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HEDGING ALL RISKS IN LIFE - INCLUDING FOREIGN EXCHANGE

PRESENTED BY:

Stephen Priddle, CPA, CA, CMA

Ottawa, Ontario

VP, Finance & CFO & Corporate Secretary

SureWx Inc.

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PRACTICAL
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PRACTICAL FOREIGN EXCHANGE MANAGEMENT

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PRACTICAL
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Introduction

- I am glad you are taking this course
- I hope it helps you at work
- Fill in the blank _____ style will make it more interesting, email me after taking the course for fully completed slides, spriddle@bell.net
- There will be a bit of humour, to keep it less boring!

Where am I?





Part of my career path



Course objectives

- Learn the only rational approach that well run companies take
- Respond when your colleagues want to speculate
- Identify how to get better rates with different conversion options
- Recall basic and more advanced hedging strategies
- Discuss unusual situations – bidding in a foreign currency
- Understand the banking implications of foreign exchange
- Put in place the related internal controls that are critical



Starting from basics

- If a company gets some foreign currency funds, how can it be turned into Canadian \$?
- Deposit in Canadian account
- Use bank's on-line system to sell
- Sell via bank's exchange desk
- Sell via an exchange broker*
- *often the best rate





Note

- I was told the bank's traders aren't commissioned, but they are bonused based on overall results



One broker

- Name changed to Corpay now



Joke on my trader, years ago

- Has money market (fixed income) desks of banks
- On April 1, I change his speed dial to the main bank to the police station!
- He is surprised and comes to see me to talk about it!





Foreign exchange risk mgt

- Foreign exchange means exchange risk
- Who faces exchange risks?
- U.S. dollar risk pervasive in Canada - do you face other currency risks?
- Our currency has the wrong name!
- F/X risk management is part of overall risk management



Foreign exchange risk mgt

- When the USD \approx the Canadian dollar, maybe we don't need hedge?
- Can you face exchange risk, even if you only transact only in Canadian dollars?
- If you are part of a corporate group
- Note: US companies are often oblivious concerning foreign currencies



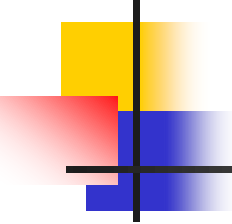
Exchange case discussion

- What exchange risks are present?
- What is their approach to hedging?
- If you never buy or sell currency, and have currency flows are you naturally hedged?
- If you don't hedge you are saying either: we don't care about the risks or they are small or we are sure rates will only move in our favour

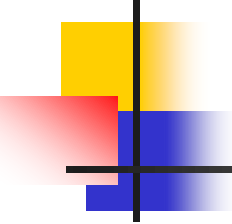


Complications

- I have had a President a few years ago, who said I am bullish on the Canadian dollar, we have petro-dollar and there is an oil boom, let's borrow in USD and not hedge
- He was right... for a while....



Can you forecast foreign exchange rates accurately?



Can you forecast foreign exchange rates accurately?

WARNING

CLICKING HERE IS FORBIDDEN



The Big Five bank's forecasts

- Actual was 1.2732

USDCAD Forecasts (Canadian Dollars to 1 USD = Direct Quote Method)							
Release Date		Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	2020 AVG
27-Nov-19	CIBC	1.3100	1.3300	1.3400	1.3600	1.3800	1.3525
31-Oct-19	TD	1.3100	1.3200	1.3100	1.3000	1.3000	1.3075
10-Oct-19	BNS	1.3000	1.2800	1.2800	1.2500	1.2500	1.2850
8-Nov-19	Royal	1.3000	1.3000	1.3100	1.3200	1.3300	1.3150
29-Nov-19	BMO	1.3240	1.3250	1.3170	1.3100	1.3020	1.3135
	Average	1.3088	1.3110	1.3114	1.3080	1.3124	1.3107

What is the only “rational approach”?

- All significant foreign exchange risks will be hedged when known



Foreign exchange risk mgt

- Do you hedge your foreign currency vacation risks like I do?





Suppose

- Your board/owner don't want to hedge, they view it as speculation or predicting rates
- Demonstrate the impact of exchange rates changes on your company if there is no hedging, and if there is



Foreign exchange

- Do you budget exchange rates?
- How?



