



Securitisation Professionals Program



The skills, knowledge and ethical standards of individuals operating in the Australian securitisation industry are the cornerstone of its growth, sophistication and international credibility.

The Australian Securitisation Forum (ASF) has developed the first specialist qualification for professionals working in the field of securitisation, the *Securitisation Professionals Program*.

The ASF was formed in 1989 to promote the development of securitisation in Australia. It does this through the education of government, regulatory and other authorities, the public, investors and others with an interest or potential interest, both in Australia and overseas, in the benefits of securitisation.

This Program has been developed by the ASF in consultation with people who are experts in their field and is intended to be relevant and practical for all those working in the securitisation industry in Australia. The Australian securitisation industry has enjoyed enormous growth over the last 10 years, and the ASF will continue to be a major participant in its future prospects.

Qualification

Participants successfully completing the Program, and its assessment, will be eligible for a *Diploma of Financial Services FNS50107*, a level 5 qualification under the Australian Qualifications Framework. As a Registered Training Organisation (RTO), the ASF is able to confer this qualification.

There are nine specialist competencies that will be achieved, in addition to four industry core units, which are compulsory generic units that will be achieved by workplace skills forms.

Completion of this program enhances efficiency and increases the market's credibility, both in Australia and overseas. Internationally there is acceptance that industry participants should meet approved industry-developed competencies.

This standard setting is a constructive force in our financial markets. The *Securitisation Professionals Program* is an integral component of this process, which the ASF has been driving in the Australian financial markets.

About the Program

The ASF *Securitisation Professionals Program* provides a succinct overview of the structure of the Australian securitisation industry, how it operates and its development. It is structured to provide participants with an understanding of how securitisation can be used by originators to create securities suitable for institutional investors. Participants will gain an insight into securitisation and its benefits, as well as discuss alternative structuring techniques, MBS, ABS and ABCP programs, legal and accounting issues, rating agency methodology, pricing procedures and investor considerations. The program also addresses the constantly changing areas of law, accounting and taxation, which must be considered when preparing an issue.

Throughout the Program, participants will gain an understanding of the application of the theory via the examples provided, and by participating in the workshop case study. The application of these skills is measured via the assessment, and its successful completion will leave participants well placed to effectively contribute to the industry and to their organisation's standards for meeting client requirements.

About the Program

Program Objectives

Upon completion of the *Securitisation Professionals Program*, participants will be able to:

- describe the major features of securitised products, and determine their relevance to key financial market clients
- consider pricing models to investigate outcomes that can meet client/issuer requirements
- analyse the implications of rating agency considerations for product development
- apply the theory learned, think critically and problem solve effectively when engaging with specific case studies
- communicate concepts understood clearly and persuasively in class and assessment, utilising various technologies
- collaborate effectively with others during course interactions in order to share knowledge for common goals
- provide effective recommendations for given scenarios that meet requirements and expectations
- adhere to the highest legal, regulatory and ethical standards.

Who should attend?

The program is suitable for individuals working as:

- issuers
- investment bankers & arrangers
- investors
- swap providers
- insurers and guarantors
- tax specialists
- auditors
- accountants
- rating agents
- lawyers
- trustees
- originators

ASIC Regulatory Guides

The ASF has intentionally developed its Program at Diploma level to assist its members who are Australian financial services licensees (AFS licensees) to satisfy their obligation to ensure representatives are adequately trained, and are competent to provide the financial services covered by the licence (see ASIC Regulatory Guide 104: *Licensing: Meeting the general obligations*).

Additionally, the Program will assist AFS licensees in meeting their organisational competency obligation by providing relevant training for their responsible managers for the purposes of ASIC Regulatory Guide 105: *Licensing: Organisational Competence*, Option 4 (see RG 105.61 and following).

In-house training

The *Securitisation Professionals Program* can also be delivered in-house at a time and location suitable to the organisation. Modules can also be customised to suit the individual requirements of organisations.

Non-award attendance

The Program is also open to participants who do not wish to achieve a Diploma – they are able to enrol without the assessment option, but can receive the materials and attend the workshop. This option must be stipulated upon enrolment and cannot be varied once the workshop is completed.

