



CHARTERED INSTITUTE FOR
SECURITIES & INVESTMENT

GLOBAL OPERATIONS MANAGEMENT

EXAMINABLE FROM DECEMBER 2008

It is suggested that students do NOT attempt this paper unless they have relevant practitioner experience and training or exposure to an operations environment.

AIM

To assess students' understanding of operations and settlement procedures in order to service effectively the operations and settlement needs of a firm and its clients. Students are required to keep up-to-date with current developments and should be able to demonstrate this awareness clearly and concisely.

OBJECTIVES

To assess students' ability to:

- i) demonstrate an understanding of the UK and other major markets' regulatory frameworks, market and dealing environment in which they operate and the concept of risk and risk control;
- ii) understand all aspects of UK and international operations and settlements;
- iii) demonstrate an awareness of the various settlement systems and services available.

ASSESSMENT STRUCTURE

A 3-hour paper divided into three sections:

SECTION A: A number of short answer compulsory questions. This section will carry 25% of the marks.

SECTION B: One compulsory case study question which will test students' ability to deal with a number of related problems arising from a scenario. In this section students will focus on a range of operational, risk and regulatory issues and will need to demonstrate a practical ability to address the problems and issues arising. This section will carry 35% of the marks.

SECTION C: Two questions selected from a choice of 5. These questions will be either discursive or draw upon specific technical areas of expertise which will include topical issues. They may require students to write short reports, memoranda or letters. Students' ability to communicate clearly and concisely will form an element of the assessment. This section will carry 40% of the marks.



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KNOWLEDGE LEVEL EXPLANATIONS

In this syllabus knowledge levels are stated to give an indication of the depth to which each topic should be studied and should be interpreted as follows:

General Knowledge:

A general knowledge and understanding sufficient for intelligent comment and the solution of straightforward problems. (G)

Detailed Knowledge:

A thorough knowledge and a substantial understanding permitting detailed comment and the solution of problems of a complex nature. (D)

1. INSTRUMENTS AND CHARACTERISTICS

Equities D

UK
International
Depository Receipts

Fixed Income D

Types of Issuers
Bond Ratings and agencies
Coupon characteristics and interest and yield calculations

Funds D

UK Fund vehicles
EU Fund vehicles
US Fund vehicles
Offshore Funds and Hedge Funds
Trust and Corporate Structures
Fund Administration and NAV process

Money Market G

Central Bank and Government operations
Securitised Financing plus CDs and Asset Backed Commercial Paper
Bank deposits
Foreign exchange (spot and forward)



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Financial Derivatives

D

Futures
Options
Securities synthetics
Swaps
Exchange Traded and OTC products

2. TRADING

G

Candidates should be familiar with all aspects of the trade cycle from order through to confirmation.

Knowledge of the rules and characteristics of major exchanges in UK, Europe, US and Far East.

Knowledge of the major considerations in off exchange trading.

Principal trading
Agency Trading

OTC and Exchange Trading

3. SETTLEMENT AND CLEARANCE

D

Candidates should be able to show detailed knowledge of the processes involved in the Settlement of instruments previously identified within the syllabus, specifically including:

Delivery Versus Payment
Free Of Payment
Equity financing
Margin settlement
Settlement of cash products

In–depth knowledge will be required of settlement within, and where applicable between, the major Domestic and International CSDs

Candidates should be aware of the roles fulfilled by and the rules relating to:

Central Stock Depositories
Central Counterparties
Recognised Investment Exchanges
Settlement Discipline regimes operated in major markets



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4. REGULATION AND COMPLIANCE

UK Regulatory Framework **D**

EU Legislation **G**

Other Major Regulatory bodies **G**

International Governanace Bodies and Working Parties

5. RISKS & CONTROLS **D**

Operational Risk

Other types of risk

Risk Control **D**

Contingency and Disaster Recovery

Audit **D**

Process Management

IT and Systems Development **G**

6. ASSET SERVICING & CUSTODY

Income Collection **D**

Corporate Actions **D**

Corporate Governance/Proxy Voting **G**

Withholding andOther Transactional

Taxes **G**

Custody **G**

Stocklending

Cash Management