Basic hedging with forwards

- Forward contracts allow one to buy or sell a currency for delivery on a specific future date at a specific price to take away risk. There is no fee to enter a forward contract
- \$1M USD coming in 60 days, enter a forward to sell \$1M in 60 days at a pre-determined rate



In the long, long run, should one hedge?

- No! But we live in the short run!



Sometimes there are
government accountants
taking this course



Does your government body hedge?

- One Maritime provincial government executive told me they hedge foreign exchange, and one from another province told me they don't...



An interesting new seminar I have created

- **Practical Tips for Government Accountants**



An exchange joke

- A CPA said he overheard this, a lady interacting with a bank teller
- She said: "I need one thousand US dollars in cash"
- Teller said: "what denomination?"
- She said: "Florida"



Let's call an exchange broker
and check the market



One broker





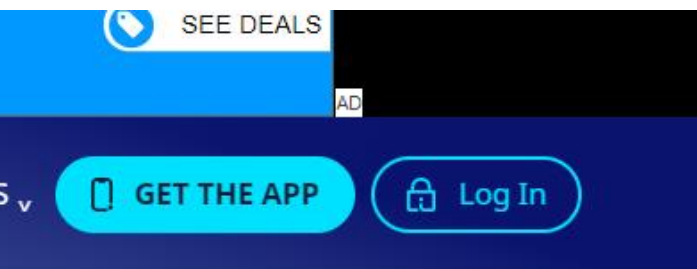
Yes that was a real call

- The call was recorded by the broker as well as me
- In all my years of market dealings we only once had to go back to the bank's recording to settle a dispute



You can set up

- Warnings if rates reach certain levels on websites



Rate Alerts

Set your target rate and we will alert you once met



Humour

- I have heard of a bank giving a bad quote
- They were actually giving the wrong side of market
- Buy when it was actually sell!



Foreign exchange risk mgt

- Where can you get exchange management advice?



Entering enter forwards

- What are the internal control implications?
- This is high risk because there is no immediate cash impact or accounting entry, so can get missed

Barings collapse at 20: How rogue trader Nick Leeson broke the bank

Twenty years ago, Nick Leeson caused the collapse of Barings, the City's oldest merchant bank and banker to the Queen

Nick Leeson on banking: extremely competitive ... and improperly policed



📷 Fugitive Nick Leeson is escorted upon arrival at Frankfurt airport, 2 March 1995. Photograph: Reuters



A smiling Jérôme Kerviel, accused of causing \$7.3 billion loss at French bank Société Générale, walks from prison yesterday with lawyer Elisabeth Tesnière. BENOIT TESNIÈRE

Name	Country	Date(s)	Loss	Institution	Market activity	Sentence
Jérôme Kerviel ^[5]	Paris, France	2006–2008	\$6.9 billion (€4.9 billion)	Société Générale	European Stock Index Futures	5 years prison of which 2 years are suspended, pending appeal
Yasuo Hamanaka ^[5]	Tokyo, Japan	1996	\$2.6 billion	Sumitomo Corporation	Copper	8 years prison
Kweku Adoboli ^[6]	London, United Kingdom ^[7]	2011	\$2.3 billion	UBS	S&P 500, DAX, and EuroStoxx Futures	7 years in prison
Nick Leeson ^[5]	United Kingdom	1995	\$1.3 billion (£827 million)	Barings Bank	Nikkei Index Futures	6.5 years prison
Toshihide Iguchi ^[5]	Osaka, Japan / New York City, United States	1995	\$1.1 billion	Resona Holdings	U.S. Treasury Bonds	4 years prison
John Rusnak ^[5]	Maryland, United States	2002	\$691 million	Allied Irish Banks	Foreign Exchange Options	7.5 years prison
Chen Jiulin	Singapore	2005	\$550 million	China Aviation Oil	Jet Fuel Futures	4 years and 3 months prison
David Bullen Luke Duffy Vince Ficarra Gianni Gray	Melbourne, Australia	2003–2004	\$187 million (A\$360 million)	National Australia Bank	Foreign Exchange Options	3 years and 8 months prison 2 years and 5 months prison 2 years and 4 months prison 16 months prison
Matthew Taylor ^[8]	United States	2007	\$118 million	Goldman Sachs	S&P 500 e-mini Futures	9 Months Prison ^[9]
Joseph Jett	United States	1994	\$74.6 million	Kidder, Peabody & Co	US Treasury bonds.	banishing trading securities
Stephen Perkins	London, United Kingdom	2009	\$10 million	PVM Oil Futures	Brent Crude	barred from working as a trader & £72,000 fine