CPD Hours

Individuals required to undertake continuing professional development can earn the following CPD hours for completion of the program:

- Non-award attendance: 13 CPD hrs
- Award attendance: 33 CPD hrs

The following is a breakdown of the key focus areas of study and their learning outcomes:

TOPIC 1:

An Introduction to Securitisation

- Explain how securitisation developed to meet the unique needs of financial markets, and report on current market trends and developments
- Identify the three (3) necessary components required for securitisation and the two (2) main types of securities produced
- Analyse the roles played by industry participants (eg. originators, rating agencies, trustees, swap providers, arrangers, investors, and ancillary services providers such as auditors, lawyers, tax specialists, insurers or guarantors) within securitisation by reference to market data and examples
- Explain the purpose and function of a special purpose vehicle (SPV)
- Explain the benefits that can be gained via securitisation for its participants

Candidates will be awarded a Statement of Attainment for the following unit from the *Diploma of Financial Services, FNS50107*

- FNSFMKT501B *Analyse financial markets and information*

TOPIC 2:

Basic Structuring Rules

- Define the terminology specific to securitisation, and explain where each term 'fits' within this field
- Describe the basic structuring rules in place, and how Australian structures differ to those overseas
- Discuss the exceptions that may be available to the rules, and report on how these may be used to provide a good 'fit' for a client
- Interpret the implications of these rules for structuring in practice when developing appropriate option(s) eg. use of corporations vs. trustees (security trustee, issuing trustee), ensuring SPV is bankruptcy remote
- Discuss possible means by which these rules may be accommodated when structuring finance, and how these could be presented to your clients.

Candidates will be awarded a Statement of Attainment for the following unit from the *Diploma of Financial Services, FNS50107*

- FNSICPRO601B *Develop a financial product*

TOPIC 3:

Term RMBS and ABS Structures

- Explain the key features of term securities
- Discuss how each has developed within financial markets, and any emerging trends
- Discuss the characteristics of the current market for these securities, and typical issuer
- Distinguish between the characteristics of RMBS and ABS structures, and explain their relevance and appropriateness for users within financial market organisations (including possibly your own or clients)
- Based on the scenarios provided, apply the necessary credit enhancement, liquidity features and structural considerations for each product, particularly any compliance considerations and tailoring requirements
- Develop recommendations for the appropriateness of this product, based on your research, to the given scenario

Candidates will be awarded a Statement of Attainment for the following unit from the *Diploma of Financial Services, FNS50107*

- FNSFMKT501B *Analyse financial markets and information*

TOPIC 4:

Asset-Backed Commercial Paper

- Explain the key features of asset-backed commercial paper programs
- Discuss how this product has developed within financial markets, and any emerging trends
- Discuss the characteristics of the current market for this security, and typical issuer
- Distinguish between the characteristics of this security and term securities, and explain their relevance and appropriateness for users within financial market organisations (including possibly your own or clients)
- Based on the scenarios provided, apply the necessary credit enhancement, liquidity features and structural considerations for each product, particularly any compliance considerations and tailoring requirements
- Develop recommendations for the appropriateness of this product, based on your research, to the given scenario

Candidates will be awarded a Statement of Attainment for the following unit from the *Diploma of Financial Services, FNS50107*

- FNSICPRO403B *Tailor a product/service to meet customer needs*
- FNSICPRO401B *Develop and maintain in-depth knowledge of products and services used by your organisation or sector*
- FNSICPRO502B *Conduct research to support recommendations*

TOPIC 5:

Legal and Regulatory Issues

- Identify the legislation relevant to securitisation
- Explain the impact of key legal considerations for securitisation
- Identify the disclosure and documentation necessary
- Discuss the role of the regulator's approach to capital treatment as a driver for securitisation, and the impact of this for overseas banks eg. APRA's approach in comparison to overseas regulators.
- Explain the impact of key accounting issues and discuss their interrelationship with structured products, as distinct from the regulatory approach
- Analyse the unique consolidation and de-recognition issues for special purpose vehicles in Australia
- Identify any legal or accounting-based changes, and discuss implications of these changes for securitisation
- Identify the key taxation issues (eg. withholding tax, taxation liability triggered through transference of assets into SPV, GST and CGT) that could impact the securitisation approach taken, and when to seek specialist advice.

Candidates will be awarded a Statement of Attainment for the following unit from the *Diploma of Financial Services*, FNS50107

- FNSCOMP501B *Comply with financial services legislation, industry and professional codes of practice*

TOPIC 6:

Accounting and Tax Issues

- Explain the impact of key accounting issues and discuss their interrelationship with structured products, as distinct from the regulatory approach
- Analyse the unique consolidation and de-recognition issues for special purpose vehicles in Australia, as compared to overseas
- Identify any legal or accounting-based changes, and discuss implications of these changes for securitisation
- Identify the key taxation issues (eg. withholding tax, taxation liability triggered through transference of assets into SPV, GST and CGT) that could impact the securitisation approach taken, and when to seek specialist advice.

