COLLATERAL AND REPO TRANSACTIONS



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Introduction

Collateral and Repo Transactions Training Course builds the treasury and secured funding capability that finance professionals need in markets where credit appetite is conditional. Repo and collateral arrangements move trillions daily, funding bank balance sheets and corporate liquidity through secured borrowing. They also carry legal, operational, and valuation risks that unsecured lending does not. A haircut miscalculated or a margin call missed converts a routine funding trade into a loss. This course develops the analytical and operational discipline that prevents those outcomes. It covers repo mechanics, collateral valuation, documentation, and risk. As a result, participants transact secured funding with confidence and control.

Collateral and Repo Transactions Course Objectives

- Explain repo structures, mechanics, and their role in funding markets.
- Distinguish repo, reverse repo, buy-sell back, and securities lending.
- Apply collateral valuation, haircut calculation, and margin methodology.
- Apply margin call and substitution mechanics within transactions.
- Interpret the GMRA and other standard documentation frameworks.
- Apply legal opinions and enforceability requirements to repo trades.
- Assess counterparty credit exposure and netting effectiveness.
- Manage collateral operations and settlement workflows.
- Apply regulatory frameworks including SFTR and Basel treatment.
- Manage liquidity risk and contingency planning for secured funding.

Course Methodology

- Interactive lectures with real repo and collateral management cases.
- Collateral valuation and haircut calculation workshops.

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- Margin call and substitution scenario exercises.
- Documentation review and enforceability practice.
- Structured peer review with facilitator feedback on funding strategies.

Who Should Take This Course

- Treasury and funding professionals.
- Collateral management and settlement staff.
- Money market and rates desk professionals.
- Risk managers covering counterparty and liquidity risk.
- Legal and documentation specialists in secured finance.
- Internal auditors reviewing repo and collateral controls.

Collateral and Repo Transactions Course Outlines

Day 1: Repo Fundamentals and Market Structure

- Repo definition, mechanics, and economic purpose.
- Repo versus reverse repo and buy-sell back compared.
- Tri-party, bilateral, and cleared repo models.
- Repo market participants and their roles.
- Benchmark rates and repo pricing conventions.
- Securities lending and its relationship to repo.
- Case study: mapping a firm's use of repo for funding.

Day 2: Collateral Valuation and Haircuts

- Eligible collateral classes and criteria.

- Valuation methodologies for fixed income and equity collateral.
- Haircut calculation and drivers.
- Concentration limits and diversification policy.
- Cross-currency and cross-border collateral considerations.
- Collateral schedule construction and negotiation.
- Workshop: calculating haircuts and eligible collateral values.

Day 3: Margin Mechanics and Operations

- Initial and variation margin concepts.
- Margin call calculation, timing, and notification.
- Substitution, top-up, and release procedures.
- Tri-party agent responsibilities and reporting.
- Settlement workflows and fails management.
- Reconciliation of collateral positions and disputes.
- Workshop: processing a margin call and a substitution.

Day 4: Documentation, Legal, and Risk

- The Global Master Repurchase Agreement (GMRA) structure.
- Key clauses: events of default, close-out netting, and margin.
- Legal opinions, enforceability, and jurisdiction considerations.
- Counterparty credit exposure and netting benefits.
- Wrong-way risk and collateral correlation.
- Cross-product netting and master agreement architecture.
- Workshop: reviewing a GMRA margin clause.

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Day 5: Regulation, Liquidity, and Control

- SFTR reporting requirements and data fields.
- Basel treatment of repo and collateralised exposures.
- Liquidity coverage ratio treatment of repo positions.
- Contingency funding planning and secured funding capacity.
- Controls, reconciliations, and audit readiness.
- Market developments: central clearing and digital collateral.
- Course review, assessment, and action planning.

Conclusion

By successfully completing Collateral and Repo Transactions, participants will gain a thorough understanding of repo mechanics and market structure, collateral valuation and haircut methodology, margin mechanics and operations, documentation, legal and risk considerations, and regulatory and liquidity management. They will also acquire practical skills in repo structure and transaction mechanics, collateral valuation and haircut calculation, margin call and collateral operations management, and repo documentation, regulation and liquidity risk management. In addition, the course prepares them to manage secured funding with technical precision and operational control. Gentex Training Center delivers this programme with a strong focus on applied treasury practice and defensible risk decisions.

FAQs for Collateral and Repo Transactions course

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Q1 What is the "Collateral and Repo Transactions" course about?

It is a five-day programme on secured funding and collateral management. It covers repo structures and market participants, collateral valuation and haircuts, margin mechanics and operations, GMRA documentation and legal enforceability, counterparty risk, and regulatory and liquidity requirements.

Q2 What are the key benefits of the "Collateral and Repo Transactions" course?

Participants transact secured funding with fewer operational errors and clearer risk visibility. The course improves haircut and valuation discipline, sharpens margin call and substitution processing, strengthens documentation and enforceability understanding, improves counterparty exposure assessment, and prepares the function for regulatory reporting and audit.

Q3 What skills will I gain from the "Collateral and Repo Transactions" course?

Participants gain repo structure and transaction mechanics, collateral valuation and haircut calculation, margin call and collateral operations management, and repo documentation, regulation and liquidity risk management. These four skills cover the practical core of repo and collateral work.

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Q4 What tools, methods, or standards are covered in the "Collateral and Repo Transactions" course?

The course covers repo definition and mechanics, reverse repo and buy-sell back comparison, tri-party, bilateral and cleared repo models, repo market participants, benchmark rates and pricing conventions, securities lending, eligible collateral classes and criteria, fixed income and equity collateral valuation, haircut calculation and drivers, concentration limits and diversification policy, cross-currency and cross-border collateral, collateral schedule construction, initial and variation margin concepts, margin call calculation and notification, substitution, top-up and release procedures, tri-party agent responsibilities, settlement workflows and fails management, collateral position reconciliation, the Global Master Repurchase Agreement structure, events of default, close-out netting and margin clauses, legal opinions and enforceability, counterparty credit exposure and netting benefits, wrong-way risk and collateral correlation, cross-product netting, SFTR reporting requirements, Basel treatment of collateralised exposures, liquidity coverage ratio treatment, contingency funding planning, and collateral controls and audit readiness.

Q5 How is the "Collateral and Repo Transactions" course applied in real-world practice?

Participants apply the methods to their own funding and collateral operations. They assess eligible collateral, calculate haircuts and collateral values, process margin calls and substitutions, reconcile collateral positions, review GMRA clauses, assess counterparty exposure and netting, prepare SFTR reporting data, and plan secured funding capacity. Many leave with a haircut calculation worksheet, a margin call processing checklist, and a GMRA clause review guide ready to use.

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