Just down the road from Toronto



Just down the road from Toronto

NUCLEAR POWER PLANTS – PICKERING AND DARLINGTON



QUESTION 4 (23 marks) (55 minutes)

Chartrand Plastics Limited (CPL or the company) is a public company, incorporated in 1956. CPL processes plastics for companies that manufacture plastic products for consumer and industrial uses. The company has enjoyed modest success over the years and its stock price has risen steadily. Revenue and net income for the last four years have averaged \$380 million and \$26 million respectively. Balance sheet assets total about \$240 million. CPL has always received a strong credit rating on its long-term debt. CPL has been audited for a number of years by Lawson and Mawson, Chartered Accountants.

At the August 1995 meeting of CPL's audit committee, the topic of derivatives came up. Derivatives can be defined as financial instruments that derive their value from some underlying asset or liability, such as a currency or a debt security. The committee members, aware that a number of organizations—including industrial corporations, banks, and municipalities—have been bankrupted by derivatives recently, grilled the treasurer on the company's use of such new instruments. Not satisfied with her answers regarding controls, the audit committee has requested that Lawson and Mawson be engaged to provide a report to the audit committee identifying weaknesses in, the management of and internal controls over, derivative transactions. The report should also provide recommendations for improvements.

You, CA, are responsible for the assignment and for drafting the report. You have met with the treasurer and her staff and have prepared the following notes.

1. The treasurer and vice-president of finance each report to CPL's president. The financial reporting department reports to the vice-president of finance. Derivatives operations are managed by the director of cash management and investments (the director), who has a staff of six people. The director is primarily responsible for derivatives strategy and reports to the treasurer. Two members of the director's staff are traders who execute money-market (fixed income) and derivative transactions. Two other members of the director's staff are involved in accounting for these transactions, and the remaining two are involved in banking/cash management. One of the traders has considerable derivatives experience from a large bank. The second trader is an accountant who recently received a promotion to the trader position and is learning on the job. The director's unit is operated as a profit centre for performance-evaluation purposes.
2. CPL enters into derivative transactions with various financial institutions. Examples include the following:
 - Interest-rate swaps require that CPL exchange floating-rate interest payments for fixed-rate payments for a defined term. This turns the company's floating (variable) rate borrowing into fixed-rate borrowing. Typically a ½% upfront fee is charged by the financial institution based on the principal amount of the swap.
 - Foreign-currency forward contracts require that CPL buy or sell foreign currency at specified rates and dates. These contracts are no-cost agreements that are used to hedge specified foreign-currency exposures resulting from foreign purchases and sales of goods.



