

# Securitisation TRAINING

A 2-day course that captures everything on securitisation – techniques, developments, issues



2-day workshop

## Securitisation: The Financial Instrument of the Millennium

A crash course that gives complete inputs on securitisation

September 23-24, 2005  
A leading hotel, Kolkata, India

- This course has been offered internationally in more than 15 countries.
- **Comprehensive, yet concise** – starts from basic understanding of the securitisation process and develops understanding of various issues concerning securitisation.
- **Will touch upon latest developments** – such as IAS 39, Basle II, true sale issues in securitisation.
- **Provides global understanding of securitisation structures** - will discuss cash structures, and give a general understanding of synthetic structures.
- **The faculty is internationally recognized as securitisation trainer and expert.**

**Organised by:**

**VINOD KOTHARI CONSULTANTS PVT LTD.**

**1012 Krishna 224 AJC Bose Road**

**Kolkata (Calcutta) 700 017. India**

**Phone 91-33-22811276/22817715/22813742/23233863/ 23233864**

**Fax 91-33-23233863/ 22811276**

## Course fees per participant (non-residential):

	Non-residential	Residential
Overseas participants	USD 500	USD 900
Indian participants	Rs. 20000	Rs. 35000

Overseas participants may pay for credit card or bank remittance. For payment by credit card, go to our website at <http://vinodkothari.com/secwork.htm>.

### Course fee includes:

- Tuitions for the 2-day course
- In case of a the residential option, residential accommodation in the venue hotel or a top category hotel for maximum n+1 nights, one room per person.
- Breakfast and lunch for the complete duration (n+1 days)
- Course materials including comprehensive presentation materials
- Free copy of Vinod Kothari's book on Securitisation: The Financial Instrument of the New Millennium (price USD 120)

### Our training courses in Calcutta (Kolkata):

While we offer training courses on securitisation and credit derivatives all over the World (this includes the USA, UK, Italy, Australia, Singapore, Hong Kong, Malaysia, UAE, South Africa, India, etc), we have created unique securitisation and credit derivatives courses, offered at Calcutta. These include the Securitisation School and the Credit Derivatives and Synthetic CDOs School.

The Securitisation School is now a regular feature – we have offered 3 of these already, and have announced the 4<sup>th</sup> run in early 2006. Securitisation Schools 2003 ,2004 and 2005 received an overwhelming response. The 2005 event drew 18 participants from 3 countries. The 2004 event had 19 participants from 4 countries. The 2003 event had participants from 4 countries. Nearly 85% of the participants rated the course as “Excellent”. On a rating scale of 1-16 (16 being the best), 50% of the participant rated the faculty at 16, and 90% of the participants rated the faculty between 13-16 (the “excellent” boundary).

The Credit Derivatives School, to start September-end, has already received confirmed nominations from the USA, Singapore, British Virgin Islands, etc.

### Venue:

Calcutta (Kolkata) is a bustling city in the eastern part of India, with a rich colonial and cultural heritage. The city has several unique faces: the cultural capital of India; the place where Mother Teresa worked for the "poorest of the poor"; a city where every 5th person or so is a poet or litterateur, singer or fine artist; a city where architectural beauties of the British empire are preserved in elegance. The venue will be a 5-star hotel) in the city. Calcutta is easily connected with international destinations: direct flights from Singapore, Bangkok, Dubai, Kuala Lumpur, Amman, London etc. For any assistance with travel itinerary, excursions, extra nights, domestic or international bookings, etc., please contact our travel agent listed at <http://vinodkothari.com/secwork.htm>.

### Why should you participate?

If you have anything to do with securitisation and getting inputs on this very important financial instrument is on your wish list, you would find it extremely sensible to join this event.

As the coverage is very comprehensive, you will emerge with complete inputs on securitisation, including a quick overview of synthetic securitisation. Apart from latest development son securitisation, we equip you with understanding of the legal, taxation, accounting and regulatory complexities as well.

The workshop will provide inputs from both investors' viewpoint, as also issuers' viewpoint.

Indian participants kindly note – this course is not related to the enforcement of security interests under the SARFAESI Act. Securitisation of NPLs, to the extent used as a financial instrument, will be covered in the course.

## Most competitively priced event

If you compare our pricing with competitors, you will find the event most competitively priced. So much so, a person traveling from London to Calcutta might end up finding it cheaper, including the flight costs, than a competing course offered in London.

If training costs matter to you, this course is simply a buy out.

What allows us to price the event so cheap? As there is no intermediating event producer, we save a lot of money and transfer the savings to you. Besides, we have taken advantage of very tightly priced hotel package, again, to your advantage.

