

**SKILLS FRAMEWORK FOR FINANCIAL SERVICES
TECHNICAL SKILLS AND COMPETENCIES (TSC) REFERENCE DOCUMENT**

TSC Category	Investment and Financial Management					
TSC	Collateral Management					
TSC Description	Reduce risk by reviewing collateral documentation for completeness and validity, performing collateral valuation and margin call calculations and resolving reconciliation breaks					
TSC Proficiency Description	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
			FSE-FIN-3022-1.1	FSE-FIN-4022-1.1	FSE-FIN-5022-1.1	
			Collect and assess collateral documentations for record keeping and compliance to regulations and internal control, and monitor settlement of margin requirements	Perform valuation of collateral to ensure parties meet the minimum margin requirements, and resolve reconciliation breaks	Ensure acceptability of new collateral and minimum margin requirements while managing risks relating to reconciliation breaks	
Knowledge			<ul style="list-style-type: none"> Collateral assessment process Collateral life cycle Key activities for various stages of the life cycle Margin call calculation Collateral reconciliations and resolve breaks Principles of financial and/or management reporting and internal controls 	<ul style="list-style-type: none"> Collateral valuation Margin call calculations Collateral agreement terms Approaches for resolution of reconciliation breaks Tools and Information Technology (IT) systems for generating exception reports 	<ul style="list-style-type: none"> Maintenance margin requirements Acceptability of collaterals Setting of margin requirements Laws and regulations including international guidelines Investigative methods to determine root causes of exceptions and breaks 	
Abilities			<ul style="list-style-type: none"> Assess collateral counterparties using external ratings and internal organisational guidelines Review validity and completeness of collateral documentation for the relevant products at various stages of the collateral life cycle Calculate average price, price allocation, variation margin and initial margin 	<ul style="list-style-type: none"> Perform valuation of collateral and margin call calculations Issue the margin calls in an accurate manner to the respective parties Ensure collateral agreement terms reflect the appetite for counterparty risk and limits Ensure portfolios are checked, valued and reconciled on a regular basis to ensure collateral 	<ul style="list-style-type: none"> Advise credit team, risk team or relevant stakeholders on relevant laws and regulations and international guidelines Ensure acceptability based on organisational risk management perspective before accepting new collateral Determine minimum maintenance margin requirements for strategic alignment 	

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			<p>where applicable for the various types of collateral</p> <ul style="list-style-type: none"> • Gather responses from, counterparties or other relevant parties to ensure timely and appropriate settlement of margin requirements • Perform relevant collateral reconciliations • Resolve breaks to manage the associated risks • Conduct checking, valuing and reconciliation of portfolios • Identify portfolio exceptions and breaks to conduct resolution activities • Identify relevant general ledger and sub-ledger accounts used in product accounting for key transactions • Recognise triggers that are used for monitoring and escalating unreconciled items and exceptions and/or breaks 	<p>management data is current and valid</p> <ul style="list-style-type: none"> • Determine triggers for identifying exceptions • Prioritise the resolution and assess their impact to the business • Prepare collateral-related control and management reports and escalate exceptions for corrective actions • Perform relevant collateral reconciliations and resolve breaks to manage the associated risks • Articulate identification of differences in valuation methods • Identify common issues in the reports and provide appropriate commentary explaining impacts and causes 	<ul style="list-style-type: none"> • Endorse corrective actions for detected exceptions • Develop investigation approaches and corrective actions for collateral exceptions/breaks and unresolved disputes • Determine service level agreement with stakeholders for corrective actions to address reconciliation breaks relating to collateral • Formulate plans to resolve disputes relating to reconciliation and reporting collateral exceptions/breaks 	
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