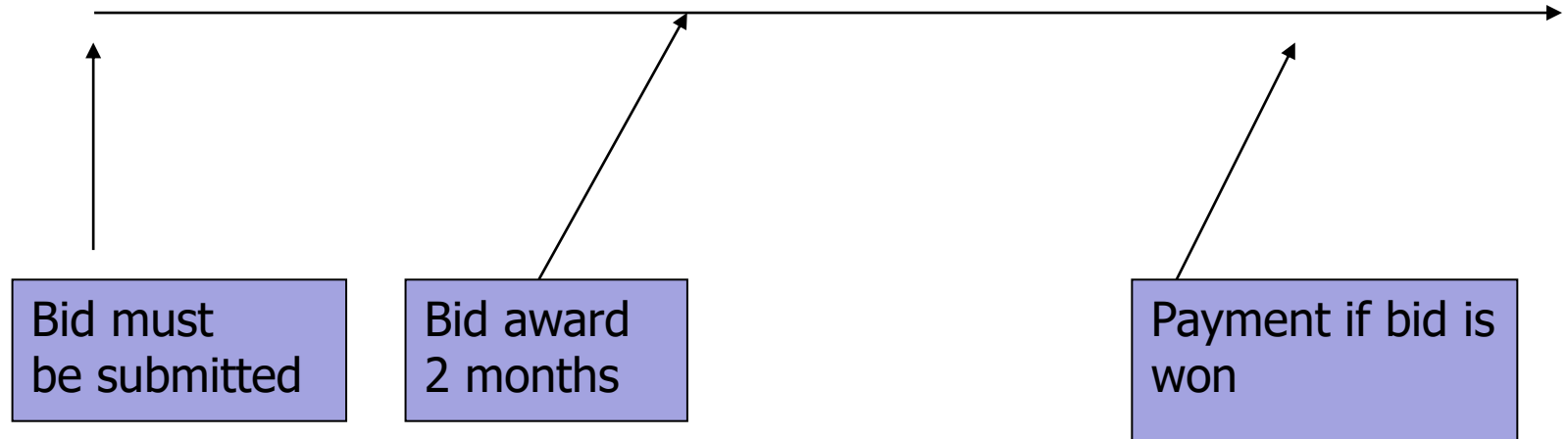
Hedging bids

- There is risk, but is hedging appropriate, before the deal is confirmed?
- Therefore, what should be done?



Bid diagram

- Bid amount: \$500K





Bid diagram

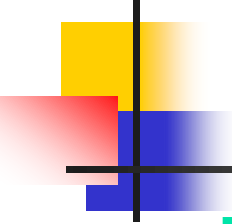
- Bid amount: \$500K

Bid: buy option to sell USD
at a specified rate, to protect
that rate

Bid must
be submitted

Bid award
2 months

If win, enter US forward
to lock receipt of funds,
when they will be paid



Payoff table, option to sell at \$1.31 – at bid award date

	Win bid	Lose bid
Rate above \$1.31	Let option expire, hedge at current (higher) rates	Let option expire
Rate below \$1.31	Make profit in market so no loss below \$1.31, hedge at current rates	Make profit in market so no loss below \$1.31



Currency option description

- Buy an American style option to sell USD at say \$1.31 during the bid period, giving you the option, not the requirement to sell the currency at this price, during the time period (or European, exercisable at the end of the period)
- You have effectively “locked” at least this rate
- If rate drops below on \$1.31, you make \$ in the market, whether you win or not, protecting your down side
- If the rate goes above option price, you let it expire, you have not lost out

Montreal Futures Exchange

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» Margin requirements for futures contracts

Home » MX Products » Currency Derivatives » Options on the US Dollar (USX)

Options on the US Dollar (USX)

Underlying issues

U.S. Dollar.

Trading unit

One contract represents 10,000 U.S. Dollars.

Expiry cycle

At a minimum, the nearest three expiries plus the next two expiries in the designated quarterly cycle: March, June, September, December. Annual expiry of January for long term options.

Call	Bid price	Ask price	Last price	Impl. vol.	Open int.	Vol.	Strike	Put	Bid price	Ask price	Last price	Impl. vol.	Open int.	Vol.
Dec 16, 2016	34.13	34.19	34.38	--	3	0	100.00	Dec 16, 2016	0	0.07	0.07	--	0	0
Jan 20, 2017	34.05	34.11	34.30	--	0	0	100.00	Jan 20, 2017	0	0.07	0.07	--	0	0
Dec 16, 2016	29.13	29.19	29.38	--	0	0	105.00	Dec 16, 2016	0	0.07	0.07	--	0	0
Jan 20, 2017	29.06	29.12	29.31	--	0	0	105.00	Jan 20, 2017	0	0.07	0.07	--	0	0
Dec 16, 2016	24.13	24.19	24.38	--	0	0	110.00	Dec 16, 2016	0	0.07	0.07	--	0	0
Jan 20, 2017	24.06	24.12	24.31	--	0	0	110.00	Jan 20, 2017	0	0.07	0.07	--	0	0
Dec 16, 2016	19.13	19.19	19.38	--	0	0	115.00	Dec 16, 2016	0	0.07	0.07	--	225	0
Jan 20, 2017	19.06	19.12	19.31	--	0	0	115.00	Jan 20, 2017	0	0.07	0.07	--	0	0
Dec 16, 2016	16.63	16.69	16.88	--	0	0	117.50	Dec 16, 2016	0	0.07	0.07	--	0	0
Jan 20, 2017	16.56	16.62	16.81	--	0	0	117.50	Jan 20, 2017	0	0.07	0.07	--	0	0
Dec 16, 2016	14.13	14.19	14.38	--	0	0	120.00	Dec 16, 2016	0	0.07	0.07	--	975	0
Jan 20, 2017	14.06	14.12	14.31	--	0	0	120.00	Jan 20, 2017	0	0.07	0.07	--	0	0
Dec 16, 2016	11.63	11.69	11.88	--	0	0	122.50	Dec 16, 2016	0	0.07	0.07	--	0	0
Jan 20, 2017	11.57	11.63	11.82	--	0	0	122.50	Jan 20, 2017	0	0.07	0.07	--	454	0
Dec 16, 2016	11.13	11.19	11.38	--	0	0	123.00	Dec 16, 2016	0	0.07	0.07	--	0	0
Dec 16, 2016	10.63	10.69	10.88	--	0	0	123.50	Dec 16, 2016	0	0.07	0.07	--	0	0
Dec 16, 2016	10.13	10.19	10.38	--	0	0	124.00	Dec 16, 2016	0	0.07	0.07	--	2	0

YOU CAN PAY \$7 PER 10,000 TO BE ABLE TO SELL USD AT 1.265 ON JAN 20

TO PROTECT ONE MILLION DOLLARS, IT WILL COST \$7,000

Dec 16, 2016	8.14	8.20	8.39	--	0	0	126.00	Dec 16, 2016	0	0.07	0.07	--	0	0
Dec 16, 2016	7.64	7.70	7.89	--	0	0	126.50	Dec 16, 2016	0	0.07	0.07	--	0	0
Jan 20, 2017	7.62	7.68	7.88	--	0	0	126.50	Jan 20, 2017	0.02	0.08	0.10	--	0	0
Dec 16, 2016	7.14	7.20	7.40	--	0	0	127.00	Dec 16, 2016	0	0.07	0.07	--	0	0
Jan 20, 2017	7.14	7.20	7.40	--	0	0	127.00	Jan 20, 2017	0.05	0.11	0.12	--	0	0



By the way

- I never think in terms of the USD is .7443, but 1.3435



Back to the case facts

- You need to advise the company
- Big picture
- The company's core competence and business is making money, developing and selling networking gear, not speculating on exchange markets
- Speculating on exchange markets is highly risky and specialized
- This same logic applies to your employer...



Back to the case facts

- They should stop hedging occasionally based on feelings which is speculating really and put a policy in place which should probably be:
- All significant foreign exchange risks will be hedged when known
- They need to decide what is significant for them (material)
- The board should probably approve this³



Mechanics

- RGC should proceed to hedge its current receivables and payables with forward contracts
- For the Halls Gear A/R and the Future Electronics A/P, because there is a natural hedge between payables and receivables of almost the same amounts and the same date, no forward would be needed
- Because the company's customers usually pay on time, it will be easier to use forwards
- If the customer does not pay on time, the company is still better off than if it was not hedged at all, smaller time risk



Mechanics

- The company could enter into forward agreement with a window to sell currency, rather than a specific date, for example, a forward to buy U.S. currency during the month of January 2010, for \$44,785, since payment of the Fabview Shop payable is being delayed
- The rate for these forwards may be slightly less favourable than a regular forward contract
- This is also called an option-dated forward
- The forward that is meant to cover the Jan 11 receipt from Tofino Corp, matures January 10, actually a day early, perhaps due to customer slippage



Note

- For some currencies, there is no forward market with the Canadian \$
- (not in this case)



Practice

- The company should try not sell to Canadian customers in U.S. dollars to reduce its exchange risks.
- There may be hidden distortions to this type of selling if the Canadian customer is hedging their purchase risk, although Rocky Gear may not know about this. In some cases, the customer may be trying to create its own natural hedges
- However: it may not be practical to just tell the sales dept: “don’t sell in USD”
- I have sold to Canadian customers just down the road in USD, this annoyed me, it seemed to be unnecessary exchange risk...



Spot

- The Accounting Manager's approach to converting US currency at spot is speculation to a certain extent. Balances should be converted immediately
- The rate could just as well move against the company
- The company should obviously get a US dollar bank account



Getting the best quote

- It may be useful to set up a spreadsheet that compares amount, rates quoted and transaction cost differences, if any, to pick a bid winner
- If a third party bank wins the bid, it may be necessary to wire the money at a cost, that needs to be considered



Getting the best quote

- It may be useful to set up a spreadsheet that compares amount, rates quoted and transaction cost differences, if any, to pick a bid winner
- If a third party bank wins the bid, it may be necessary to wire the money at a cost, that needs to be considered

CURRENCY BID SHEET					
Amount	400,000.00	Currency	US	Transaction	Sell
Institution	Rate	Trans cost	Net	Winner	
RB	1.2268		490,708.00		
TD	1.2270		490,796.00	X	
Broker X	1.2268	\$25 wire	490,711.00		
Note: Tie goes to our banker					



Banking angles

- Forwards give the bank risk and will normally tie up a portion of the company's bank line. Most banks use a formula that considers the volatility of the currency and the time frame. The amounts are more in the 4-15% range, and RGC does have fairly limited bank credit
- Export Development Canada can assist with margin requirements, for companies that export
- If a company doesn't have a bank line, cash margin deposits may be required, based on a risk formula
- I have had margin calls a few times in real life, where I ran out of credit, due to large currency movements...



Banking risk

- Practically speaking, bank credit risk is not a big issue, but broker risk is an issue
- The large banks in Canada are stable and relatively strong
- If one enters a bunch of forward contracts, chances are some will go up in value and some will go down in value
- The entire principal amount is not at risk, just the “in the money” parts



Controls here

- Currently, the accounting manager can phone the bank and enter into a forward contract verbally. This commitment is not immediately evidenced in the company. This commitment could damage the company and the company may not even be aware of the transaction, it doesn't get controlled and recorded immediately the way for example, cheque signing is controlled
- The company does not currently have a list of forwards contracts it has currently entered into, because the forwards are found here and there in files



Procedures

- When I took over foreign exchange at the large company
- I said “where is the list of the current forwards”, and there wasn’t one
- I put a listing in place and “marked it to market”



Procedures

- When I took over foreign exchange at the large company
- I said “where is the list of the current forwards”, and there wasn’t one
- I put a listing in place and “marked it to market”

Forward listing		Current rate		1.3264					
<u>Amount</u>	<u>Currency</u>	<u>Maturity</u>	<u>Inst</u>	<u>Buy</u>	<u>Sell</u>	<u>Rate</u>	<u>Yield</u>	<u>Marked to market</u>	
224,500	USD	20-Dec-19	CMB	x		1.3257	297,611	175	
80,000	USD	10-Jan-20	CMB		x	1.3261	106,086	-29	
76,000	USD	10-Dec-19	CMB		x	1.3258	<u>100,759</u>	<u>-51</u>	
<u>380,500</u>					Avg	1.3258	<u>504,456</u>	<u>95</u>	



Controls to put in place

- Ensuring the bank has an approved list of who is authorized to enter into transactions
- Having all forwards approved by you, the Controller
- Having the bank immediately or send a ticket to an individual independent of the person who entered into the forward and is organizationally separate and send documentation on the transaction to this person (the “back office”)



Another alternative



American style option to sell USD at 1.31 during the bid period for say \$60K

American style option so that you can buy USD at say \$1.34, during the bid period also for \$60K

- You have spent nothing, \$60K in and out
- You have created a cost-less collar, which means you will get at least 1.31, but you have not upside if the market rate is above 1.34



One way to understand the collar is as follows

- Your house is worth about \$600K in a slightly volatile market
- You might need to pay \$20K to have the option of forcing a third party to buy your house for \$550K in the next year (protects your down side)
- The same third party might pay you \$20K to have the option to pick up your house for \$650K in the next year (takes away your upside)
- You spent and received \$20K, you have a no cost collar, which protects you from your house going below \$550K in the next year, although you can't realize more than \$650K, if it goes up

