

**SKILLS FRAMEWORK FOR SEA TRANSPORT  
TECHNICAL SKILLS AND COMPETENCIES (TSC) REFERENCE DOCUMENT**

<b>TSC Category</b>	Business Finance					
<b>TSC</b>	Credit Risk Management					
<b>TSC Description</b>	Establish the organisation's financial and credit policies to assess the organisation's credit risk exposure					
<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>STP-BFN-3004-1.1</b>	<b>STP-BFN-4004-1.1</b>	<b>STP-BFN-5004-1.1</b>	
			Prepare credit risk reports by compiling data from financial statements, make inputs to credit risk scorecards, and assess collection patterns of deliverables	Manage credit and treasury operations by analysing local and international finance environments, evaluating methods for managing credit and foreign exchange and implementing, monitoring and evaluating foreign exchange and credit policies for granting credit facilities	Develop and establish financial, credit and treasury management policies and systems by determining the organisation's financial needs and establishing and refining finance systems and controls	
<b>Knowledge</b>			<ul style="list-style-type: none"> <li>• Key accounting concepts and credit data applicable to a borrower's financial statements</li> <li>• Reasons for borrowing and types of credit financing required</li> <li>• Factors that influence the financial requirements of borrowers</li> <li>• Risk drivers that impact the development of a credit risk scorecard</li> <li>• Purpose and derivation of credit ratings by credit agencies</li> <li>• Types of credit events</li> <li>• Types of credit scoring techniques</li> <li>• Types of information in a credit risk report</li> </ul>	<ul style="list-style-type: none"> <li>• Cash flow projections and their impact on credit facilities</li> <li>• Considerations in using credit forms to collect financial information about the borrower</li> <li>• Role of credit rating agencies</li> <li>• Considerations in using credit ratings and credit risk scorecards to assess the borrower's credit risk and worthiness</li> <li>• Types of credit scoring techniques</li> <li>• Credit policies and controls to help monitor and manage credit facilities</li> <li>• Considerations in managing credit events</li> </ul>	<ul style="list-style-type: none"> <li>• Principles and objectives of credit policies</li> <li>• Principles and objectives of financial management policies</li> <li>• Principles and objectives of treasury management policies</li> <li>• Control activities within each financial process</li> <li>• Organisational financial policies</li> <li>• Best practices in finance, credit and treasury management policies</li> </ul>	

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			<ul style="list-style-type: none"> <li>• Types of credit administration practices and their impact on risk management</li> <li>• Information required for reporting as provided by credit risk report</li> </ul>	<p>such as defaults and bankruptcy</p> <ul style="list-style-type: none"> <li>• Credit terms and aging of accounts receivables</li> <li>• International cash and liquidity management context within the organisation and the role of the treasury function</li> <li>• Equity and debt financing and their impact on the organisation's financing needs</li> <li>• Workings of foreign exchange market and impact of currency movements on the organisation's finances</li> <li>• Hedging concept and its role in risk management within the treasury function</li> <li>• Standard operating procedures for granting credit facilities</li> </ul>		
<b>Abilities</b>			<ul style="list-style-type: none"> <li>• Compile credit data from financial statements to facilitate preparation of credit risk reports</li> <li>• Input relevant information into credit risk scorecards</li> <li>• Assess the credit worthiness of individuals, organisations and/or investments opportunities which require credit financing</li> <li>• Evaluate the efficiency of receivables collection patterns in accordance</li> </ul>	<ul style="list-style-type: none"> <li>• Analyse local and international finance environments</li> <li>• Determine the impact of the finance environment on organisational financial strategies and credit policies</li> <li>• Evaluate methods for managing credit and foreign exchange</li> <li>• Implement and manage foreign exchange exposure and credit policies to reduce risks</li> </ul>	<ul style="list-style-type: none"> <li>• Determine organisation's short- and long-term financial needs</li> <li>• Establish finance and credit systems to ensure standardisation within the organisation</li> <li>• Develop and establish financial controls to safeguard the organisation's financial position</li> <li>• Develop policies to ensure consistency across business units</li> </ul>	

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			<p>with organisational procedures</p> <ul style="list-style-type: none"> <li>• Submit credit risk reports to management for approval</li> </ul>	<p>and maximise returns for the organisation</p> <ul style="list-style-type: none"> <li>• Monitor and evaluate effectiveness of foreign exchange and credit policies in managing organisation's finances to attain optimal financial risk levels</li> <li>• Grant credit facilities in consultation with immediate supervisors and in accordance with the organisation's credit policies</li> </ul>	<ul style="list-style-type: none"> <li>• Align policies with organisational strategies, organisational goals and financial plans</li> <li>• Review results of evaluations and recommend refinements to ensure consistency of financial, credit and treasury management policies and systems within the organisation</li> </ul>	
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