Candidates will be awarded a Statement of Attainment for the following unit from the *Diploma of Financial Services*, FNS50107

- FNSCOMP501B *Comply with financial services legislation, industry and professional codes of practice*

TOPIC 7:

Rating Agency Considerations

- Discuss the role of rating agencies and the analysis they undertake, both initially and as ongoing surveillance of progress
- Determine the impact of rating agency analysis on securitisation decision-making by examining examples of the risk analysis undertaken and credit role
- Discuss how rating agencies evaluate securitisation finance characteristics, risk factors, structure and necessary credit enhancements to control these risks, and how these are communicated to stakeholders
- RMBS analytical approach
- Determining the level of credit enhancement

Candidates will be awarded a Statement of Attainment for the following unit from the *Diploma of Financial Services, FNS50107*

- FNSRISK501B *Undertake risk identification*

TOPIC 8:

Pricing a New Issue

- Explain the funding-related benefits of securitisation and their role in pricing decisions.
- Discuss the role of a collateral model in determining weighted average life and its impact on pricing new securitisation issues for investors.
- Discuss the different types of investors and their respective 'margin curves' and pricing considerations.
- Describe the pricing procedure for these instruments, including the 'bookbuild' or syndication process, and how it is recorded.

Candidates will be awarded a Statement of Attainment for the following unit from the *Diploma of Financial Services, FNS50107*

- FNSFMKT601B *Price financial transactions*

TOPIC 9:

Investor Issues

- Describe the investment considerations made for portfolios of fixed income assets
- Discuss the impact that investor supply and demand has on pricing with reference to the Medallion Trust case study
- Describe the exposure constraints and concurrent risk profiles that exist for investors in this area
- Discuss the required credit and liquidity characteristics of these instruments to obviate investor constraints by limiting the risk probabilities identified
- Assess the specific credit limit and cash flow risk concerns unique to these instruments
- Identify the reporting and performance requirements of investors in this space.

Candidates will be awarded a Statement of Attainment for the following units from the *Diploma of Financial Services, FNS50107*

- FNSICPRO403B *Tailor a product/service to meet customer needs*
- FNSFMKT503B *Advise clients on financial risk*

Participants undertaking the Securitisation Professionals Program to gain a *Diploma of Financial Services FNS50107*, will need to undertake:

1. Self-Study of the ASF

Securitisation Professionals Manual

Participants will be provided with the course material prior to commencing the intensive two day workshop so as to introduce participants to the key issues discussed within the program at the theory, or awareness level. Review questions are provided at the end of each chapter so that participants can test their understanding. Completion of the course activities will prepare participants for completing the first step of the assessment – the online knowledge exam.

2. An online multiple-choice knowledge exam

This exam consists of 40 multiple choice questions and constitutes 30% of the participant's overall mark. ASF recommends that participants attempt the exam before attending the workshop. Because the workshop focuses on the application of the theory discussed, having successfully demonstrated that participants understand the theory will give them a head-start on their workshop participation. This however is not compulsory. The exam only must be passed before a Diploma will be conferred. Each participant has 2 attempts at this exam with their registration.

3. Participation in the two-day workshop and related activities

The workshop is a compulsory two-day intensive, in which presenters for each topic relate the issues raised in the manual to a given case study. The emphasis of the workshop is very much a hands-on, applied experience,

which makes it a cornerstone of the program. Participants will have the opportunity to ask questions to both clarify and extend their understanding.

4. Preparation of a final recommendation report and audio recording

Participants must submit a final report based on a given scenario and an audio recording relating to that final report. This assessment constitutes 70% of the participant's overall mark. Participants must submit the final report and audio recording within three weeks of completing the workshop.

5. Completion of the industry core units

The industry core units are general units that are common in a number of different workplace contexts. These are assessed via the completion of workplace skills forms. Participants will be required to provide evidence based upon their organisation's internal procedures (for example, evidence that the participant completed an OH&S induction when one commenced employment).

Other means of completing the program

There are four (4) alternative pathways by which participants can achieve this qualification:

1. Recognition of Prior Learning (RPL)

Experienced candidates may be eligible to demonstrate their competence and expertise through Recognition of Prior Learning (RPL) for up to 50% of the qualification.

Applicants are required to compile a portfolio of evidence that demonstrates they possess the knowledge and skills they would otherwise achieve through a formal training program.

