER 11

<b>09<sup>00</sup>-12<sup>15</sup></b>	<b>Margin requirements for non-centrally cleared derivatives</b>		Deep dive
	<b>The Supervisory Review Process</b>	<ul style="list-style-type: none"> <li>• Pillar 2</li> <li>• Four principles</li> <li>• Risk management</li> <li>• Interest rate risk in the banking book</li> </ul>	Deep dive into interest rate risk in the banking book (IRRBB)
<b>12<sup>15</sup>-13<sup>15</sup></b>	<b>Lunch</b>		
<b>13<sup>15</sup>-17<sup>00</sup></b>	<b>Disclosure requirements</b>	Walk through requirements	BCBS web based
	<b>Core principles for effective banking supervision</b>	Introduction to principles	Summary and/or BCBS web based
	<b>Implementation of the Basel Framework</b>		
		<ul style="list-style-type: none"> <li>• Regulatory Consistency Assessment Programme (RCAP)</li> <li>• Semi-annual reports on members' progress in implementing Basel standards</li> </ul>	

### Lecturer: Gary Dunn

Started out life as a statistician at the Bank of England in 1977 and after a 16-year career there ended up as a senior manager within UK foreign currency reserve management with responsibility for interest rate risk strategy and liquidity management. To aid liquidity management Gary created an internal market for funding between fixed income portfolio managers and the FX desks.

Gary ventured into the private sector where he spent a further 10 years as a proprietary trader.

Gary joined the FSA in 2005 where his main responsibility was reviewing regulatory market risk models (CAD models including VaR and IRC). Whilst at FSA Gary conducted a thematic review of the management of interest rate risk in the banking book (IRRBB) across London based banks. He also attended the AIG/TBG, a BCBS working group responsible for technical design of proposed market risk regulatory capital rules. Gary contributed to the design and calibration of IRC for Basel 2.5 and also wrote internal working papers on VaR, ES and other spectral risk measures which contributed to a review of the academic literature on market risk measures, the first in a long series of FRTB papers from BCBS and industry.

From 2010, as a senior manager at HSBC, Gary participated in many dialogues between industry and regulators covering topics such as FRTB, central clearing, margining, liquidity risk and IRRBB (interest rate risk in the banking book), as well as working on internal projects such as stress testing, IRC development, regulatory interactions and CRD IV submissions. Finally, before moving into consultancy and training, Gary took on an MD role at Morgan Stanley where he was head of risk analytics for the EMEA region.

Now Gary works as a private consultant and trainer.



# Terms and Conditions of the MONECO Financial Training

## MONECO Financial Training

MONECO Financial Training offers a comprehensive programme of English-language seminars, trainings and practical workshops lectured by qualified tutors. Our objective is to provide the industry professionals with advanced financial know-how and up-to-date analytical methods and skills.

## Seminar Venue and Accommodation

The bulk of the MONECO seminars are traditionally held at the international four-star NH Prague Hotel in Prague, Czech Republic. Since we are expanding our training activities, we run some selected seminars also in other European destinations. Accommodation is not included in the seminar price, but upon request we are happy to offer you hotel reservations in every of our training destinations at special discounted prices for our valued clients.

## Tuition Language

Seminar tuition is in English language, as are all manuals, training software etc. Therefore, in order to benefit from participation, at least a passive knowledge of English, including common financial phrases and related terminology, is required.

## Registration

Clients who decided to participate, should submit us in advance a registration for a particular seminar (letter, fax, internet etc.). Subject to availability, the participant will then receive a confirmation of participation. The number of participants is always strictly limited in order to secure an effective and focused learning environment.

## Seminar Prices

The quoted seminar prices are per person and include all the training manuals, lunches and refreshments, certification diploma in English and selected software solutions used at the seminar. The price does not include hotel accommodation. Quoted prices are exclusive of local VAT (21 %) "Bundle" prices represent the total fee for participation in mutually related seminars (i.e. "Bundles 3+2, 2+3, 2+2, 3+1, 1+3, 1+2+2 and 2+2+1"). "Bundle" prices are provided in the Calendar of the MONECO Financial Training seminars.

## Discounts

Bulk discounts are offered when submitting an application for the participation of more than one person. A 10 % discount is offered when at least two participants from one company register for a seminar or one participant registers at once for two or more seminars. The discounts do not apply for "bundle" prices, as these already represent discounted prices.

## Invoicing and Payment

An invoice for the seminar price will be sent to the participants no later than 10 working days prior to the beginning of the seminar. **Full payment of the invoice must be made before the start of the seminar as a precondition of participation.**

## Terms of Cancellation

If for whatever reasons a registered participant is unable to attend, a substitute delegate may be appointed to participate instead. For cancellations received 20 days or more before the beginning of the seminar, a 10 % cancellation fee of the full price will be invoiced i.e. 90 % of the price is refunded. **For cancellations received less than 20 days prior to the beginning of the seminar, the full price is payable i.e. no refund will be provided. All cancellations must be in writing.** The organizers of the MONECO Financial Training courses reserve the right to cancel the individual participation or cancel the entire seminar or part of it for whatever unspecified reasons, including possible force majeure. In this case, the price paid will be refunded in full or in part, accordingly.

## REGISTRATION FORM

**Registration Deadline:  
November 25, 2019**

• The Basel Consolidated Framework

December 9 – 11, 2019

€ 1,755

## COMPANY

Name:

Approving Manager:

Person responsible for training:

Address:

Tax Registration No.:  VAT Identification No.:

## PARTICIPANTS

1. Title: Name:  Phone:   
Mr/Mrs/Ms

E-mail:  Position:

2. Title: Name:  Phone:   
Mr/Mrs/Ms

E-mail:  Position:

3. Title: Name:  Phone:   
Mr/Mrs/Ms

E-mail:  Position:

Date:  Signature: