

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

|                                    |  |                |  |   |  |                |
|------------------------------------|--|----------------|--|---|--|----------------|
| <b>TSC Category</b>                | Investment and Financial Management  |                |  |   |  |                |
| <b>TSC</b>                         | Price Verification and Profit Analysis   |                |  |   |  |                |
| <b>TSC Description</b>             | Perform independent price verification by using mark-to-market methodology to verify front office positions and adjust profit and loss reports to reserve for valuation adjustments. |                |  |   |  |                |
| <b>TSC Proficiency Description</b> | <b>Level 1</b>   | <b>Level 2</b> | <b>Level 3</b>   | <b>Level 4</b>  | <b>Level 5</b>   | <b>Level 6</b> |
|                                    |  |                | <b>FSE-MAC-3010-1.1</b>  | <b>FSE-MAC-4010-1.1</b>   | <b>FSE-MAC-5010-1.1</b>  |                |
|                                    |  |                | Perform profit and loss analyses on product portfolios and validate trade bookings   | Review trading activities and independent pricing for discrepancies, and make value adjustments where required  | Establish frameworks and guidelines for price verification and profit analysis procedures  |                |
| <b>Knowledge</b>                   |  |                | <ul style="list-style-type: none"> <li>• Calculation and accounting policies</li> <li>• Profit and loss analysis</li> <li>• Symptoms and patterns of unauthorised trade activity</li> <li>• Trade validation and verification processes</li> <li>• Mark-to-market methodology for price verification</li> </ul>  | <ul style="list-style-type: none"> <li>• Features, characteristics, risks, operational considerations and pricing and valuation methodologies of financial market products</li> <li>• Mark-to-market methodology for price verification</li> <li>• Valuation model limitations</li> <li>• Liquidity and bid order quote techniques</li> <li>• Symptoms and patterns of unauthorised trade activities</li> </ul> | <ul style="list-style-type: none"> <li>• Assumptions for price verification and profit analysis</li> <li>• Symptoms of improper market conduct and unusual trade activities</li> <li>• Price verification methods</li> <li>• Profit and loss analysis frameworks</li> </ul>  |                |
| <b>Abilities</b>                   |  |                | <ul style="list-style-type: none"> <li>• Validate trade bookings to ensure financial market products are recorded in accordance with calculation and accounting policies</li> <li>• Calculate profit and loss positions of product portfolios</li> <li>• Perform mark-to-market profit analysis of product portfolios to realise extent of profit or loss</li> </ul> | <ul style="list-style-type: none"> <li>• Review trading activities and variance analysis of performance against business unit strategies and plans</li> <li>• Verify the reasonability of rates used for trade booking and reporting</li> <li>• Review identified unusual transactions and escalate for further investigation</li> </ul>  | <ul style="list-style-type: none"> <li>• Establish a priority list of preferred sources of data and assumptions for price verification and profit analysis processes</li> <li>• Establish procedures for unusual transactions to ensure timely resolution and/or escalation to mitigate operational and reputational risk</li> <li>• Establish procedures and guidelines for conducting</li> </ul> |                |

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|  |  |  | <p>over the statement period</p> <ul style="list-style-type: none"> <li>• Monitor trade bookings for large and unusual transactions</li> <li>• Perform independent price verification by using mark-to-market methodology to verify front office positions</li> </ul> | <ul style="list-style-type: none"> <li>• Adjust profit and loss reports to reserve for value adjustments</li> <li>• Resolve discrepancies in front office positions and profit and loss reports</li> <li>• Validate the quality of data used for price testing in trade completion processes</li> </ul> | <p>price verification and profit analysis</p> <ul style="list-style-type: none"> <li>• Define profit and loss analysis frameworks appropriate for the organisation's valuation and reporting needs</li> </ul> |  |
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