2. Assessment (incorporating individual assessment) only

ASIC Regulatory Guide 105 recognises individual assessment as an option (option 2) whereby financial markets participants can meet the training and assessment requirements for this regulatory guidance.

To be eligible for an individual assessment, candidates must have at least five years out of the past eight years relevant experience in a role that enables them to meet the responsibilities and requirements of their current role.

Assessment only is conducted by an authorised assessor and involves the candidate compiling evidence to substantiate their experience, and submitting this with the assessment to demonstrate they have the necessary knowledge and skills.

3. Recognition of qualifications

Participants may be able to obtain advanced standing into the *Securitisation Professionals Program* using Statements of Attainment achieved at other Registered Training Organisations.

4. Completion via partial previous study of the ASF Introduction to Securitisation Program

Prior to 2007, the ASF had not mapped the modules of the *Securitisation Professionals Program* to the *Diploma of Financial Services FNS50107*. The workshop was offered as a two-day intensive 'Introduction to Securitisation' with a non-compulsory assessment offered upon its completion.

Participants that have previously completed this workshop however did not complete the assessment can progress straight through to the assessment only option. However, participants must complete an audio recording in lieu of the workshop presentation. The ASF also recommends that participants purchase the updated course material as these have been revised and new and examinable content has been added. This will require some additional self-study in order to be successful.

If participants have successfully completed all of the voluntary assessment in the past, they need only complete the audio recording component of the assignment, as this satisfied the skills element of the Diploma. Participants may base their recording on the original assignment submitted (which must be re-submitted for reference, not re-marking). Again, the ASF recommends that participants purchase the notes, as the content has been updated and participants will be examined on the content of the current program. Again, this will require some additional self-study in order to be successful.

For further information on these options please contact ASF Education & Training on Tel: (02) 9776 7914.



Registration form

ASF Securitisation Professionals Program

Personal details

Dr Mr Mrs Ms Miss

Name _____ Surname _____

Position _____

Company Name _____

Address _____

City _____ State _____ Postcode _____

Country _____

Telephone _____ Mobile _____

Fax _____ Email _____

Workshop dates

Please refer to www.securitisation.com.au for latest workshop dates.

Preferred date: _____

Diploma Registration fees (workshop & assessment)

(exempt from GST)

- Non-member fee \$1700.00
- ASF Member fee \$1500.00

Non-Diploma Registration fees

- Non-member fee \$1300.00 + 130.00 GST = \$1430.00
- ASF Member fee \$1100.00 + \$110.00 GST = \$1210.00

REGISTRATION FEE includes course notes, light lunch and refreshments.

Method of payment

Attach cheque made payable to ASF or provide credit card details below:

Bankcard Visa Mastercard American Express Diners Club

Cardholders Name _____

Total Amount \$ _____

Card Number _____ Expiry Date _____

Signature _____

Please indicate if you do not wish to receive further information regarding ASF Education & Training activities.

4 easy ways to register

Tel Client Services
+ 61 2 9776 7914

Fax + 61 2 9776 4488

Email ASFeducation@securitisation.com.au

Mail Education & Training
GPO Box 3655 Sydney NSW 2001

Terms and conditions

Payment terms

- ASF invoices are issued upon enrolment and are payable within 14 days of being issued.
- Full payment is required at the time of registration from non-member organisations.

Cancellation and transfers

- To obtain a full refund, delegates must notify ASF in writing at least 10 working days prior to the program start date that they wish to transfer to an alternate program, or cancel.
- Delegates who transfer or cancel from a program inside 10 working days from the program start date are liable for the full program fee. No refunds will be given in this instance.
- Substitutions can be made, with prior notification to ASF, at any time up to the program start date with no penalty

Non attendance

- If a delegate fails to attend a program, program fees will not be refunded or allocated to another program.

General

- ASF reserves the right to cancel, postpone or re-schedule programs due to low enrolments or unforeseen circumstances. Full refunds or transfers will be given in this instance.
- ASF is not liable for any costs incurred by the attendee if the program is cancelled or postponed.
- ASF reserves the right to change course fees, dates, content, speakers or method of presentation at its discretion.
- The information in this brochure was correct at the time of publication but may be subject to change.

Privacy

All personal information collected by ASF is protected by the Privacy Act, 1988. Information collected on this enrolment form is for the purposes of processing registrations and creating and maintaining student records. Information will not be disclosed to third parties except where authorised or required by law. Please forward any enquiries you may have in relation to privacy to ASFeducation@securitisation.com.au

