

Foreign-exchange policies and reserves management

(MR-FXPOL)

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Course Director: Melvin Khomo

Objective

This course covers the central bank's responsibilities for implementing exchange rate policy, management of official foreign-exchange reserves, and the surveillance of cross-border financial transactions and administration of remaining exchange controls in South Africa.

Content

The following topics will be covered:

Module 1: Exchange rate policy

- The nature of the South African Reserve Bank's foreign-exchange policies, foreign-exchange markets and exchange rates
- Overview of historical and contemporary exchange rate regimes, including forward foreign-exchange policies used by the South African Reserve Bank
- Intervention by the South African Reserve Bank in the foreign-exchange markets
- Management of the floating rand under an inflation-targeting regime
- An overview of the current exchange control regulations and the monitoring of cross-border financial transactions.

Module 2: Foreign-exchange reserves management

- Motives for holding reserves and reserve-adequacy measures
- Asset allocation fundamentals for reserves management
- Portfolio management strategies for reserves managers
- Risk and performance management
- Recent developments in reserves management.

Target group

This course is intended for

- junior to middle-level central bank and Ministry of Finance staff responsible for reserves management at operational, research or policy-making level;
- individuals who work in the international banking, exchange control, accounting and auditing environment; and/or
- candidates who have enrolled for the Programme in Advanced International and Central Banking, a qualification offered by the University of South Africa (Unisa) in collaboration with the SARB College.

Format

This is an intensive course in which formal lectures and informal group discussions form part of the training methodology.

