



What is FSI Connect?

A web-based information and learning tool for bank supervisors

- **Comprehensive and interactive content**
 - **Extensive coverage** – wide variety of banking supervision topics
 - **Dynamic content** – frequent course additions and updates
 - **Interactive learning** – graphics, examples, case studies, evaluations, forum
- **Flexibility**
 - **Adaptable usage** – as a structured learning resource or a simple reference
 - **Self-paced learning** – based on individual needs and circumstances
 - **Ready access** – through Internet or CD ROM



How is FSI Connect used?

- **A tool that can be used in combination with other forms of training**
- **Examples:**
 - Pre-requisite for face-to-face training (Federal Reserve)
 - Integrated component of internal training (MAS, APRA)
 - Seminar support (FSI)

What courses are available in FSI Connect?

	Capital and Basel	Credit Risk	Market Risk	Operational Risk
Fundamental	Bank Capital Basel I Basel I – Case Study Basel II – An Overview Basel II – Scope of Application Basel II – Pillar 2 – Supervisory Re Basel II – Pillar 3 – Market Disciplin Basel II – Pillar 3 – Market Disciplin Basel II – Operational Risk – BIA & Regulation of Market Risk – An Intr	Credit Risk in the Loan Portfolio The Credit Risk Environment Credit Granting & Administrator Credit Analysis Accounts Receivable & Inventor Country Risk Claims on Sovereigns & Govern Claims on Banks & Securities FI Commercial Loans Agricultural Loans Retail Credit Real Estate Loans Trade Finance Loan Grading Supervisory Credit Classification Loan Loss Provisioning – An Int Managing Problem Loans	Equities – An Introduction Bonds – An Introduction Bonds Pricing and Yield to Matu Commodities – An Introduction Interest Calculations & Compou Present Value, Future Value & I NPV, IRR & Reinvestment Risk Duration & Convexity Math – Differentiation & Integral Forwards – An Introduction Futures – An Introduction Options – An Introduction Swaps – An Introduction VAR – An Introduction Regulation of Market Risk – An	Operational Risk – An Introduction Operational Risk Management – Sound Practices Operational Risk Case Study Basel II – Operational Risk – BIA & SA
	Basel II – An Introduction to Cross-Implementation Basel II – Practical Considerations Implementation Credit Risk Components* External Credit Risk Assessments* Basel II – SA – External Credit Risk Basel II – SA – Risk Weight Frame Basel II – Simplified Standardized / Basel II – Overview of Credit Risk M Basel II – IRB – An Introduction Basel II – Interest Rate in the Bank Basel II – Credit Risk Mitigation – C Credit Derivatives Basel II – Credit Risk Mitigation – C Netting Basel II – Introduction to Superviso Regulation of Market Risk – Stand:	Fundamental Intermediate Advanced	Fundamental Intermediate Advanced	Basel II – Operational Risk – AMA
Intermediate	Basel II – Stress Testing <input type="checkbox"/> Basel II – Credit Risk Mitigation un Basel II – IRB – Overview of Minim Basel II – IRB for Corporates, Bank Basel II – IRB for Retail <input type="checkbox"/> Basel II – IRB for Specialized Lend Basel II – IRB for Equity <input type="checkbox"/> Basel II – IRB for Purchased Receivables Basel II – IRB – Underlying Math and Theory <input checked="" type="checkbox"/> Basel II – Securitization – Operational Requirements <input checked="" type="checkbox"/> Basel II – Securitization <input type="checkbox"/> Economic Capital & RAROC – An Introduction Economic Capital & RAROC – Approaches and Allocation Basel II – Operational Risk – AMA* Banks' Internal Rating Systems <input type="checkbox"/> Regulation of Market Risk – Internal Models Approach* Securitization – Special Features <input type="checkbox"/>	Credit Risk Components External Credit Risk Assessment Credit Derivatives – An Introduc Credit Derivatives – Types Credit Derivatives – Uses & App Credit Derivatives – Pricing Met Securitization – Fundamentals Securitization – Asset-backed S Securitization – Mortgage-backe Loan Loss Provisioning – Metho Loan Loss Provisioning – Types	Volatility Probability & Expected Return Distributions & Confidence Leve Bond Strategies – Fundamental Forwards – Pricing & Contract V Futures – Hedging Futures – Examples of Hedges Futures – Trading Futures – Arbitrage Options – Pricing Models Options – The Binomial Option I Options – Introduction to Option Swaps – Interest Rate Swap Pri Swaps – Interest Rate Swap Va Swaps – Currency Swap Pricing Regulation of Market Risk – Sta	Other Topics Anti-Money Laundering <input type="checkbox"/> Bank Accounting – An Introduction <input type="checkbox"/> Bank Licensing <input type="checkbox"/> Banks and Bank Risks Core Principles for Effective Banking Supervision <input type="checkbox"/> Core Principles – Assessment Process <input type="checkbox"/> Corporate Governance <input type="checkbox"/> Internal Audit <input type="checkbox"/> Problem Banks – An Introduction <input checked="" type="checkbox"/> Problem Bank Identification – Risk Assessment Systems <input checked="" type="checkbox"/> Problem Bank Resolution <input type="checkbox"/> Stress Testing – An Introduction <input type="checkbox"/> Supervision of Financial Groups <input checked="" type="checkbox"/>
Advanced	Basel II – Credit Risk Modeling – An Intro Credit Risk Modeling – CreditMe Credit Risk Modeling – CreditRis Credit Risk Modeling – KMV & C Models	Credit Risk Modeling – An Intro Credit Risk Modeling – CreditMe Credit Risk Modeling – CreditRis Credit Risk Modeling – KMV & C Models	Options – Trading Strategies Options – Exotic Options VAR – Variance-Covariance App VAR – Monte Carlo Simulation VAR – Historical Simulation & Ot Regulation of Market Risk – Inter Approach	