## About your workshop leader:



**Vinod Kothari** is internationally recognized as author, trainer and expert on specialized financial subjects, Internationally recognised as author, trainer and consultant on specialised financial subjects, viz., securitisation, credit derivatives, accounting for financial instruments, etc.. As such, he lectures all over the world. The locations where he has lectured on these subjects include USA (forthcoming in October 2005), London, Milan (Italy), Singapore, Hong Kong, Sydney, Colombia (South America), South Africa, Malaysia, Dubai, Jordan, Egypt, Sri Lanka, Bangla Desh, etc., besides almost every important location in India.

### **Author of Books:**

- **Lease Financing and Hire purchase** (5<sup>th</sup> edition, 2005 in print ): This book, first published in 1985, is widely recognised as the bible on leasing in the continent and has been the most popular text on the subject for last 15 years. The book runs over 2000 pages and has elaborate contents on leasing, hire purchase and similar credit agreements.
- **Securitisation: The Financial Instrument of the New Millennium**, Second edition 2003: Running over approximately 900 pages, this is an internationally-read publication which quickly ran out of print and is now undergoing comprehensive revision for a new edition. The book is read in some 30 countries all over the World.
- **Credit Derivatives and Synthetic Securitisation**, 2002 : This is one of the very few comprehensive texts on credit derivatives and is read all over the World.
- **Securitisation, Asset Reconstruction and Enforcement of Security Interests**, 2003 edition(2005 Reprint with commentary on the amended Act and latest case Law) : This book is a detailed commentary on the law by the same name enacted in India. Besides a thorough and incisive commentary on the law, the book contains generic chapters dealing in detail with the law of enforcement of security interests in global context.

### **Articles:**

- Vinod Kothari's articles on asset-based finance, securitisation etc. have appeared in several national and international journals including Duke Journal of Comparative International Law (USA), US Banker (USA), Exportrader (Spain), Trade and Forfeiting Review (UK), Journal of International Banking Law and Regulation (UK), Equipment Finance Journal (USA), MonitorDaily (USA), Analyst (India), etc.
- Regular contributor to Euromoney's yearbooks on securitisation, structured finance and leasing.

### **Lecturing:**

- Regular speaker at professional institutes,
- Visiting faculty at Indian Institute of Management, Joka, Calcutta for several years. Currently, offering a course on structured finance, rated as one of the most popular courses (last term had 130 registrations).
- Guest faculty at National University for Juridical Sciences: the subject taught here was insolvency and credit interest enforcement laws in India and other countries. The course included a comparative study of the insolvency and creditors' rights in USA, UK and Australia.

### **Websites**

Vinod Kothari owns and runs some of the World's most popular websites on specialized financial subjects:

- Securitisation: <http://vinodkothari.com>
- Credit derivatives: <http://credit-deriv.com>
- Leasing and asset-backed financing: <http://india-financing.com>
- Asset reconstruction companies: <http://india-financing.com/arc/>

### **Positions**

Vinod Kothari is currently retained by the Asian Development Bank, Manila for two important projects: to advise the Govt. of India on reforming secured lending law in India; and to develop securitisation-related legal framework in the Asian region.

Vinod Kothari is the Director of Association of Leasing and Financial Services Cos., a body of over 500 top leasing companies in India and is editor of its Newsletter Fin-n-lease.

Vinod Kothari is the former Chairman of the Institute of Company Secretaries of India.

Vinod Kothari is the Executive Director of the Asian Securitisation Forum

### **Awards**

In 1987, a voluntary organisation of Calcutta chose him as the Outstanding Young Person of Calcutta in the field of Finance and Taxation. Vinod Kothari has won several academic awards.

## **A typical training day's routine**

9.00 AM Registration.

9.30 - 1.00 PM: Tuition (with tea/coffee breaks)

1:00PM -2:00PM : Lunch

2:00PM - 6.00 PM Tuition, practical exercises, discussions ((with tea/coffee breaks)

## **Course outline**

### **Day 1: Securitisation – The financial instrument of our times**

Session 1: Securitisation: Concepts and Motivations

- Securitisation and Corporate finance: basic similarities and differences
- Asset backed securities and corporate debt – is the difference real or surfacial?
- Essential principles of structured finance
- Motivations to securitise: can securitisation reduce cost of funding?
- The securitisation Hall of Shame –cases of default in the past and lessons to learn

Session 2: Securitisation – structures:

- Cashflow structures: pass through and pay through structures; how does reinvestment help or hinder securitisation transactions
- Concept of cash and synthetic transactions
- Balance sheet and arbitrage securitisation
- Securitisation of discrete and revolving cashflows
- Master trust structures

