



Institute for Capacity Development (ICD)

Number 5 Conradie Street, Kara Properties, Windhoek | P O Box 10193, Khomasdal, Windhoek, Namibia|
Phone: +264-61-401445 |Cell: +264816303279, +264813866883 |Fax: +264-61-401446 |E-mail: coordinator@icdtraining.com

Principles of Central Bank Reserve Management

Course Objectives

On completion of the course, participants should be able to:

- Support and maintain confidence in the policies for monetary and exchange rate management including the capacity to intervene in support of the national or union currency;
- Limit external vulnerability by maintaining foreign currency liquidity to absorb shocks during times of crisis or when access to borrowing is curtailed and in doing so;
- Provide a level of confidence to markets that a country can meet its external obligations;
- Demonstrate the backing of domestic currency by external assets;
- Assist the government in meeting its foreign exchange needs and external debt obligations
- Maintain a reserve for national disasters or emergencies.

Target Group

- Commercial and Investment banks
- Foreign Exchange dealers
- Multinational corporations
- Money Managers
- Governments
- Central banks
- Brokers/dealers
- Policy makers
- Economists

Course Outline

- General Management Skills
- What is Reserve Management and Why is it Important?
- Reserve Management Objectives, Scope, and Coordination
- Funding the reserves, and the cost of holding reserves

- Ownership of the reserves: Government or Central Bank
- Strategic objectives for reserves management
- The optimum size of the reserves
- The role of gold
- The Benchmark process
- Setting a long-term top-level benchmark
- Operational issues in benchmark setting
- Instrument issues in benchmark setting
- Positional issues in benchmark setting
- Maintaining the benchmark
- Alternatives to benchmarking
- Liquidity management
- The decision to hold liquidity
- The cost of liquidity
- Designing a liquidity strategy
- The rationale for active management
- The decision-making process
- Limits and controls
- Compliance and the Middle Office
- The role of the Middle Office
- Other constraints affecting official reserves management
- The importance of reporting
- The decision to use external managers
- The relationship between central bank and fund manager
- The central bank's responsibilities
- Action Planning

Dates: 17th – 28th October 2022

Duration: 2 weeks

Course Costs: US\$3250

Venue: Windhoek, Namibia