The quotes come in



Option Price Quote
\$599,795.44
Type: American
Currency: Sell USD
Strike: 1.2300
Expiry: 120 days
Rep: PD



Option- American

\$601,324.44

Strike: 1.2300 sell USD

Exp: 120 days

Deal: SL



Option
\$301,323.44
Type: American USD sell
Strike: 1.2300
Expiry: 120 days
Agent: JR

One day, a seminar trip to Toronto

Departing Flight

[Change Flight](#)

Monday, June 17th, 2019 Ottawa, CA (YOW) - Toronto, CA (YYZ)


09:00	Non-stop - 1hr06m	10:06
Ottawa		Toronto (YYZ)

Economy - Basic **-\$1.00**

1 Adult

A reminder that your Economy Basic fare includes some [restrictions](#).

[Details](#)

 Economy Basic is a restricted fare. [Learn More](#)

Return Flight

[Change Flight](#)

Wednesday, June 19th, 2019 Toronto, CA (YYZ) - Ottawa, CA (YOW)


12:10	Non-stop - 1hr02m	13:12
Toronto (YYZ)		Ottawa

Economy - Basic **-\$1.00**

1 Adult

A reminder that your Economy Basic fare includes some [restrictions](#).

[Details](#)

 Economy Basic is a restricted fare. [Learn More](#)

One day, a seminar trip to Toronto

Departing Flight			Change Flight
Monday, June 17th, 2019 Ottawa, CA (YOW) - Toronto, CA (YYZ)			
09:00 Ottawa	Non-stop - 1hr06m	10:06 Toronto (YYZ)	Economy - Basic 1 Adult <small>A reminder that your Economy Basic fare includes some restrictions.</small> Details
			\$163
<small>(i) Economy Basic is a restricted fare. Learn More</small>			
Return Flight			Change Flight
Wednesday, June 19th, 2019 Toronto, CA (YYZ) - Ottawa, CA (YOW)			
12:10 Toronto (YYZ)	Non-stop - 1hr02m	13:12 Ottawa	Economy - Basic 1 Adult <small>A reminder that your Economy Basic fare includes some restrictions.</small> Details
			\$145
<small>(i) Economy Basic is a restricted fare. Learn More</small>			



Cancel within 24 hours of purchase without penalty. You will receive a full refund if you change your mind. [Find out more](#)

View price breakdown		1 adult
Air Transportation Charges		-\$2.00
Taxes, Fees and Charges		\$29.22
GRAND TOTAL - Canadian dollars (Change currency)		\$31.22



Higher level executive thinking

- Covered more in my two hour webinar,
Practical Work Solutions from Mini Cases



In real life

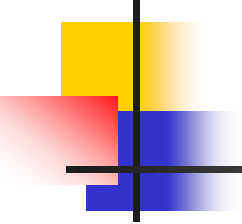
- We won the \$150M USD bid and had to enter into forwards to
- We got simultaneous quotes from 4 banks' exchange desk to get the best rate
- We actually “moved the Canada-US market price”, the moment we asked for the quotes, the only time I have done that...



There are sophisticated strategies out there for fixed exposures

- For example, a company is to be paid \$1M in 60 days
- They enter into a “participating forward”, where they get at least \$1.31 on receipt of payment, and if the rate is higher than \$1.31, they get 50% of the amount at the market rate
- (essentially they have an entered into a 50% forward, 50% option)

What is the bottom line?

- 
- Company decided to eliminate all down-side risk
 - But at the same time pay extra cash to get some upside, which may or may not happen and hard to quantify the cost benefit
 - Maybe they think they can predict exchange rates
 - On average they will lose due to the profit in the option pricing for the seller of the option



Other strategies to generally hedge

- (They don't specifically hedge, but reduce your overall risk)
- Most revenue are in USD
- Borrow in USD
- Increase USD costs



Once in my career

- We borrowed a lot of money in Lebanese Pound, unhedged
- Then there was a war in Lebanon
- But it did not devalue the loan for us, as the currency was pegged to the USD
- Therefore our only upside or exposure was Canada-US



You might want a Policy

It should address:

- Objective
- Typical exposures list
- General view on risk
- Procedure given different risks
- Instruments that can be used
- Natural hedging



