

# Course : Foreign exchange risk management

**Practical course - 2d - 14h00 - Ref. RCH**

**Price : 1540 CHF E.T.**

Managing foreign exchange risk is essential to neutralize fluctuations between currencies and secure sales margins. This training course, focusing on the foreign exchange market and hedging instruments, provides you with the knowledge and tools you need to manage foreign exchange risks.

## Teaching objectives

At the end of the training, the participant will be able to:

- Foreign exchange market players
- Understand the challenges of managing foreign exchange risk for your company
- Hedging against currency risk

## Intended audience

Treasurers, financial managers and accountants.

## Prerequisites

Good knowledge of general accounting

## Practical details

### Hands-on work

This course is based on practical exercises and case studies to help you acquire the skills you need to manage foreign exchange risks.

## Course schedule

### PARTICIPANTS

Treasurers, financial managers and accountants.

### PREREQUISITES

Good knowledge of general accounting

### TRAINER QUALIFICATIONS

The experts leading the training are specialists in the covered subjects. They have been approved by our instructional teams for both their professional knowledge and their teaching ability, for each course they teach. They have at least five to ten years of experience in their field and hold (or have held) decision-making positions in companies.

### ASSESSMENT TERMS

The trainer evaluates each participant's academic progress throughout the training using multiple choice, scenarios, hands-on work and more.

Participants also complete a placement test before and after the course to measure the skills they've developed.

## 1 Defining market risks

- Definition of financial market risk and main risk factors.
- Identification of risks within the company.
- Impact on balance sheet and income statement, competitiveness, margins...
- Risk management methodologies.

### Hands-on work

Collective reflection on a case study of different risk management methods.

## 2 The foreign exchange market

- The main players in the foreign exchange market.
- The different types of transaction.
- The spot market: spot, term, non-deliverable futures.
- The conditional market: vanilla options.
- Structured/hybrid products.

### Hands-on work

Market analysis.

## 3 Foreign currency cash management

- The principle of settlement-delivery.
- The foreign currency account.
- Foreign currency payments.

### Hands-on work

Identification des différents éléments de gestion de la trésorerie en devises par un cas pratique.

## 4 Identifying and assessing currency risk

- Global risk analysis: global netting and correlations.
- Definition of currency risk.
- Identification of the various exposures.
- Static and dynamic risk analysis.

### Hands-on work

Creation of a static analysis in relation to a practical case.

## 5 The main hedging instruments

- Natural hedges: choice of invoicing, debt and investment currencies.
- Offsetting against foreign currency borrowings and other foreign exchange guarantees.
- Foreign currency advances and forward purchases and sales.
- Foreign exchange guarantees (BPI France).
- Foreign exchange transactions under IFRS : IFRS 9, IFRS 7.

### Hands-on work

Identify and apply the main hedging instruments.

## TEACHING AIDS AND TECHNICAL RESOURCES

- The main teaching aids and instructional methods used in the training are audiovisual aids, documentation and course material, hands-on application exercises and corrected exercises for practical training courses, case studies and coverage of real cases for training seminars.
- At the end of each course or seminar, ORSYS provides participants with a course evaluation questionnaire that is analysed by our instructional teams.
- A check-in sheet for each half-day of attendance is provided at the end of the training, along with a course completion certificate if the trainee attended the entire session.

## TERMS AND DEADLINES

Registration must be completed 24 hours before the start of the training.

## ACCESSIBILITY FOR PEOPLE WITH DISABILITIES

Do you need special accessibility accommodations? Contact Mrs. Fosse, Disability Manager, at psh-accueil@orsys.fr to review your request and its feasibility.

## 6 Foreign exchange risk management policy

- Definition of coverage parameters.
- Hedging thresholds by currency.
- Choice between firm and optional instruments.
- Check that coverage targets are met.
- Governance and drafting of a management charter.

### Hands-on work

Drafting of a management charter in the context of a case study.