



FRTB (Fundamental Review of the Trading Book) Basel IV Market Risk | Bahasa Indonesia OJK Deadline: Jan-2023

Delivery Language Bahasa Indonesia	Duration 1 Days	Fee (incl. VAT) 4.5mio IDR / pax (min. 10 pax)
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Suitable For

- Junior (0-4 years of experience)
- Mid-level (5-10 years of experience)
- This training is eligible for CPD (Continuing Professional Development) credits of certifications (e.g. FRM) issued by GARP (Global Association of Risk Professionals)

Summary

This training will teach participants over the new Basel 4 standards for Market Risk, which is based on the Fundamental Review of the Trading Book Framework (FRTB) framework. Due to the more quantitative nature of the standards/regulations compared to the previous standards (Basel 2 or 3) for Market Risk, this training is also recommended to be joined by senior management to understand the large change in the details that would require IT/infrastructure strategy/commitments. In this 1-day training, participants will be introduced to the important building blocks and key points of the new FRTB Market Risk regulations under the Standardized Approach (SA), which is the standards adopted by OJK.

Why should your team join this training?

1. OJK still committed to the Basel 4 implementation on January 2023 (<https://bit.ly/351509M>), in which this includes FRTB framework as the new methodology of market risk component's risk-weighted asset calculation (ATMR).
2. The magnitude and urgency of this topic is bigger, as this is directly related to banking minimum regulatory capital development. The presentation is already adjusted to the method that OJK presented in their Consultative Paper (SA-FRTB) and will be given in Bahasa Indonesia (including PDF materials), to avoid lost-in-translation. The FRTB implementation in Europe has been done for at least 5 years now, in which the trainer has hands-on knowledge on FRTB projects, systems, and reporting. So, participants can also expect first-hand FRTB-implementation experience and case study in this training.
3. FRTB concepts and implementation themselves are not easy, and from previously delivered trainings to local banks in Jakarta, it is still difficult for market risk professionals to fully grasp the concepts. This training will give your team guidance / road map on how to implement FRTB in the next 24-36 months project given the tight deadline in 2023, which will be very useful given the quantitative-heavy subject compared to previous standards (Basel 2 & Basel 3)

This training will be brought by expert who has extensive (10+ years) experience in European banking sectors, with stakeholders from various level and domains, e.g. trading and quants, to give training audience perspectives from multiple dimension within a bank.

OJK's related CP: <https://www.ojk.go.id/id/kanal/perbankan/implementasi-basel/Documents/Pages/Consultative-Papers/CP%20Persyaratan%20Modal%20Minimum%20Untuk%20Risiko%20Pasar.pdf>

Basel's original document: <https://www.bis.org/bcbs/publ/d457.htm>

Syllabus

Day	Module	Details
1	Basel 4 / FRTB Overview	In this overview, training audience will be presented with the key points or raison d'être of Basel 4/FRTB. In top-level, FRTB standardized approach consists of 3 large components: sensitivity-based method, default risk charge (DRC), and residual risk add-on (RRAO).
1	Sensitivity-Based Method (SA)	Basel 4/FRTB focuses on risk sensitivities information as basis of the minimum capital requirement calculation for market risk component. This module will discuss sensitivity-based guidelines, along with components that are relevant for Indonesian market.
1	DRC: Default Risk Charge (SA)	While FRTB main scope is trading desk exposures, DRC component is the framework attempt to address credit risk issue (e.g. extreme migration risk event) on trading desk products (e.g. bonds). Comparison to new Basel's credit risk item (e.g. CVA) will also be explained in this module.
1	RRAO: Residual Risk Add-On (SA)	FRTB framework also addresses residual risk specifically by defining risk add-on, for risks not addressed by the sensitivity-based nor DRC components. Together with some product examples in the Indonesian market, this module will explain what kind of risks addressed under RRAO with relevant risk-weight treatment.
1	Implementation Challenges and Beyond FRTB	The data set requirements for the new market risk framework under FRTB will require banks to adapt their IT infrastructure and operations process, in addition to product development strategy. The challenges of such implementation would need to take into account various perspectives within the bank, including upcoming trends beyond FRTB (including development in artificial intelligence and machine learning), which will be presented in this module.