You might want a Policy

- Unusual situations
- Materiality
- Parties/banks that the company will deal with
- Limits for above
- Accounting
- Approvals and controls
- Budgeting



Other courses

- **Practical Tips for Not-for-Profit Leaders**
- **Practical for Controllers & CFOs** over 11,000 have attended
- **Practical Work Smarts for All**
- **Practical Tips for Government Accountants**
- **Ten Practical Topics For Financial Leaders**
- **Practical Financial Negotiation Tips**
- **Practical Tips to Get Through a Cash Crisis**
- **Practical Work Solutions from Case Discussions**



Other courses

- **Practical Foreign Exchange Management**
- **Ethics – More Than Just The Code**
- **Ethics – Where The Rubber Meets The Road**
- **Ethics – That Feeling In Your Gut**
- **Practical Tips to Improve Your Internal Financial Reporting**
- **Sharpen Your Business Loan Negotiating Skills**
- **And more being created...**

Coverage by course

Heavy coverage *** Medium coverage ** Light coverage *	Practical Tips for Controllers & CFOs	Practical Tips to Get Through Cash Difficulties	Practical Financial Negotiation Tips	Practical Brainstorming - Top Ten Trouble Spots & Other Practical Topics for Financial Leaders (1)	Practical Work Smarts for All	Practical Tips for NFP Financial Leaders	Practical Tips for Government Accountants	Practical Work Solutions from Case Discussions	Ethics – Some Different Angles
Length	7 hours	2 hours	Half day	Half day	2 hours	6 hours	6 hours	2 hours	1 hour
Humour	***	***	***	***	***	***	***	***	***
Improving financial reporting	**					***	**		
Bank negotiations	**	**	*			**			
Dealing with tight cash		***							
Negotiations	*	**	***	*	*	*	**	**	
Cost-saving	**	**		***		**			
People & management	*	*	**	**	***	*	**	**	
Business smarts	***	***	***	***	***	***	***	***	***
KPIs	***					***	***		
Fast close	**					**	**		
Technology/systems	**				**	**	**	**	
Strategic thinking	*	*	*		**			***	
Lawyers/contracts	***		*			***	***		
SRED	**								
Taking a new job	***					***	***		
Ethics	***	*	*			***	***	*	***



Course coverage

Heavy coverage ♦♦♦ Medium coverage ♦♦ Light coverage ♦	Sharpen Your Business Loan Negotiating Skills	Practical Tips to Improve Your Internal Financial Reporting	Contract Review Tips for Accountants	Practical Foreign Exchange Management	Ethics – Where <u>The</u> Rubber Hits The Road	Ethics – That Feeling in Your Gut	Ethics for Government Accountants	Ethics for Not-For-Profit Accountants	Build Your Ethical Muscles
Length	2 hours	1.5 hours	1 hour	1 hour	2 hours	2 hours	1 hour	1 hour	2 hours
Humour	♦♦♦	♦♦♦	♦♦♦	♦♦♦	♦♦♦	♦♦♦	♦♦♦	♦♦♦	♦♦♦
Improving financial reporting		♦♦♦							
Bank negotiations	♦♦♦			♦♦♦					
Dealing with tight cash									
Negotiations									
Cost-saving	♦		♦	♦					
People & management						♦	♦	♦	♦
Business smarts	♦♦♦	♦♦♦	♦♦♦	♦♦♦	♦♦♦	♦♦♦	♦♦♦	♦♦♦	♦♦♦
KPIs									
Fast close									
Technology/systems									
Strategic thinking									
Lawyers/contracts			♦♦♦						
SRED									
Taking a new job									
Ethics					♦♦♦	♦♦♦	♦♦♦	♦♦♦	♦♦♦



Closing comments

- Was the course boring?
- Send me an e-mail spriddle@bell.net, to pick my brain or for questions
- Do LinkedIn with me
- Thanks for attending



Note

- For full course information, see **www.practicalpd.com**



Closing comments

- I hope to meet you one day at an in person course or webinar
- Was this boring?
- Send me an e-mail [**spriddle@bell.net**](mailto:spriddle@bell.net), to get completed slides & a case solution
- Do LinkedIn with me
- Please provide a course evaluation/review

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