
Foreign Exchange Exposure and Hedging Strategy Training Course

6 – 10 September 2027
Barcelona





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Ref: 71_12887 **Date:** 6 – 10 September 2027 **Location:** Barcelona **Fees:** 4800 GBP

Programme Summary

Foreign exchange exposure and hedging strategy is a five-day training course for senior finance and risk executives at strategic level, culminating in a board-ready FX risk policy and hedging plan for their own organisation. Currency movements can erase margins and distort reported results, yet many organisations hedge by habit rather than by policy. The approach moves from exposure identification and measurement to instrument selection, hedge accounting and governance. Mars Training Centre UK delivers this programme in foreign exchange exposure and hedging strategy.

The Business Case

Unmanaged foreign exchange risk surfaces as missed budgets, volatile earnings and unexpected cash calls on derivative positions. Organisations that define their risk appetite, measure exposure consistently and hedge within an approved policy give boards a clear view of what is protected and what is deliberately left open.

- **Earnings and Cash Flow Volatility:** Narrows as material exposures are hedged against approved ratios and tenors.
- **Cost of Hedging:** Falls as natural offsets are netted before any external derivative is bought.
- **Reporting Credibility:** Improves as hedge relationships qualify for hedge accounting and disclosures explain the strategy.

Principles and Evidence Base

- **IFRS 9 Financial Instruments:** Frames the cash flow, fair value and net investment hedge models, the economic relationship test and the hedge ratio in Session 4.
- **IAS 21 The Effects of Changes in Foreign Exchange Rates:** Explains how translation exposure arises when foreign operations are consolidated, examined in Session 1.
- **IFRS 7 Financial Instruments Disclosures:** Shapes how risk management strategy and hedge effects are reported to investors in Session 5.
- **Value at Risk and Cash-Flow-at-Risk:** Provide the statistical basis for sizing currency exposure under normal and stressed markets in Session 2.

Intended Participants

- Executives who approve treasury policy and currency risk appetite for a group or institution.
- Leaders who decide which foreign currency exposures to hedge, when and with which instruments.
- Senior managers accountable for financial reporting of derivatives and hedge relationships.
- Risk heads who report market risk positions to audit and risk committees.



The programme serves corporate treasury, banking, energy and commodities, and government investment and procurement functions.

Learning Outcomes

1. Participants will be able to diagnose transaction, translation and economic exposure across a multi-currency business.
2. Participants will be able to quantify currency risk using sensitivity, scenario, Value at Risk and cash-flow-at-risk measures.
3. Participants will be able to evaluate forwards, swaps and options against cost, flexibility and credit implications.
4. Participants will be able to construct hedge relationships that meet the IFRS 9 hedge accounting requirements.
5. Participants will be able to justify a hedging policy with ratios, tenors, limits and delegated authorities.
6. Participants will be able to prioritise FX risk metrics for board and committee reporting.

Programme Structure

Day 1: Foreign Exchange Exposure Identification

Where does currency risk enter the organisation, and which exposures matter?

- Transaction Exposure in Sales, Procurement and Debt
- Translation Exposure Under IAS 21
- Economic and Competitive Exposure Mapping
- Pegged and Floating Currency Regimes
- Exposure Data Collection From Business Units

Day 2: Measuring Currency Risk

How large is the exposure, and how bad could an adverse move become?

- Netting and Natural Hedging Analysis
- Sensitivity and Scenario Analysis
- Value at Risk for Currency Positions
- Cash-Flow-at-Risk for Forecast Exposures
- Stress Testing Against Historical Shocks

Day 3: Hedging Instruments and Execution

Which instrument fits each exposure, and what does it truly cost?



- Outright Forwards and Non-Deliverable Forwards
- FX Swaps and Cross-Currency Swaps
- Vanilla Options, Collars and Participating Structures
- Counterparty Credit, Collateral and Master Agreements
- Execution, Pricing Transparency and Dealing Controls

Day 4: Hedge Accounting and Policy Design

How are hedges documented, accounted for and governed by policy?

- IFRS 9 Cash Flow, Fair Value and Net Investment Hedges
- Economic Relationship, Hedge Ratio and Ineffectiveness
- Hedge Documentation and Designation Files
- Risk Appetite, Hedge Ratios and Tenor Bands
- Delegated Authorities and Segregation of Duties

Day 5: Applying FX Risk Governance

How are exposure, measurement, instruments and policy combined into one approved plan?

- Exposure Profile of a Participant Organisation
- Hedging Strategy Simulation Under Market Shocks
- Board and Committee FX Risk Dashboard
- IFRS 7 Risk Disclosure Review
- FX Risk Policy and Hedging Plan Presentation

Methodology

The programme is built around a data workshop. Participants work with exposure registers, forward curves and option pricing outputs and test hedging choices against simulated market moves. Cases come from manufacturing, energy, banking and public investment entities.

- Suggested activity: Building a consolidated exposure register for a group with five operating currencies.
- Suggested activity: Comparing a forward, a collar and a no-hedge outcome across three rate scenarios.
- Suggested activity: Preparing hedge designation documentation for a forecast purchase.

Capstone Output

Each participant completes an FX risk policy and hedging plan for their organisation. It contains an exposure map, risk measures, approved instruments, hedge ratios and tenors, hedge accounting designations, limits and authorities, and a reporting dashboard, ready for review by the treasury or risk committee.



Frequently Asked Questions

Is foreign exchange exposure and hedging strategy suitable for finance leaders without dealing experience?

Yes. It suits CFOs, treasurers, finance directors and risk heads. It assumes senior finance experience but no prior derivatives dealing.

Which standards underpin foreign exchange exposure and hedging strategy?

It rests on IFRS 9 for hedge accounting, IAS 21 for translation of foreign operations and IFRS 7 for disclosures, with Value at Risk and cash-flow-at-risk used to measure exposure.

How is the foreign exchange risk policy and hedging plan used at work?

You take back a draft policy and plan that your treasury or risk committee can review, approve and monitor.

How does foreign exchange exposure and hedging strategy differ from general treasury and cash management programmes?

It concentrates on currency risk alone, covering exposure measurement, derivative choice, hedge accounting and governance in depth, whereas treasury programmes spread time across liquidity, funding and banking relationships.