•102 tutorials
•116 hours



New tutorials for payment systems

- Designed for **supervisors** and staff from **payment system** departments in central banks – introductory level
- **Advanced tutorials** for payment system experts
- Based on the experience of the **CPSS (Committee on Payment and Settlement Systems)** central banks and CPSS reports
- **Flexible** and **cost effective**
- First tutorials available Q4 2006



Committee on Payment and Settlement Systems

- Sets standards for payment and securities settlement systems
 - **Core Principles for SIPS** (2001)
 - **Recommendations for SSSs** (2003)
 - **Recommendations for CCPs** (2004)
 - Central bank **oversight** of payment and settlement systems (2005)
- Analyses developments in payment and settlement systems (reports)
- Statistics for CPSS countries (Red Books)
- Other countries Red Books



Tutorials on payment systems: scope (1/2)

- **Design and operations** of different types of payment systems
 - **large-value** payment systems
 - **retail** payment systems
 - **domestic** and **international** payments
 - **securities settlement** systems (SSSs) and **central counterparties** (CCPs)



Tutorials on payment systems: scope (2/2)

- **Liquidity** and liquidity management
- **Risks** and risk management
- Payment systems **oversight**
- **Developments** in payment and settlement systems



Why do public authorities get involved in payment systems?

- Safe and efficient **circulation of money** in the economy
- Important for **financial stability**
- **Monetary policy** implementation
- Payment system **overseers** and **supervisory authorities** have common goal



Who uses FSI Connect?

- Status





Payment Systems - An Introduction



Start

ORIENTATE >>

>> **COMMUNICATE**

Resume Study

- Objectives ●
- Introduction ●
- Knowledge Check ●

- Topic 1: Payment Systems
- Topic 2: Why Payment Systems Matter
- Topic 3: Payment Systems and the Public Sector
- Summary

Help

Glossary

>>> **EVALUATE**

- Test Yourself ●
- Talk To Us ●



- Topic 1
- Topic 2
- Topic 3
- Summary

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Forms of Money

In the payment process money may take different forms. The history of payments and payment systems has been driven by the pressures to facilitate the execution of transactions.

As a result, the barter economy has been replaced by the monetary economy and subsequently '[commodity money](#)', such as gold, has been abandoned in favour of '[fiat money](#)' 'fiat money'.

While commodity-based money is international by its nature, in the world of fiat money, it is important to preserve two conditions: confidence in the currency and singleness of the currency (One dollar is one dollar regardless of whose liability it is).

The confidence in and the singleness of the domestic currency mainly depends on the overall economic conditions in the respective country and the soundness of the financial (and, in particular, the banking) system. In addition, the central banks need a payment system which is able to support the confidence in the national currency and its singleness.



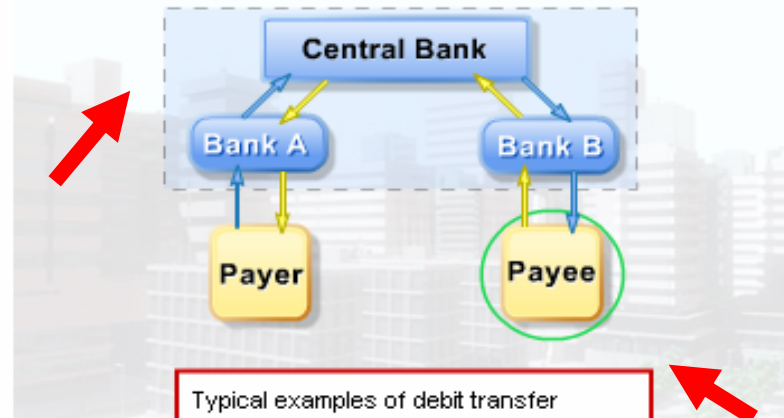
- Topic 1
- Topic 2
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Credit and Debit Transfers

The Payment Process



Typical examples of debit transfer systems are check-based systems, direct debit systems and debit card payments.

The Payee deposits a request for payment (e.g. checks). Debit collection documents (e.g. checks) move from the Payee's bank to the Payer's bank and result in a debit to the Payer's account (the funds are pulled out from its account).

Click Next for more.

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Question 4 of 8

Which of the following is the correct definition of a settlement institution in an interbank payment system?

A settlement institution is:

- the institution responsible for transmitting, reconciling and confirming payment orders and establishing the final positions for settlement
- the institution across whose books transfers between participants take place in order to achieve settlement within a settlement system
- the institution which sends payment instructions to the interbank payment system

Select your answer, then click Submit.

Submit

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