Session 3: Laying down efficient and safe securitisation structures: essentials understanding of cashflow models:

- Key elements of securitisation structures: credit enhancements, risk mitigants and liquidity support
- Different forms of credit enhancement and their implications
- Liquidity in securitisation vehicles and problems of negative carry
- Illustration of simple class room cashflow models
- Cashflow model of a real life transaction

Session 4: The Legal structure of securitisation

- Isolation of assets – its relation to asset-backed ratings
- Bankruptcy remote entities – what makes an entity bankruptcy remote?
- True sale structures and secured loan structures
- Key issues in true sale and the factors that make or mar true sales
- Consolidation of special purpose entities

Session 5: Accounting for securitisation – off balance sheet and gains on sale issues

- Off balance sheet funding as a significant motivator
- Pre-requisites for off balance sheet financing

- The components approach under FAS 140/ IAS 39
- Computation of gains on sale under the components approach
- SIC 12 and other consolidation issues
- Illustration of accounting for securitisation

Session 6: Regulatory capital, Basle II and securitisation transactions

- Introduction to capital framework under Basle II
- Securitisation framework – standardized approach
- Securitisation framework – the IRB approach
- Can there be regulatory arbitrage under Basle II as well?

**Day 2: Securitisation – Emerging market Applications and asset classes**

Session 1: Residential mortgage backed securities

- Residential mortgage-backed securities: the largest asset class in the world
- Differences between residential mortgage funding systems in Europe and the rest of the World
- Prepayment and default modeling under RMBS transactions
- Case study of an RMBS transaction

Session 2: Commercial mortgage backed securities

- Special features of a CMBS transaction
- The refinancing nature and the refinancing risk

- Historical performance of CMBS transactions
- Case study of a CMBS transaction

Session 3: Retail asset backed securities, equipment lease ABS etc

- Nature of retail assets – interest and principal cashflows
- Prepayment and default risks
- Historical performance of some significant asset classes
- Case study of an auto loan/equipment lease securitisation

Session 4: Futures flows securitisation

- Future flows – as an example of collateralized borrowing transaction
- Significance of cashflow trapping and other structural mitigants
- Domestic and cross border future flows
- Special risks in future flows
- Cashflow modeling of future flows
- Case studies of future flows transactions from Turkey

Session 5: Inventory and whole business transaction

- Structures of whole business transactions
- Case study of an inventory securitisation transaction

Session 6: Securitisation of non-performing loans

- What is the value of a non-performing loan?
- Servicing and resolution issues
- Case study of an NPL securitisation.

**For registration and details, contact:**

**Samik Mukherjee**

**Vinod Kothari Consultants P. Ltd.**

1012 Krishna

224 AJC Bose Road

Calcutta - India

Phone 91-33-23233863/ 23233864/ 2281 7715/ 22813742

Mobile: Samik: 98312 12019

Fax: 91-33-23233863/22811276

e-mail: [vinod@vinodkothari.com](mailto:vinod@vinodkothari.com); [samik@vinodkothari.com](mailto:samik@vinodkothari.com)

**REGISTRATION FORM**  
**2-day course on securitisation**

**KOLKATA**  
**September 23-24, 2005**

1.Name \_\_\_\_\_

Designation \_\_\_\_\_

Qualification \_\_\_\_\_ Signature \_\_\_\_\_

2.Name \_\_\_\_\_

Designation \_\_\_\_\_

Qualification \_\_\_\_\_ Signature \_\_\_\_\_

Name of the Organisation \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

City: \_\_\_\_\_ Pin Code: \_\_\_\_\_

Telephone: \_\_\_\_\_

E-mail \_\_\_\_\_ Fax \_\_\_\_\_

Enclosed (Check one):

(Cheque)

(Demand Draft)

(Cash)

For fees details check the enclosed brochure.

**Payment may be made by Cheque/remittance favouring VINOD KOTHARI CONSULTANTS PVT LTD. Foreign participants may make direct remittance into our bank account. Please contact us for remittance details.**

Cancellation made upto 5 days before the event will be entitled to refund of 75% of the fee paid. No refund will be made for cancellations after that.

**MAIL OR FAX TO:**

**Vinod Kothari Consultants P. Ltd**

**1012 Krishna**

**224, A. J. C. Bose Road**

**Calcutta- 700 017 India.**

**Phone: 91-33-22817715/22811276/22813742/23233863/23233864/**

**Fax: 22813742/ 22811276 / 23233863**

**E-mail: [vinod@vinodkothari.com](mailto:vinod@vinodkothari.com); [samik@vinodkothari.com](mailto:samik@vinodkothari.com)**